

**MARCH 14, 2013**

The Gallia County Board of Commissioners met on this date for the purpose of approving the minutes of the previous meeting and current transfers, appropriations and bills. At 9:00 a.m. the meeting was called to order by President Harold G. Montgomery. Roll Call: President Harold G. Montgomery, present; Vice President David K. Smith, present; Commissioner Brent Saunders, present.

The President entertained a motion for approval of the March 7, 2013 minutes. David K. Smith made and Brent Saunders seconded the motion. Roll call: Mr. Montgomery, yea; Mr. Smith, yea; Mr. Saunders, yea.

<b>Animal Shelter Canine Weekly Report</b>													
Week Ending	Came in	Adopted	Reclaimed	Euthanized	Rescued	MIA	Died (Natural Causes)	Destroyed (in field)	To Foster Care	Back from Foster	Foster Care Total	Total Out	Shelter Total
3/11	22	2	2	0	14	0	1	0	3	1	0	0	23

**FY 2012 CDBG FORMULA GRANT (B-F-12-1AY-1)**  
**SIGNATURE CARD RESOLUTION**

County Administrator Karen Sprague presented the Commission with the Signature Card documents to update those allowed to sign for CDBG grants for 2013, which must be submitted to the Ohio Development Services Agency. Harold Montgomery entertained a motion that the Signature Card forms be approved and signed as presented. David K. Smith made and Brent Saunders seconded that motion. Upon roll call votes were as follows: Harold Montgomery, yea; David Smith, yea; Brent Saunders, yea. The form is on file in the County's CDBG grant files.

**HOUSING SEMI-ANNUAL PROGRAM INCOME REPORT**  
**FY 2012 CDBG CHIP/HOME GRANTS (B-C-11-1AY-1 & B-C-11-1AY-2)**

Karen Sprague, County Administrator, presented the Commission with the Housing Semi-Annual Program Income Report for the period June 30, 2012 thru December 31, 2012 for the County's CHIP/HOME Grants Program Income, which must be submitted to the Ohio Department of Development. Harold Montgomery entertained a motion that the Program Income Report be approved and signed as presented. Brent Saunders made and David K. Smith seconded that motion. Upon roll call votes were as follows: Harold Montgomery, yea; David Smith, yea; Brent Saunders, yea. The form is on file in the County's CDBG grant files.

**2013 HOUSING ADVISORY COMMITTEE APPOINTMENTS**

County Administrator Karen Sprague presented the Commission with requirements from the Ohio Development Services Agency for appointments for the 2013 Housing Advisory Committee (HAC) whose task is to identify gaps in services of the underserved low to moderate income population in the area and recommend eligible Community Housing Improvement Program (CHIP) activities that will increase service to that population. Per ODOD, there are specific agencies that must be represented in the HAC; therefore Ms. Sprague recommended the following appointments to the 2013 Housing Advisory Committee:

<b><u>2013 HAC AGENCIES/ORGANIZATIONS</u></b>	<b><u>First Name</u></b>	<b><u>Last Name</u></b>	<b><u>Title</u></b>
Local Gov't Staff - Gallia County Commissioners Office	Karen	Sprague	County Administrator
Public Housing Authority - Gallia Metro Housing Auth.	Les	Young	Acting Exec. Director
Community Action Agency - GMCAA	Keith	Romine	Housing Director
Community Action Agency - GMCAA	Diana	Roush	Program Assistant
Fair Housing Representative - County	Karen	Sprague	County Administrator
Fair Housing Representative - GMCAA	Diana	Roush	Housing Assistant
Community Development Staff - GC Econ Dev Dept	Melissa	Clark	GC ED Director
Area Agency of Aging - District 7	Kristy	Bowman	Benefit Specialist
Homeless Shelter Agency	Melissa	Kimmel	Executive Director
DD Organization - Gallia County DD	Tim	Stout	Adult Services Director
Substance Abuse Counseling Agency - Woodland Centers	Jamie	Knapp	Housing Specialist
Habitat for Humanity - NONE IN GALLIA COUNTY			
Job & Family Services Agency - GCJFS	Lori	Church	Supervisor
Domestic Violence Shelter	Melissa	Kimmel	Executive Director
Local Landlord	Roma	Wood	Local Landlord
Local Health Department - GCHD	Barb	Bradley	Sanitarian
Local Continuum of Care	Melissa	Kimmel	Co-Chair GJMV COC

Harold Montgomery entertained a motion to appoint the above stated persons to the 2013 Housing Advisory Committee. Brent Saunders made and David K. Smith seconded that motion. Roll call votes: Mr. Montgomery, yea; Mr. Smith, yea; Mr. Saunders, yea.

**CHILDREN SERVICES AGENCY UPDATE**

Executive Director Russ Moore and Vice President Kent Shawver met with the Commission for an update of the agency's fiscal condition. Cash, expenditures, intake and screening reports were distributed for January and February 2013 and reviewed by everyone. No action taken.

**EMA**

The Commission was in receipt of the Gallia County 2012 Hazard Mitigation Plan Draft.

**KANAUGA ADDISON SEWER DISTRICT****RESOLUTION ESTABLISHING THE KANAUGA ADDISON SANITARY SEWER DISTRICT IN THE COUNTY OF GALLIA, OHIO.**

WHEREAS, Chapter 6117 of the Ohio Revised Code (the "Act"), and particularly Section 6117.01 thereof, authorizes a board of county commissioners to establish a sanitary sewer district for the purpose of preserving and promoting the public health and welfare in areas outside of municipal corporations;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners (the "Board") of the County of Gallia, Ohio, that:

SECTION 1. This Board hereby determines that it is necessary and appropriate to establish, and there is hereby established, a sanitary sewer district in the Kanauga/Addison area of the County of Gallia, Ohio (the "County") for the purposes of the Act, to be known as the "Kanauga Addison Sanitary Sewer District" (the "Sewer District").

SECTION 2. The boundaries of the Sewer District shall be as indicated on Exhibit A attached hereto.

SECTION 3. All prior actions of this Board and of the County's officers, employees, agents, attorneys and contractors in connection with the construction and installation of a sanitary sewer collection system within the Sewer District (the "Utility"), connections to the Utility, the levy and collection of rates and charges for the services of the Utility and the financing of the Utility, are hereby approved, ratified and confirmed.

SECTION 4. It is found and determined that all formal actions of this Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board, and that all deliberations of this Board and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law, including Section 121.22 of the Ohio Revised Code.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

The President entertained a motion to approve the resolution establishing the Kanauga Addison Sewer District. David K. Smith made and Brent Saunders seconded the motion. Roll call: Mr. Montgomery, yea; Mr. Smith, yea; Mr. Saunders, yea.

**KA SEWER – USDA LOAN PRE-CLOSING**

The President entertained a motion to approve the following resolution:

RESOLUTION AUTHORIZING THE ISSUANCE OF \$1,862,000 SANITARY SEWER SYSTEM REVENUE BONDS, SERIES 2013 OF THE COUNTY OF GALLIA, OHIO FOR THE PURPOSE OF CONSTRUCTING IMPROVEMENTS TO THE COUNTY'S SANITARY SEWER COLLECTION SYSTEM IN THE KANAUGA/ADDISON AREA OF THE COUNTY LOCATED IN THE KANAUGA ADDISON SANITARY SEWER DISTRICT; PRESCRIBING THE FORM OF SUCH BONDS; PROVIDING FOR THE COLLECTION OF SUFFICIENT REVENUES TO PAY THE COSTS OF OPERATING AND MAINTAINING SUCH SYSTEM, AN ADEQUATE RESERVE FUND AND THE PAYMENT OF SUCH BONDS, PROVIDING FOR THE SECURITY AND THE PAYMENT OF SUCH BONDS AND ANY ADDITIONAL BONDS ISSUED ON A PARITY THEREWITH; AND PROVIDING FOR THE SEGREGATION AND DISTRIBUTION OF REVENUES OF SUCH SYSTEM AND THE RIGHTS OF THE OWNERS OF SUCH BONDS.

WHEREAS, the County of Gallia, Ohio (the "Issuer") has heretofore established a sanitary sewer district known as the Kanauga Addison Sanitary Sewer District (the "District"), and has heretofore proposed the acquisition and construction of a sanitary sewer collection system in the Kanauga/Addison area of the County located in the District (which system, along with any enlargements and extensions thereof is referred to herein as the "System"); and

WHEREAS, the Issuer has established sewer rates, charges and rents to be charged to and collected from all persons whose premises are served by a connection to the System (such rates, charges and rents, as amended from time to time, and all other revenues derived from the Issuer's ownership or operation of the System and from all services, properties and facilities of the System, or otherwise arising out of operation of the System, whether or not recurring, are collectively referred to herein as the "Revenues"); and

WHEREAS, the Revenues are designed and intended to provide a surplus, after the payment of costs of operating and maintaining the System, for the payment of principal of and interest on obligations incurred and to be incurred in connection with the System (including the Sanitary Sewer System Revenue Bonds authorized hereby) and the provision of adequate reserves; and

WHEREAS, the Board of County Commissioners of the Issuer (the "Board") has heretofore determined the necessity of acquiring and constructing improvements to the System known as the Kanauga/Addison sanitary sewer collection system project (collectively, the "Project") for the purpose of preserving and promoting the public health and welfare, in accordance with plans and designs which have been accepted and approved by the Board and are now on file in the office of the Board and open for public inspection; and

WHEREAS, the Board has determined to finance the Project in part by grants in the amounts of \$1,022,000 and \$250,000 (the "Project Grants") from the United States of America, acting through its Department of Agriculture (the "Government") and the Appalachian Regional Commission, respectively, and by a loan from the Government, which loan is to be in the form of Sanitary Sewer System Revenue Bonds of the Issuer in the aggregate amount of not to exceed \$1,862,000 (the "Government Loan"), which bonds are to be secured by a first pledge of and lien on the Revenues as described herein; and

WHEREAS, the County Auditor, as fiscal officer of the County, has heretofore certified to this Board that the estimated that the life of the improvements comprising the hereinafter-defined Project is at least five (5) years, and that the maximum maturity of the bonds issued therefore is forty (40) years; and

WHEREAS, this Board finds all conditions precedent to the issuance and sale of the herein-authorized Sanitary Sewer System Revenue Bonds have been met or can be met prior to the closing of such bond issue;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners (the "Board") of the County of Gallia, Ohio, that:

SECTION 1. It is necessary to issue and sell \$1,862,000 of Sanitary Sewer System Revenue Bonds of the Issuer (the "Series 2013 Bonds") pursuant to Chapters 133 and 6117 of the Ohio Revised Code (together, the "Act"), and particularly Section 133.08 thereof, for the purpose of paying part of the cost of the Project. The Series 2013 Bonds shall be issued as a single series of Bonds in the principal amount of \$1,862,000, numbered from R-1 upward in order of issuance, maturing in installments on or before forty (40) years from the date of such Bonds. With the Government purchasing all of the Series 2013 Bonds, the Series 2013 Bonds shall be initially issued as a single Bond in the denomination of \$1,862,000, registered as to both principal and interest in the name of "United States of America". The Series 2013 Bonds shall be substantially in the form of Exhibit A attached hereto and incorporated herein by reference, shall be designated "Sanitary Sewer System Revenue Bonds, Series 2013". The outstanding principal amount of the Series 2013 Bonds from time to time shall bear interest at the rate of three and one hundred twenty-five thousandths

percent (3.125%) per annum, calculated from the last date to which interest has been paid, or, if no interest has been paid, from the date of their issuance and on the basis of the actual number of days and a 365 day year. The interest on the Series 2013 Bonds shall be payable annually on dates to be set forth in the Series 2013 (each, a "Bond Payment Date"), until the final payment of the principal amount of each Series 2013 Bond. The principal of the Series 2013 Bonds shall be due and payable in installments as set forth in Section 3 of this Resolution.

The Series 2013 Bonds shall be signed by at least two member of the Board and by the County Auditor, provided that all but one of such signatures may be facsimiles. The Series 2013 Bonds shall be in the denomination of \$100 and any integral multiple thereof, provided that if the Government is the owner of the Series 2013 Bonds, the Series 2013 Bonds shall be in a principal amount equal to the aggregate principal amount of the Series 2013 Bonds. It is hereby determined that the issuance of the Series 2013 Bonds upon the terms described herein, including the redemption provisions specified below, will be in the best interest of the Issuer. This Board hereby declares and determines the estimated life or period of usefulness of the improvements to the System acquired and constructed, and to be acquired and constructed, as part of the Project is at least forty (40) years from the date of issuance of the Series 2013 Bonds. All actions of the Board and the Issuer, its officers and employees in connection with the application for, acceptance of and expenditure of the proceeds of, the Project Loan, the Project Grants and the Interim Loan are hereby approved, ratified and confirmed.

SECTION 2. The Series 2013 Bonds shall be issued pursuant to the Act, and shall be negotiable instruments pursuant to the Act. Ownership of the Series 2013 Bonds shall be registered on the books of the Issuer kept for that purpose by the County Auditor, who is hereby designate to serve as paying agent, registrar and transfer agent (the "Paying Agent and Registrar") for the Series 2013 Bonds, upon presentation thereof. Registration of the ownership of the Series 2013 Bonds shall also be evidenced by a notation to that effect on the Series 2013 Bonds. In the event the Series 2013 Bonds are held by other than the Government, the Issuer may contract in accordance with Section 9.96, Ohio Revised Code, for services of a bank or trust company to serve as the Paying Agent and Registrar. Installments of principal of and interest on the Series 2013 Bonds and any Additional Bonds, as hereinafter defined (the "Bond Service Charges"), shall be payable in lawful money of the United States of America to the registered owner thereof as shown on the registration records of the Issuer. The Issuer and the Paying Agent and Registrar may deem and treat the registered owner of the Series 2013 Bonds as the absolute owner thereof for all purposes, and neither the Issuer nor the Paying Agent and Registrar shall be affected by any notice to the contrary. Payments of installments of Bond Service Charges shall be made by check or draft mailed by the Issuer to the registered owner thereof at the address shown on the registration records of the Issuer, except that the final installment of Bond Service Charges shall be made upon presentation and surrender thereof to the Paying Agent and Registrar.

The Issuer shall upon request of the holder of any Series 2013 Bond other than the Government, at any time at the expense of such holder, and within ninety (90) days after such request, exchange Series 2013 Bonds for Series 2013 Bonds of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates, as the Series 2013 Bonds being exchanged. The Issuer shall upon the request of the Government, at any time at the expense of the Issuer, and within ninety (90) days after such request, exchange the Series 2013 Bond for Series 2013 Bonds of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, bearing interest at the same rate, and maturing on the same date or dates as, the Series 2013 Bond being exchanged. Series 2013 Bonds shall be so exchanged only for and upon surrender to the Paying Agent and Registrar of the corresponding Series 2013 Bond or Bonds being exchanged which shall then immediately be cancelled by the Paying Agent and Registrar. The Series 2013 Bonds shall be transferable, without charge to the holder, only on the registration books of the Issuer upon presentation to the Paying Agent and Registrar with a written transfer duly acknowledged by the registered holder or such holder's attorney and such transfer to be noted on the registration records of the Issuer and on the Series 2013 Bond, provided that no such transfer shall be permitted until the entire principal amount of the Series 2013 Bonds has been advanced to the Issuer by the purchaser of the Series 2013 Bonds.

SECTION 3. The principal of the Series 2013 Bonds shall be due and payable in annual installments in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$0	2034	\$45,600
2015	0	2035	47,100
2016	26,200	2036	48,500
2017	27,000	2037	50,000
2018	27,900	2038	51,600
2019	28,800	2039	53,200
2020	29,600	2040	54,800
2021	30,600	2041	56,600
2022	31,500	2042	58,400
2023	32,500	2043	60,100
2024	33,600	2044	62,100
2025	34,500	2045	63,900
2026	35,700	2046	66,000
2027	36,800	2047	68,100
2028	37,900	2048	70,100
2029	39,100	2049	72,400
2030	40,300	2050	74,600
2031	41,600	2051	77,000
2032	42,900	2052	79,400
2033	44,200	2053	81,800

SECTION 4. The Series 2013 Bonds shall be subject to redemption in whole, or in part in integral multiples of \$100, at any time at the option of the Issuer at par plus accrued interest to the date of redemption, provided that any partial redemption shall be applied in such order of maturity as the Issuer shall determine. Notice of the exercise of such right of redemption shall be given by written notice to the registered owner of the Series 2013 Bonds to be redeemed mailed not less than 30 days prior to the redemption date.

The Series 2013 Bonds and the lien on the Revenues securing the Series 2013 Bonds may not be defeased without the prior written consent of the Government.

SECTION 5. The Series 2013 Bonds and any additional Sanitary Sewer System Revenue Bonds issued on a parity therewith as provided herein ("Additional Bonds" and together with the Series 2013 Bonds, the "Bonds") shall be payable solely from (i) the Revenues deposited in the Kanauga Addison Sanitary Sewer District Revenue Fund (the "Revenue Fund") heretofore created in the custody of the Issuer, and (ii) the moneys and investments in the Bond

Payment Fund, the Reserve Fund, and the Surplus Fund, all as hereinafter defined, in the manner hereinafter described, all of which are hereby pledged to the payment of the Bonds to the extent permitted by law upon the terms set forth below. The Bonds shall not constitute an indebtedness of the Issuer, the State of Ohio, or any political subdivision thereof within the meaning of the laws and the Constitution of the State of Ohio, and the registered owner of the Bonds shall not have the right to have taxes or excises levied by the Issuer, the State of Ohio, or any political subdivision thereof for the payment of Bond Service Charges on the Bonds; provided, however, that nothing herein shall be deemed to prohibit the Issuer from using, of its own volition, any of its other lawfully available resources for the fulfillment of any of the terms and conditions of this Resolution or the Series 2013 Bonds.

SECTION 6. The Issuer shall be the custodian of all funds and accounts belonging to or associated with the System and such funds and accounts in the custody of the Issuer shall be deposited in a bank which is a member of the Federal Deposit Insurance Corporation, or its successor, if so required by the Government. So long as the Government is the owner of the Bonds and requires a fidelity bond, the Issuer shall obtain, and keep in force, a fidelity bond to the extent and in the amount required by the Government. Such fidelity bond shall be with a surety company approved by the Government, and the Government and the Issuer shall be named as co-obligees in such fidelity bond and the amount of such fidelity bond shall not be reduced without the prior written consent of the Government.

SECTION 7. So long as any of the Bonds are outstanding, the Issuer shall deposit the Revenues into the Revenue Fund, and shall make the following payments in the following order from amounts in the Revenue Fund:

(i) From time to time as and when required, all reasonable and proper expenses of operating and maintaining the System, such expenses to exclude those of any other utility of the Issuer, whether or not such other utility shall be operated as a single unit with the System, and further to exclude depreciation and capital replacements.

(ii) Monthly, commencing with the month following the initial issuance of the Series 2013 Bonds, to the Kanauga/Addison Sanitary Sewer System Revenue Bond Payment Fund hereby created in the custody of the Issuer as a separate account within the Revenue Fund (the "Bond Payment Fund"), an amount at least equal to one-twelfth (1/12), or such larger amount as is necessary, of the amount due and payable with respect to the Bonds on the next Bond Payment Date. If for any reason there is a failure to make such monthly deposit, then an amount equal to the deficiency shall be set aside and deposited in the Bond Payment Fund from moneys on deposit in the Revenue Fund in the ensuing month or months, which amount shall be in addition to the regular monthly deposit required during such succeeding month or months.

All moneys and investments in the Bond Payment Fund shall be used only for the payment of the Bond Service Charges on the Bonds when due. Whenever there shall accumulate in the Bond Payment Fund amounts in excess of the requirements during the next twelve (12) months for paying the principal of Bonds falling due and interest on all outstanding Bonds and in excess of the requirements of the Reserve Fund hereinafter established, such excess may be used by the Issuer for redemption of Bonds in the manner set out in Section 4 of this Resolution.

(iii) Monthly, commencing with the month following the initial issuance of the Series 2013 Bonds, to the Kanauga/Addison Sanitary Sewer System Revenue Bond Debt Service Reserve Fund hereby created in the custody of the Issuer (the "Reserve Fund"), an amount equal to \$703.93 until there is \$84,471 (the "Minimum Reserve") accumulated in the Reserve Fund, after which no further payments need be made to the Reserve Fund except to replace withdrawals therefrom. With the approval of the Government, the Minimum Reserve shall be used and disbursed only for the purpose of paying the cost of repairing or replacing any damage to the System which may be caused by an unforeseen catastrophe, and when necessary for the purpose of making payments of Bond Service Charges on the Bonds when due and payable if the amount in the Bond Payment Fund is not sufficient to meet such payments. Whenever disbursements are made from the Reserve Fund, monthly payments shall be resumed until there is again accumulated an amount equal to the Minimum Reserve, at which time payments may be again discontinued.

(iv) Monthly, commencing with the month following the initial issuance of the Series 2013 Bonds, any moneys remaining in the Revenue Fund after paying the amounts set forth above and reserving in the Revenue Fund an adequate amount as working capital for the System, shall be transferred to the Kanauga/Addison Sanitary Sewer System Revenue Bond Surplus Fund, hereby created in the custody of the Issuer as a separate account within the Revenue Fund (the "Surplus Fund"). Moneys in the Surplus Fund shall be used to pay the Bond Service Charges on the Bonds to the extent moneys in the Bond Payment Fund and the Reserve Fund are insufficient, and otherwise may be used for making extensions or improvements to the System, redeeming outstanding Bonds, redeeming outstanding Bonds prior to maturity, paying other obligations issued to finance improvements to the System, and any other use of the revenues of the System authorized by law.

SECTION 8. The monies in the Revenue Fund, the Bond Payment Fund, the Reserve Fund and the Surplus Fund may be invested as provided in Chapter 135 of the Ohio Revised Code. Any such investment and the interest earned thereon shall be credited to and become a part of the respective funds and accounts.

SECTION 9. The Series 2013 Bonds shall be and are hereby sold to the Government at par and accrued interest to the date of delivery of the Series 2013 Bonds in accordance with its offer to purchase which is hereby accepted. All proceeds received from the sale of the Series 2013 Bonds, other than accrued interest, shall be deposited in an appropriate fund or account of the Issuer created pursuant to applicable law (the "Project Fund") and used, along with any other moneys of the Issuer appropriated for the purpose, to pay costs of the Project and for no other purpose; any such proceeds remaining in the Project Fund at the conclusion or termination of the Project shall be transferred to the Bond Payment Fund. The proceeds of the Series 2013 Bonds are hereby appropriated for the foregoing purposes. Any accrued interest shall be deposited upon receipt into the Bond Payment Fund.

The members of this Board, the County Administrator, the County Auditor, the County Treasurer, the Clerk of this Board, and other appropriate officials of the County, are each hereby separately authorized, without further action of the Board, to take any and all actions and to execute such other instruments that may be necessary or appropriate in the opinion of Peck, Shaffer & Williams LLP, bond counsel for the Series 2013 Bonds, in order to effect the issuance of the Series 2013 Bonds and the intent of this Resolution. The Clerk of this Board, or other appropriate officer of the County, shall certify a true transcript of all proceedings had with respect to the issuance of the Series 2013 Bonds, along with such information from the records of the County as is necessary to determine the regularity and validity of the issuance of the Series 2013 Bonds.

SECTION 10. The Issuer covenants and agrees so long as any of the Bonds remain unpaid as follows:

(a) The rates and charges for all services and facilities rendered by the System shall be reasonable and just, taking into consideration the costs and value of the System and costs of maintaining, repairing and operating the same and the amounts necessary for the retirement of the Bonds, and there shall be charged such rates and rates and charges as shall be adequate to meet the requirements of this Resolution.

(b) The Issuer will comply with applicable state laws and the regulations and continually operate and maintain the System in good condition.

(c) The System shall be operated as a public utility including all extensions and improvements to the System. No customer of the System, individual, corporation or municipality, shall receive free services or any service without being charged the rates prescribed in the rules and regulations of the System. The reasonable cost and value of any service rendered to the Issuer in its individual capacity by the System, including reasonable rates and charges for public health benefits, shall be paid for monthly as such service accrues out of the current revenues of the Issuer, exclusive of the Revenues derived from the System.

(d) The Issuer will maintain complete books and records relating to the operation of the System and its financial affairs and will cause such books and records to be audited at the end of each fiscal year and an audit report prepared, and the Issuer will furnish to the Government so long as it is holder of any of the Bonds without request a copy of each audit report and will furnish any other holder of the Bonds a copy of such report upon written request. At all reasonable times, the owners of any Bonds shall have the right to inspect the System and the records, accounts and data relating thereto.

(e) The Issuer will maintain insurance coverage on the System and otherwise comply with Government regulations as may be required by the Government so long as Government is the holder of any Bonds, and otherwise, the Issuer will maintain insurance coverage on the System as is customary for utilities similar to the System as determined from time to time by the Board.

(f) The Issuer hereby grants to the owners of the Bonds from time to time a first lien on the Revenues and the moneys and investments in the Revenue Fund, the Bond Payment Fund, the Reserve Fund and the Surplus Fund upon the terms set forth herein. If at any time it should appear to the Issuer that the Revenues will be insufficient to pay the Bond Service Charges on the Bonds when due as well as any other obligations of the Issuer, the Issuer shall pay such Bond Service Charges on the Bonds prior to paying any other such obligations. The Issuer shall not transfer or use any portion of the Revenues for any purpose not herein specifically authorized.

(g) Except as otherwise specifically provided herein, so long as any Bonds are outstanding, the Issuer will not borrow any money from any source or enter into any contract or agreement or incur any other liabilities, in connection with making extensions or improvements other than normal maintenance to the System, without obtaining the prior written consent of the Government so long as it is the holder of any Series 2013 Bond, nor shall it transfer or use any portion of the Revenues for any purpose not herein specifically authorized.

Any additional notes, bonds or other obligations pledging any portion of the Revenues incurred or issued by the Issuer shall be junior and subordinate in all respects to the Bonds herein authorized unless the Government otherwise consents in writing so long as it is holder of any Bonds.

The Issuer may issue Additional Bonds on a parity with the lien securing any outstanding Bonds for the purpose of making reasonable repair, replacement or extensions of the System if the Government consents thereto in writing so long as it is holder of any Bonds. Otherwise Additional Bonds may be issued upon written consent of the holders of at least one-half of the then outstanding principal amount of the Bonds.

The funds and accounts herein established shall be applied to all Additional Bonds issued pursuant to this section as if such Additional Bonds were part of the original Bond issue, and all revenues from any such extension or replacement constructed by the proceeds of a parity obligation issue shall be paid to the Revenue Fund.

(h) The Issuer will not cause or permit any voluntary dissolution of its organization, merge or consolidate with any other political subdivision, dispose of or transfer its title to the System or any part thereof including lands and interest in lands, by sale, mortgage, lease or other encumbrance.

(i) Prior to the beginning of each fiscal year the Issuer will prepare an annual budget of the System for the ensuing fiscal year itemized on the basis of monthly requirements. A copy of such budget shall be mailed without request to the Government as long as the Government is holder of any of the Bonds and upon written request of any other Bondholder.

(j) So long as the Government is holder of any of the Bonds, if at any time it shall appear to the Government that the Issuer is able to refund, upon call for redemption or with consent of the Government, the then outstanding Bonds, held by it, in whole or in part, by obtaining a loan for such purposes from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, the Issuer will, upon request of the Government, apply for and accept such loan in sufficient amount to repay the Government, and will take all such action as may be required in connection with such loan.

(k) The provisions of this Resolution shall constitute a contract between the Issuer and the owners of any of the Bonds, and after the issuance of the Bonds this Resolution shall not be repealed or amended in any respect which will adversely affect the rights and interests of the owners of the Bonds, nor shall this Board adopt any law, ordinance or resolution in any way adversely affecting the rights of the owners of the Bonds so long as any of the Bonds or interest thereon remains unpaid.

(l) All of the obligations set forth and covenants made under this Resolution are hereby established as duties specifically enjoined by law and resulting from an office, trust or station upon the Issuer within the meaning of Section 2731.01 et seq. of the Ohio Revised Code.

SECTION 11. If there shall be default in the provisions of this Resolution or in the payment of Bond Service Charges on any of the Bonds, upon the filing of a suit by any owner of any of the Bonds, any court having jurisdiction of the action may appoint a receiver to administer said System on behalf of the Issuer with power to charge and collect rates sufficient to provide for the payment of the Bonds and for the payment of operating expenses and to apply income and revenues in accordance with this Resolution and the laws of Ohio.

Owners of twenty per cent (20%) of the outstanding Bonds in the event of default may require by mandatory injunction the raising of rates in a reasonable amount except as otherwise provided by law.

The remedies described in this Section are in addition to any other remedies that any owner of any of the Bonds may have under applicable law.

SECTION 12. This Board hereby covenants that it will restrict the use of the proceeds of the Series 2013 Bonds hereby authorized in such manner and to such extent, if any, and take such other action as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute obligations the interest on which is subject to federal income taxation or "arbitrage bonds" under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations prescribed thereunder and will, to the extent possible, comply with all other applicable provisions of the Code and the regulations thereunder to retain the federal income tax exemption for interest on the Series 2013 Bonds, including any expenditure requirements, investment limitations, rebate requirements or use restrictions. The County Auditor, the County Treasurer, the Clerk of this Board or any other officer having responsibility with respect to the issuance of the Series 2013 Bonds is authorized and directed to give an appropriate certificate on behalf of the Issuer, on the date of delivery of the Series 2013 Bonds for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to the use of the proceeds thereof and the provisions of said Sections 103(b)(2) and 148 and regulations thereunder.

The Series 2013 Bonds are hereby designated as "qualified tax-exempt obligations" to the extent permitted by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). This Board finds and determines that the reasonable anticipated amount of qualified tax-exempt obligations (other than private activity bonds) which will be issued by the Issuer during this calendar year does not and the Board hereby covenants that, during such year, the amount of tax-exempt obligations issued by the Issuer and designated as "qualified tax-exempt obligations" for such purpose will not exceed \$10,000,000. The Treasurer of the Board and other appropriate officers, and any of them, are authorized to take such actions and give such certifications on behalf of the Issuer with respect to the reasonably anticipated amount of tax-exempt obligations to be issued by the Issuer during this calendar year and with respect to such other matters as appropriate under Section 265(b)(3).

SECTION 13. So long as the Government or any agency thereof is holder of any of the Series 2013 Bonds, the Issuer and this Resolution shall be subject to the Loan Resolution (RUS Bulletin 1780-27) relating to the Project and the Series 2013 Bonds adopted by the Board, copies of which are available for inspection at the office of the Clerk of the Board.

SECTION 14. Peck, Shaffer & Williams, LLP, attorneys of Cincinnati and Columbus, Ohio, be and are hereby retained as bond counsel to the Issuer to prepare the necessary authorizing documents, including this Resolution and the Series 2013 Bonds, and related closing documents for the authorization and issuance of the Series 2013 Bonds and, if appropriate, rendering its approving legal opinion in connection therewith.

SECTION 15. It is found and determined that all formal actions of this Board concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Board, and that all deliberations of this Board and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law, including Section 121.22 of the Ohio Revised Code.

SECTION 16. All resolutions and orders of the Issuer, or parts thereof, in conflict with the provisions of this Resolution are to the extent of such conflict hereby repealed, and each section of this Resolution is independent and the finding or holding of any section or subdivision hereof to be invalid or void shall not be deemed or held to affect the validity of any other section or subdivision of this Resolution. The provisions of this Resolution are subject to the laws of the State of Ohio.

SECTION 17. The Clerk of this Board is hereby directed to forward a certified copy of this Resolution to the County Auditor.

SECTION 18. This Resolution shall take effect immediately upon its adoption.

ADOPTED, this 14th day of March, 2013.

*s/ Harold G. Montgomery, President*

*s/ David K. Smith, Vice President*

*s/ Brent Saunders, Commissioner*

*s/ Lana J. Lane, Clerk to the Board*

Brent Saunders made and David K. Smith seconded the motion. Roll call: Mr. Montgomery, yea; Mr. Smith, yea; Mr. Saunders, yea. The following were in attendance: Gordon Parker & Teresa Ullman, USDA; Dennis Schwallie, Bond Counsel; Prosecuting Attorney Jeff Adkins, and County Auditor Larry Betz.

#### LOAN RESOLUTION

The President entertained a motion to sign the Loan Resolution for the Kanauga-Addison Sanitary Sewer Collection System. David K. Smith made and Brent Saunders seconded the motion. Roll call: Mr. Montgomery, yea; Mr. Smith, yea; Mr. Saunders, yea.

#### NATIONAL AGRICULTURE WEEK

In attendance for the Gallia County Farm Bureau: Jackie Graham, Bob & Vickie Powell, Jake Bodimer, President Paul Shoemaker, and Organization Director Kim Harless.

Paul Shoemaker informed the Commission that March 19<sup>th</sup> is National Ag Day, a time when producers, agricultural associations, and countless others across America gather to recognize and celebrate the abundance provided by American agriculture. Jackie Graham noted that according to USDA farmers and ranchers receive only 15.8 cents of every food dollar that consumers spend on food at home and away from home. Bob Powell presented information on Gallia County's agricultural industry.

Commissioners expressed their appreciation to the Bureau for the hard work they provide to the County. Brent Saunders made and David K. Smith seconded the motion to proclaim the following; Roll call: Mr. Montgomery, yea; Mr. Smith, yea; Mr. Saunders, yea.

#### NATIONAL AGRICULTURE WEEK

*When Americans sit down to a meal each day, we sometimes take for granted the quality, abundance and value of the food we eat. Our supermarkets, grocery stores and restaurants offer a tremendous selection of fruits, vegetables, meats, dairy products and other food items, but we often forget the hardworking men and women whose skill and effort put that food on our tables.*

*American agriculture plays a crucial role in strengthening our economy and in providing food for people around the world. While producing an abundance of safe and affordable food and fiber, our farmers also provide a source of jobs in our community. When you factor in all the jobs involved in processing, distributing and marketing food and fiber products, you see that American agriculture is truly everywhere and touches everyone in almost every way. American agriculture is our nation's largest employer. More than 22 million people today work in the agricultural industry. World population is expected to reach 7.9 billion by the year 2020 and American agriculture is poised to reach the demands of feeding this growing population.*

*Now, therefore, we, the Gallia County Commissioners, by virtue of the authority vested in us, do hereby proclaim March 17-23, 2013 as National Agriculture Week. We call upon citizens to acknowledge and celebrate the achievements of all those who, working together, produce an abundance of agricultural products that strengthen and enrich our community and our nation.*

*s/ Harold G. Montgomery*

*s/ David K. Smith*

*s/ Brent Saunders*

#### SECURITY SCREENING – QUOTE AWARD

County Administrator Karen Sprague advised the Commission that Probate/Juvenile Court has obtained a \$10,000 grant to pay a share for a new courthouse security screening machine for the courthouse lobby. This grant ends 3/31/2013. The existing machine has reached a point where it is old and outdated and parts can no longer be obtained to repair it. The Sheriff's office has obtained a quote for a new screening machine Model 5333-M from Autoclear LLC of Greensburg, PA quoting from the GSA Contract # GS-07F-9010D for pricing in the amount of \$20,799, price includes 1 year parts and labor warranty, installation, set-up, training and freight. Ms. Sprague further advised in order to be able to utilize the courts grant the item needs to be ordered immediately due to the grant deadline. Harold Montgomery entertained a motion to approve the quote award to Autoclear LLC as presented. David K. Smith moved and Brent Saunders seconded the motion. Upon roll call votes were as follows: Harold Montgomery, yea; David Smith, yea; Brent Saunders, yea.

\* Commissioners attended sewer meeting in the second floor meeting room of the Courthouse from 1:00 pm to 2:00 pm.

\* Commissioner David K. Smith left the meeting at 2:10 pm.

**EVALUATION OF GALLIA-MEIGS COMMUNITY ACTION AGENCY'S  
APPLICATION TO ADMINISTER GALLIA COUNTY'S FY 2013 CHIP GRANT**

Karen Sprague, County Administrator, advised the Commission that she received on 3/14/2013 the application to administer Gallia County's FY 2013 Community Housing Improvement Program (CHIP) grant from Gallia-Meigs Community Action Agency (CAA) as requested by the County. The Ohio Development Services Agency requires the County either bid this service out if we are not going to utilize a non-profit agency or request an application from a local non-profit agency. Gallia County chose to request the application from the CAA, a local non-profit, since they have administered Gallia County's last 9 CHIP grants and one CHIP grant for the City of Gallipolis and because they have done a very good job with all of them.

Gallia County must now evaluate the application that has been submitted based on the following criteria:

1. Financial capacity and stability
2. Experience and expertise
3. Demonstrated capacity including adequate staffing and organizational strength

If the application is deemed acceptable based on the evaluation criteria, Gallia County must then negotiate a written agreement with the non-profit agency. The agreement must contain, at a minimum, all federal uniform administrative requirements, a description of the work to be performed, a schedule for completion of work, a budget, procedures for disbursement of funds, requirements for records and reports that must be submitted, dispute resolution procedures, suspension and termination clauses and whatever other provisions are deemed necessary after consultation with the County Prosecuting Attorney and a review of federal, state and local regulations. The unsigned agreement (or signed with a clause that the agreement is contingent upon the county receiving the grant funding) must be included in the FY 2013 CHIP application, which is due to ODSA on 4/5/2013.

The agreement between the county and the nonprofit agency must then be formalized with a resolution passed by the Board of Gallia County Commissioners, stating it is being adopted pursuant to receipt of a grant agreement from ODOD.

If the County is awarded the grant, payment can only be made to the nonprofit agency upon completion documentation, and verification of a given phase or task as outlined in the written agreement and after the work has been properly reviewed by a county representative.

The agreement must state that Gallia County will identify a representative who will be responsible for overseeing the activity of the nonprofit and for making regular routine reviews of their performance.

Gallia County will be responsible for maintaining all the appropriate records associated with the procurement of the nonprofit agency including a copy of the RFA; the application submitted by the nonprofit agency; the evaluation rating tool complete with the agency's performance; the written agreement between the grantee and the nonprofit; the resolution; records on monitoring visits and oversight activities undertaken by the grantee; and a record of the disbursement of funds.

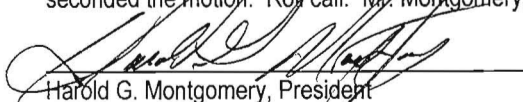
Karen Sprague requested that the Commission take some time to review the application by the CAA. She advised that she had thoroughly reviewed it and felt that it included all the information that was requested by the County. The following information was noted:

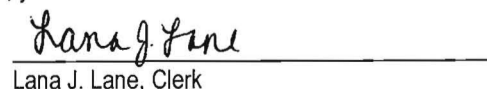
1. List of prior experience in administration and implementation of Community Housing Improvement Programs dating back to 1976 including total project budgets of \$19,631,291.00.
2. Organization chart of CAA staff for the CHIP program showing 9 trained and capable staff for administration and implementation of this project – included job/position descriptions, resumes and certificates of training for each staff member
3. List of Scope of Services to be provided to administer and implement the FY 2013 CHIP grant is received by the County
4. Independent Auditor's Report for the year ended 2/28/12, which reflects the following (most current one available at this time – upon completion of the year ended 2/28/12 report it will be provided as well):
  - a. "In our opinion, Community Action Program Committee of Meigs and Gallia County, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended February 28, 2012."
  - b. "We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses."
  - c. "We noted no findings or questioned or likely questioned costs for federal awards for the fiscal year ended February 28, 2012."

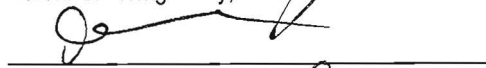
After review of CAA's application, Harold Montgomery entertained a motion to give the application a rating of 100%, deem the application acceptable based on all the 3 evaluation criteria listed above. Brent Saunders moved and Harold Montgomery seconded the motion. Roll call votes: Mr. Montgomery, yea; Mr. Saunders, yea.

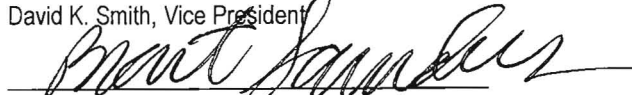
**ADJOURN**

At 2:55 p.m. the President entertained a motion for adjournment. Brent Saunders made and Harold Montgomery seconded the motion. Roll call: Mr. Montgomery, yea; Mr. Saunders, yea.

  
Harold G. Montgomery, President

  
Lana J. Lane, Clerk

  
David K. Smith, Vice President

  
Brent Saunders, Commissioner