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APPENDIX C-1

**MEMORANDUM OF UNDERSTANDING BETWEEN THE FLUVANNA COUNTY BOARD OF SUPERVISORS AND THE
LOUISA COUNTY BOARD OF SUPERVISORS CONCERNING PROVISION OF PUBLIC WATER SERVICE**



COPY

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
FLUVANNA COUNTY BOARD OF SUPERVISORS
AND THE
LOUISA COUNTY BOARD OF SUPERVISORS
CONCERNING PROVISION OF PUBLIC WATER SERVICE**

WHEREAS, both Counties have authorized, by action of the respective County Boards, for selected members of the Boards and staff to work together on the seven tasks outlined in Section 7.0 Next Step in the "Report of Recommended Water Supply Alternatives" dated October 2, 2002 (attached) and to negotiate toward an agreement between the Counties on joint water supply and service from the James River, and

WHEREAS, the Water Supply Work Group has met on a number of occasions beginning in November 2002, and

WHEREAS, both Counties have acknowledged needs for public water services, which the James River can satisfy, and

WHEREAS, the Counties find the best solution to their respective water needs is to provide service from the James River, and

WHEREAS, under this memorandum of understanding between the Fluvanna County Board of Supervisors and the Louisa County Board of Supervisors, hereinafter referred to as the Counties, the following understandings are acknowledged,

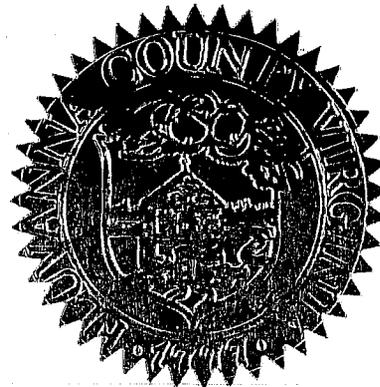
NOW THEREFORE BE IT RESOLVED THAT THE PARTIES INTEND AS FOLLOWS:

1. Each County will own and operate the lines and facilities within its boundaries.
2. The Counties each will have 50% of the capacity in the system, unless otherwise agreed and adjusted by contract at a later date.
3. The Counties each will invest in the system at a rate of 50% of the capital costs to build facilities needed to create the total capacity. This percentage corresponds with the percentage of capacity that will be reserved for each County.

4. It is recognized that the Louisa County Zion Cross Roads water tank is needed for pressure and storage and Fluvanna will credit Louisa County with 50% of the capital cost of the water tank.
5. Louisa County will purchase water at a wholesale rate. This wholesale rate will not include the capital cost of the original construction of the system.
6. Louisa County recognizes that the James River will be the primary source for water supply in the Zion Crossroads Area.
7. Both Counties agree that the water intake permitting process will be undertaken and started immediately in order to permit up to 6,000,000 gallons per day for withdrawal from the James River. The Counties will split the cost of this work equally. It is anticipated that the cost of permitting will be approximately \$30,000.
8. Both Counties agree to advertise for engineering services to commence design of the water system including detailed cost estimates. The Counties will split the cost of this work equally, except for those lines that serve only one County.
9. The initial phase of the water project is anticipated to be designed, permitted and constructed during the next 48 months. This phase of the project will include the water intake on the James River, a water treatment plant, and piping to deliver the water to the Fork Union Sanitary District, Zion Crossroads and the Fluvanna Correctional Facility.
10. It is anticipated that the water plant at the Fluvanna Correctional facility will continue to operate while the water system is being constructed. Louisa's water supply will be used for backup supply of the prison until the water supply from the James River is connected.
11. The joint Water Supply Work Group has drafted a three phase timetable and cost sharing plan for provision of the foregoing service.
12. It is the intent of the parties that the final agreement of the parties for the permanent implementation of the projects outlined hereinabove shall be set out in a formal contract to be negotiated between them. The parties agree to negotiate such agreement in good faith, but it is expressly understood that the parties do not intend to bind themselves with respect to the subject matter of this memorandum of understanding; that there are outstanding unresolved issues; and that there shall be no such final agreement unless and until the governing bodies of the parties shall have both agreed to all the terms and to the form thereof.

Witness the signatures of the respective authorized agents of the parties.

Board of Supervisors of Louisa County	Board of Supervisors of Fluyanna County
By <u><i>L. Edward A. Lane</i></u> Its Chairman	By <u><i>[Signature]</i></u> Is Chairman
Date: <u>3/30/04</u>	Date: <u>3/30/04</u>



**Report of Recommended Water Supply Alternative
Water Supply Work Group
October 2, 2002**

1.0 Introduction

The Board of Supervisors created the water supply work group at their regular meeting on June 19, 2002 in order to develop a recommendation to provide a more reliable water supply source for the Fork Union Sanitary District (FUSD) and other County needs. The work group was directed to return a recommendation to the Board of Supervisors by October 2, 2002. A copy of the extract and the presentation made at the June 19, 2002 Board of Supervisors' meeting is attached in Appendix A.

The Board of Supervisors selected the work group members at this meeting. The members include: Cecil Cobb, Supervisor of the Fork Union District; Len Gardner, Supervisor of the Rivanna District; Macon Sammons, County Administrator; Pat Groot, Grants Administrator; and John Robins, Director of Public Works.

This group has met seven times in order to review options and make a recommendation for a course of action with which the County can proceed that will provide a more reliable water supply. During the course of investigation of the various options it became clear that one of the better options for water supply would be the James River. While reviewing the costs of the components of a water supply using the James River, it was also very clear that the FUSD could not financially support this without help. Using partners to defray the cost of construction and operations was included in order to make this a financially viable solution.

Many studies have been undertaken presenting possible scenarios to provide water to various parts of Fluvanna County. The data in these studies were used in portions of this report. The data presented in these studies were reviewed and updated or modified to better represent possible future conditions as seen by the Work Group. No new studies were undertaken to complete this report. This new report was developed and assembled solely by the Water Supply Work Group.

This report presents the results of the deliberations, discussions and recommendations of this work group. It briefly touches on some of the background information concerning the difficulties faced by FUSD and other well users in the County; the estimates for needs in the County over the next 25 years; a recommended course of action; the estimated costs associated with this course of action; possible partners to share in the costs for construction and operations; and recommendations on what to do next.

2.0 Background

Within Fluvanna County, there are several public water supply systems. These are supplied by both groundwater and surface water supplies. Some examples include the following:

- The water system at Lake Monticello is supplied using water from the Rivanna River.
- The water system at the Women's Prison is supplied using water from the Mechunk Creek.
- The FUSD system is supplied using water wells and filter plants.
- The systems in Palmyra and Columbia are also using water wells to supply water to their customers.

These systems are undergoing various stresses due to the prolonged and severe drought that the east coast is experiencing at the present.

The degree of stress that each water system is facing is dependent upon primarily the source supply of water. Overall, it appears that the larger the source of water that is supplying the water system the better the system is dealing with the conditions caused by the drought. The small water system in Palmyra and Columbia as well as in FUSD are faced with shortages of supply from their groundwater wells as well as the uncertainty of being able to accurately monitor the level of the water that provides this supply. This makes it difficult to face this severe drought not knowing when the wells may run dry.

The Mechunk Creek, which is a small tributary that runs into the Rivanna River and then eventually into the James River, supplies the women's prison. The women's prison during this drought has been down to only 30 days of stored water on hand. The stored water was their only source of water at that time because the creek did not have any running water in it. They have been able to weather the drought so far not because they use the Mechunk Creek, a relatively small source of water, as a supply source but because they have a 35,000,000-gallon raw water storage pond next to the prison. They have used this pond successfully to store water from the creek during rain events. Even with this storage capability they have been very low on water and are currently reviewing plans to find water from another source.

The Lake Monticello water system is in better shape since the Rivanna River is larger than the Mechunk Creek. However, as can be readily noticed the Rivanna River is also very low and the Lake Monticello water system may also feel the effects of this prolonged drought.

Systems in the area that have dealt better with the drought are those that have a reliable source of water and adequate storage for raw water. One such system is in Louisa County. Adequate storage in the form of a reservoir allows for collection of water when the rivers are running full. The stored water can be used during the dry periods, such as now.

3.0 Estimated Demands for Water

There have been several studies concerning water supply, storage, treatment and distribution over the last 25 years. Information in this section was obtained from projections of demand by Timmons in their report entitled "Water and Wastewater, Preliminary Engineering Report and Facility Master Plan" dated November 6, 1998.

The projections were based on the growth areas in the County and the historic growth rate trends. The projected demands shown in this report seemed high to the Work Group and were decreased to reflect what seems more probably in the foreseeable future. These projected demands for water are shown in the following table. The areas that are represented are voting districts and are the ones that could be served readily by the water system that will be discussed later in this report.

Table No. 1 – Projected Water Demands (in gallons/day)

Area	2005	2010	2015	2025	Comments
Fork Union	200,000	250,000	275,000	300,000	
Palmyra	50,000	250,000	500,000	1,000,000	Route 250 Corridor
Columbia	50,000	100,000	200,000	300,000	Route 250 Corridor
Women's Prison	150,000	150,000	150,000	150,000	No projects known at this time
Louisa County	50,000	250,000	750,000	1,200,000	Zion Cross Roads Area and Route 250 Corridor
TOTALS	500,000	1,000,000	1,875,000	2,950,000	

4.0 Recommended Project Scope

The Work Group reviewed and discussed options to develop a more reliable water supply. It was decided that the bottom line for almost any feasible option is to use the James River in conjunction with a storage facility or reservoir. In this way the high flow conditions of the James can be used as a resource and not simply watched as it passes by the County on its way to the Atlantic. The recommendation of the Work Group is as follows:

1. The source of the water will be the James River;
2. The water intake will be the existing (although unused) intake for the Fork Union Sanitary District that is located just downstream of the bridge at Brems Bluff. (In addition, in the future, excess water during high flow conditions can be obtained

- from the East Coast Transport Incorporated (ECTI) intake for storage in a possible future County reservoir);
3. The water can be transported using the ECTI pipeline, along with separate new pipelines built by the County primarily in road right-of-ways;
 4. Water treatment would be built in the general vicinity of Routes 15 and 649. The water treatment plant would be developed so that it is modular and capable of being expanded. This reduces the cost of the initial phase while still allowing the expansion of the system as demand requires it to be increased in capacity;
 5. Water storage in a reservoir can be made anywhere along the pipeline alignment from the James River to the water treatment plant (in the raw water transport leg of the system). The location of such a reservoir would be based on topography, soil and rock conditions, wetlands, historic and endangered species identification and availability of land. A study of the possible locations will need to be made if this course of action is chosen;

The system is made up of many components including the water intake, storage, treatment, conveyance and distribution lines.

5.0 Estimated Cost of Project

The costs of the system as presented in the recommendation above are estimated as follows:

TABLE 2 – Cost Estimate of Total Project

Component	Approximate Cost	Comments
Upgrade of Existing Water Intake for FUSD to accommodate up to 3,000,000 gal/day	\$1,500,000	
Pipeline on Route 649	\$600,000	16 inch pipeline
Reservoir	\$3,000,000	
Water Treatment Plant	\$9,000,000	Treatment Plant to treat up to 3,000,000 gal/day
Pipeline to connect water treatment plant to FUSD	\$500,000	16 inch pipeline
Pipeline to connect water treatment plant to Palmyra and Pleasant Grove	\$600,000	16 inch pipeline
Pipeline from Palmyra to Zion Cross Roads	\$2,500,000	16 inch pipeline
Pipeline from Zion Cross Roads to Women's Prison on Route 250	\$600,000	12 inch pipeline
TOTAL Cost of Project	\$18,300,000	

These are the overall costs for development of the full scale of this project. The system should be approached in phases to match the demands and to reduce both the capital costs and the operations costs. A phased approach costs estimate is as follows:

TABLE 3 – Cost Estimate of Phased Approach

Component	Phase One Cost (2003-2005)	Phase Two Cost (2005-2010)	Phase Three Cost (2010-2020)
Upgrade of Existing Water Intake for FUSD	\$1,500,000 Upgrade intake to withdraw 3,000,000 gal/day		
Pipeline on Route 649	\$600,000		
Reservoir			\$3,000,000
Water Treatment Plant	\$3,000,000 Build Plant to treat 1,000,000 gal/day	\$3,000,000 Expand Plant to treat 2,000,000 gal/day	\$3,000,000 Expand Plant to treat 3,000,000 gal/day
Pipeline to connect water treatment plant to FUSD	\$500,000		
Pipeline to connect water treatment plant to Palmyra and Pleasant Grove		\$600,000	
Pipeline from Palmyra to Zion Cross Roads		\$2,500,000	
Pipeline from Zion Cross Roads to Women's Prison on Route 250	\$1,000,000 Use Water from Louisa to Supply Prison Needs for Short Term		
TOTAL Cost of Project	\$6,600,000	\$6,100,000	\$6,000,000

Note: These estimates use today's dollars and are not adjusted to reflect changes in cost of living or inflation.

This is just one example of a phased approach to this project. Depending on how the project scope is developed and the actual water demands change in the future this phased approach will likely differ.

Funding for this project will likely be through low interest loans. Of course, any grant money that is available would be actively pursued. At this time it is low likelihood that grants will be available for this project. Therefore, the planning for funding this project is based on full funding with no grant money being included.

In preparation of this report, the Work Group has briefly explored the debt service that would be required using various scenarios of the project scope and partnerships. This was done in order to understand the order of magnitude of debt service that this project could require. The attached letter explains the debt services that were reviewed and what the annual cost would be for six different scenarios. The information on Debt Service is attached in Appendix C.

6.0 Possible Partnering to Share Costs

As can be seen from the estimates of cost for this recommendation, the costs are out of reach of Fluvanna County, alone. It is clear that the James River would provided the most reliable source of water for FUSD, but FUSD can not afford the costs to build or operate a surface water treatment plant with only 435 customers. As such the system was extended beyond FUSD to provide other customers and to spread out the costs to build and operate the water system.

In order to further reduce the burden of the capital and operating costs it is recommended that partners be brought into the project. These partners could share both the capital and operating costs. The share of these costs can be split in a number of different ways. One example is to make available a quantity of water to a partner proportional to the level of investment in the project. Some potential partners that were contacted for exploratory discussions during the work group's investigation and deliberations include Louisa County Board of Supervisors, the Department of Corrections, and the Fluvanna County Schools. There was some interest expressed at least unofficially by all parties. If the Board of Supervisors wishes to pursue this concept, it is important that a directive be made that these possible partners be contacted and a proposal presented to them so that the details of a partnership can be discussed and negotiated.

7.0 Next Step

If the Board of Supervisors desires to pursue the recommendations further it is recommended that the following steps be initiated:

1. Reactivate the FUSD intake on the James River. This could require permit application fees on the order of \$5000. Again this could be funded from the Capital Improvements Program budget for Water and Sewer development that was authorized for this fiscal year.
2. Direct the work Group to develop a plan and begin negotiations for potential partnerships with Louisa County Board of Supervisors, the Department of Corrections, and the Fluvanna County School Board.
3. Direct the Work Group to prepare a proposal of the management structure (e.g. County Department of Utilities, Sanitary District, multi-jurisdictional Authority, etc.) for the water system that can be returned to the Board of Supervisors for review;

4. Direct the Work Group to identify and recommend methods and policies that can be used to control growth along the pipeline alignments so that the work will be complete in accordance with the Adopted County Comprehensive Plan.
5. A preliminary engineering report be developed to provide design details of the project and a detailed phased approach to building it. This report should have detailed engineering cost estimates. This report could be used in securing financing and applications for grants, if any are available. The estimated cost for this work is nearly \$20,000. It can be funded from the Capital Improvements Program budget for Water and Sewer development that was authorized for this fiscal year.
6. Pursue low interest loans, grants and other financing strategies.
7. Revisit the decision process once these steps have been completed. This should be in the spring of 2003.

APPENDIX C-2

**AN AGREEMENT BETWEEN LOUISA COUNTY, VIRGINIA, FLUVANNA COUNTY, VIRGINIA, THE LOUISA COUNTY
WATER AUTHORITY, AND THE JAMES RIVER WATER AUTHORITY REGARDING THE JAMES RIVER WATER
PIPELINE DOCUMENTS**

APPENDIX C-2-1
AN AGREEMENT BETWEEN LOUISA COUNTY, VIRGINIA, FLUVANNA COUNTY, VIRGINIA, THE LOUISA COUNTY
WATER AUTHORITY, AND THE JAMES RIVER WATER AUTHORITY REGARDING THE JAMES RIVER WATER
PIPELINE

**AN AGREEMENT BETWEEN LOUISA COUNTY, VIRGINIA, FLUVANNA COUNTY,
VIRGINIA, THE LOUISA COUNTY WATER AUTHORITY, AND THE JAMES RIVER
WATER AUTHORITY REGARDING THE JAMES RIVER WATER PIPELINE**

Dated as of October 1, 2013

AGREEMENT

This Agreement ("Agreement") is made and entered into this first day of October, 2013, by and between LOUISA COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia with powers vested in its Board of Supervisors ("Louisa"), FLUVANNA COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia with powers vested in its Board of Supervisors ("Fluvanna"), the LOUISA COUNTY WATER AUTHORITY, a political subdivision of the Commonwealth of Virginia and a water authority created under the Virginia Water And Waste Authorities Act with powers vested in its Board of Directors ("LCWA"), and the JAMES RIVER WATER AUTHORITY, a political subdivision of the Commonwealth of Virginia and a water authority created under the Virginia Water and Waste Authorities Act with powers vested in its Board ("JRWA").

WHEREAS, Louisa, Fluvanna, LCWA, and JRWA (each a "Party" and collectively "the Parties") mutually desire to enter into this Agreement for the purpose of delineating their respective rights and duties regarding a water pipeline (the "James River Pipeline" or "Pipeline") from a point on the James River near the Town of Columbia to a point in Louisa County;

WHEREAS, the Parties wish to work cooperatively to provide a reliable public water supply to the citizens of Louisa and Fluvanna Counties;

WHEREAS, the Parties recognize that the current Virginia Department of Environmental Quality ("DEQ") water withdrawal permit held by JRWA for the Brems Bluff area ("the Brems Bluff Permit") should be moved to an area near the Town of Columbia ("the Columbia Permit");

WHEREAS, the planning, design, acquisition of real property, and construction of the James River Pipeline will require, among other things, a great deal of planning, engineering work, and site acquisition;

WHEREAS, the cost of the James River Pipeline may run into the tens of millions of dollars, and bonds may be necessary; and

WHEREAS, LCWA and JRWA have authority to enter this Agreement with one another and with each of the Counties, under Va. Code §§ 15.2-5114(11), 15.2-5115, and 15.2-5147, Fluvanna and Louisa may enter into this agreement pursuant to Va. Code § 15.2-5147 as regarding the authorities, and with each other pursuant to Va. Code § 15.2-2148;

NOW THEREFORE, in consideration of \$10.00, cash in hand paid, as well as the mutual covenants, warranties, and agreements set forth herein, and intending to be legally bound, the Parties agree as follows:

1. Covenants Of The Parties

Subject to the terms and conditions of this Agreement, the Parties mutually covenant and agree that:

1.1 Funding of Property Acquisition, Design, and Construction

(a) *JRWA.*

- i. JRWA agrees to fund, construct, operate, and maintain the James River intake and associated structures, the James River pipeline from the intake facility to a point near Route 6 west or north of the Columbia Community Planning Area (CPA), as the CPA is shown on the Fluvanna County Comprehensive Plan at the date of execution of this Agreement, as well as "T" connections and valves to allow Fluvanna and Louisa/LCWA connection to the JRWA system. The precise location of the point will be determined and agreed by the Parties at a later date based on engineering, planning, legal, and other considerations. JRWA will also bear the cost of the acquisition of all real property rights necessary to build the portion of the James River Pipeline that it will own, as laid out in Section 1.2(a), below.
- ii. JRWA may fund its portion of the cost of the activities set out in Section 1.1(a)(i), above, through any lawful means including by issuance of bonds, through a direct contribution from Fluvanna and Louisa, or charge a connection fee and/or periodic water reservation charge to Fluvanna and Louisa proportional to its flow reservation. The amount of the charge which will be fairly and reasonably calculated to amortize the cost of constructing, operating, and maintaining the portion of the James River Pipeline referenced in Section 1.1(a)(i), above. JRWA is encouraged to apply for grants, gifts, subsidized loans, and other sources of funding.
- iii. The fixed baseline operations and maintenance ("O&M") costs of JRWA property, incurred in the absence or regardless of flow, will be split evenly between Fluvanna and Louisa/LCWA. The variable O&M costs which can be attributed to water flows will be proportionally split based on actual water flow to each party, regardless of each party's actual customer location.

(b) *Fluvanna.*

- i. If, after the effective date of this Agreement but prior to the start of final design of the Pipeline, Fluvanna identifies a location on the Louisa portion of the James River Pipeline at which Fluvanna desires to make a "T" connection, Louisa agrees to construct such "T" connection and the necessary increased pipe capacity, including any associated design, construction, and acquisition costs, at no cost to Fluvanna. The precise location of the point will be determined and agreed by the Parties at a later date based on engineering, planning, legal, and other considerations.

- ii. In the event that Fluvanna decides to make additional connections to the James River Pipeline beyond the ones described in Sections 1.1(a)(i) and 1.1(b)(i) above, Fluvanna agrees to pay the incremental increase in costs of design, construction, and property acquisition up to the location of the additional "T" connections, plus the marginal cost of the additional "T" connections over the cost of a straight pipe, to that location.
 - iii. If, after design of the Pipeline has begun, Fluvanna identifies additional locations at which it desires to make a "T" connection to the James River Pipeline, Fluvanna agrees to pay Louisa/LCWA a fair and reasonable periodic reservation fee for the conveyance of the water to that point on the line. The amount of the fee will be fairly and reasonably calculated to amortize the incremental costs of design, construction, and property acquisition and ongoing O&M costs proportional to the flow capacity of the water reserved to Fluvanna.
- (c) *Louisa & LCWA.*
- i. Louisa and LCWA agree to fund, construct, operate, and maintain the James River Pipeline from a point near Route 6 west or north of the Columbia Community Planning Area (CPA), as the CPA is shown on the Fluvanna County Comprehensive Plan at the date of execution of this Agreement (*see* Section 1.1(a), above).
 - ii. Louisa and LCWA agree that they will fund and acquire all real property rights necessary to build the portion of the James River Pipeline that they will own, as laid out in Sections 1.2(a) and (b), below.
- (d) *Route of the Pipeline.* The Parties agree that Attachment A to this Agreement shows the general or approximate location of the James River Pipeline. The specific location will be determined by the Parties in accordance with engineering, planning, legal, and other considerations at a later date. The Party that is contemplated to have responsibility for O&M under this Agreement will have final responsibility for choosing the specific route of the Pipeline. The specific route must substantially conform to the general or approximate location shown on Attachment A unless otherwise specifically agreed by the Parties.

1.2 Ownership

- (a) *In General.* The Parties agree that they will each own such real and personal property as they each acquire or construct, subject to the limitations and specific procedures set forth in this subsection.
- (b) *Property of Louisa/LCWA.* All real and personal property to be acquired, constructed, operated, and maintained by either Louisa or LCWA under

this Agreement may be acquired, constructed, operated, maintained, and owned by either Louisa or LCWA under the terms of whatever operating agreement(s) may be operative between them.

1.3 Reservation of Capacity

- (a) *In General.* This Agreement contemplates that allocation of water between Fluvanna and Louisa will be in accordance with the needs of each county as established and agreed in the Columbia Permit water withdrawal application and DEQ's summary findings of need regarding the Columbia Permit.
- (b) *Temporary Reallocation.* Raw water capacity may be reallocated on a temporary basis. Costs and terms for such temporary reallocations will be fair and reasonable in accordance with law and will be determined by JRWA on request by any of the Parties.
- (c) *Bulk Purchases.* In lieu of or in addition to the procedures laid out in Section 1.2 above for allocation of ownership of the Pipeline, Fluvanna may purchase raw or finished water from Louisa/LCWA, or Louisa/LCWA may purchase raw or finished water from Fluvanna, at a mutually agreed bulk rate. Such rates will be fair and reasonable in accordance with law and will be determined by JRWA on request by any of the Parties.
- (d) *Future Expansion to Columbia Permit.* Unless otherwise agreed by the Parties, if at any time any Party seeks an expansion of the Columbia Permit, JRWA will make such application and be reimbursed by the Party or Parties seeking an expansion. The expansion in the withdrawal permitted by the Columbia Permit will then be reserved to the Party or Parties seeking the expansion.

1.4 Comprehensive Planning, Zoning, and Other Approvals.

- (a) *Fluvanna County Comprehensive Plan.* Fluvanna will take all necessary and legally permissible steps to determine consistency with and/or amend its Comprehensive Plan so as to make the James River Pipeline shown on Attachment A to this Agreement a feature whose general or approximate location, character, and extent are shown on its Comprehensive Plan in accordance with Va. Code Ann. § 15.2-2232 (2012). A determination of substantial conformance or appropriate amendments to the Fluvanna Comprehensive Plan will be completed by November 30, 2013.
- (b) *Fluvanna County Zoning Ordinance.* Fluvanna will take all necessary and legally permissible steps to ensure that the James River Pipeline and its facilities are and remain permitted under its Zoning Ordinance.

- (c) *Local Permits.* JRWA and Louisa/LCWA will obtain construction permits for their portions of the intake, supporting structures, and the James River Pipeline and will make all reasonable efforts to restore all property to its condition prior to the construction or maintenance of the Pipeline.
- (d) *Conservation Easements and Agricultural & Forestal Districts.* To the extent the James River Pipeline passes through an area that is subject to a County conservation easement or an agricultural and forestal district, all Parties agree to take all necessary and legally permissible steps necessary to permit the Pipeline in said area or district.
- (e) *Consent to Use of Property and Power of Eminent Domain.* By executing this Agreement, Fluvanna authorizes JRWA and LCWA to establish, construct, use and maintain the facilities contemplated in this Agreement, and to use the power of eminent domain within its jurisdiction for the purposes contemplated in this Agreement, as required by Va. Code Ann. § 15.2-5114(6) (2012).

1.5 Cooperation on State and Federal Regulatory Approvals.

- (a) *Withdrawal Permit.* JRWA agrees that it will apply for, and pay all costs associated with acquiring, the Columbia Permit. The Parties mutually agree that in pursuit of such permit, JRWA may relinquish the Bremo Bluff Permit. The Parties agree to take all reasonable and legally permissible steps to support JRWA's application.
- (b) *State Board of Health.* The Parties mutually agree to take all necessary and legally permissible steps to obtain the permit from the State Board of Health required by Va. Code Ann. § 32.1-172 (2011).
- (c) *Further Cooperation.* The Parties mutually agree to take all necessary and legally permissible steps to obtain any other local, state, or federal approvals necessary for the James River Pipeline and related facilities.

1.6 Litigation Cooperation.

- (a) *Third Parties.* Notwithstanding anything to the contrary contained in this Agreement, if any action or proceeding by any third party is instituted or threatened to be instituted challenging any transaction or action contemplated by this Agreement, the Parties will mutually use their reasonable best efforts to (i) contest, resist, or resolve any such proceeding or action and (ii) have vacated, lifted, reversed, or overturned any injunction adverse to the Parties or any one thereof resulting from such proceeding or action.
- (b) *Eminent Domain.* The Parties agree that they will mutually use all necessary and legally permissible means for the acquisition of property,

including, but not limited to, easement rights as contemplated in this Agreement at the lowest reasonable price.

- (c) *Obtaining Permits.* If litigation becomes reasonably necessary in order to obtain any of the permits necessary for the objects contemplated in this Agreement, the Parties will mutually use their reasonable best efforts and take all necessary and legally permissible steps to prosecute such litigation to a successful conclusion.

2. Representations And Warranties.

Each of the Parties represents and warranties to the other Parties as follows:

- (a) *Organization in Good Standing.* Each of the Parties is a political subdivision of the Commonwealth duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia. In particular, and without limitation, Fluvanna, Louisa, and JRWA stipulate and agree that the rights and obligations of the Parties set forth in this Agreement are consistent with JRWA's purpose and powers as set forth in Paragraph 4 of its Articles of Incorporation.
- (b) *Authorization and Enforceability.* Each of the Parties has the full power and lawful authority, through its governing body, to execute this Agreement and perform its obligations contemplated herein and has duly and validly authorized the execution of this Agreement.

This Agreement constitutes the legal, valid, and binding obligation of each of the Parties, enforceable against each of the Parties in accordance with its terms, except as such enforceability may be limited by applicable laws relating to bankruptcy, insolvency, fraudulent conveyance, reorganization, or affecting creditor's rights generally.

- (c) *Noncontravention.* The Parties' performance of the obligations contemplated by this Agreement will not (i) require any further approvals or consents from any third party other than those approvals or consents mandated by law, ordinance, or regulation in effect as of the date of this Agreement; (ii) violate any law, ordinance, or regulation; or (iii) conflict with or result in a breach of, or constitute a default under, any contract, lease, permit, or other agreement or commitment to which any of the Parties is a party; except where the approvals, consents, violations, or conflicts would have no effect on the ability of any Party to fully consummate all terms of this Agreement.
- (d) *Budgets.* Each of the Parties is responsible for keeping its own budgets relating to this Agreement.

3. Termination.

3.1 This Agreement may be terminated only as follows:

- (a) By mutual written consent of all Parties;
- (b) By any Party, if any state or federal approval necessary to its performance under the terms of this Agreement is refused by a final decision not subject to appeal following diligent pursuit thereof; or
- (c) By any Party, upon a material breach by any other Party of any covenant, warranty, representation, agreement, or provisions of this Agreement that has not been (i) cured within 30 days after a non-breaching Party gives written notices of said breach to the breaching Party; or (ii) waived by the non-breaching Party.

3.2 The effect of termination of this Agreement will be as follows:

- (a) Each Party's right of termination under Section 3.1 of this Agreement is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies.
- (b) If this Agreement is terminated pursuant to Section 3.1 of this Agreement, all further obligations of the Parties under this Agreement will terminate.

4. Remedies.

4.1 Specific Performance.

- (a) The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement is not performed in accordance with its specific terms or is otherwise breached.
- (b) The Parties agree that, in the event that there is a disagreement between them regarding compliance with the terms and conditions of this Agreement, prior to filing any suit the disagreement will be submitted by the Parties to a neutral mediator for at least 60 days for assistance in reaching a resolution of the disagreement satisfactory to all Parties.
- (c) Each Party agrees that, in the event of any breach or threatened breach by any other Party of any covenant, warranty, or obligation contained in this agreement, the non-breaching Parties will be entitled (in addition to any other remedy that may be available, whether in law or equity) to seek and obtain (i) a decree or order of specific performance to enforce the observation and performance of such covenant, warranty, or obligation, and (ii) an injunction restraining such breach or threatened breach.

5. Miscellaneous.

- 5.1 Entire Agreement. This Agreement constitutes the entire agreement between the Parties concerning its subject matter and supersedes all prior oral or written agreements, understandings, representations, and warranties, as well as courses of dealing among the Parties.
- 5.2 Amendment. This Agreement may be amended or modified only by a writing executed by all Parties.
- 5.3 Extension or Waiver of Performance. The Parties may jointly extend the time or waive the performance of any of the obligations of any other, waive any inaccuracies in the warranties or representations made by the other, or waive compliance with any of the covenants, conditions, or agreements contained in this Agreement, provided that any such extension or waiver must be in writing and signed by all other Parties in the case of a waiver, or by all Parties in the case of an extension.
- 5.4 Assignment or Delegation. No Party shall assign, delegate, or otherwise transfer any of its duties, rights, or obligations under this Agreement without the prior written consent of all other Parties.
- 5.5 Successors and Assigns; Binding Effect. This Agreement is binding on, and inures to the benefit of, the Parties and their respective successors and permitted assigns.
- 5.6 Governing Law. This Agreement is to be governed and construed under the laws of the Commonwealth of Virginia.
- 5.7 Notices. All notices provided in this Agreement must be in writing, and may be delivered in person; sent by U.S. registered and certified mail, return receipt requested; or sent by Federal Express or other nationally-recognized overnight courier from which a receipt may be obtained to the chief administrative officer and chief legal counsel of each of the other Parties.
- 5.8 Construction. In the event of any ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

Any reference to any federal, state, local, or foreign statute shall be deemed to refer to all statutes, rules, and regulations referenced therein or promulgated thereunder, unless the context requires otherwise.

Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context may require. The word "including" means included, without limitation.

- 5.9 Remedies. The remedies afforded in this Agreement are cumulative to each other and to all other remedies provided by law.
- 5.10 Time of the Essence. Where a specific date or time is stated in this Agreement, time is of the essence of this Agreement.
- 5.11 Waiver. Except as otherwise provided herein, no delay of or omission in the exercise of any right, power or remedy accruing to any Party as a result of any breach or default by any other Party under this Agreement will impair any such right, power, or remedy; nor shall it be construed as a waiver of or acquiescence in such breach or default, or any similar breach or default occurring later; nor shall any waiver of a single breach or default be deemed a waiver of any other breach or default occurring before or after the waiver.
- 5.12 Jurisdiction and Venue. Each Party irrevocably submits to the exclusive jurisdiction of the Circuit Courts for Louisa County and Fluvanna County, at the option of the plaintiff in such suit, and the appellate courts therefrom, for the purposes of any suit or action arising out of this Agreement.
- 5.13 Third-Party Beneficiaries. Nothing herein expressed or implied is intended or should be construed to confer on or give to any person other than the Parties any rights or remedies under or by reason of this Agreement.
- 5.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original copy of this Agreement and all of which, when taken together, shall be deemed to constitute one and the same agreement.

[Signatures Appear on Next Page]

FOR LOUISA COUNTY, VIRGINIA:

[Signature] Date: Oct 1, 2013
Chairman, Board of Supervisors

FOR FLUVANNA COUNTY, VIRGINIA:

[Signature] Date: 02 Oct 2013
Chairman, Board of Supervisors

FOR THE LOUISA COUNTY WATER
AUTHORITY:

[Signature] Date: 10.9.13
Chairman, Board of Directors

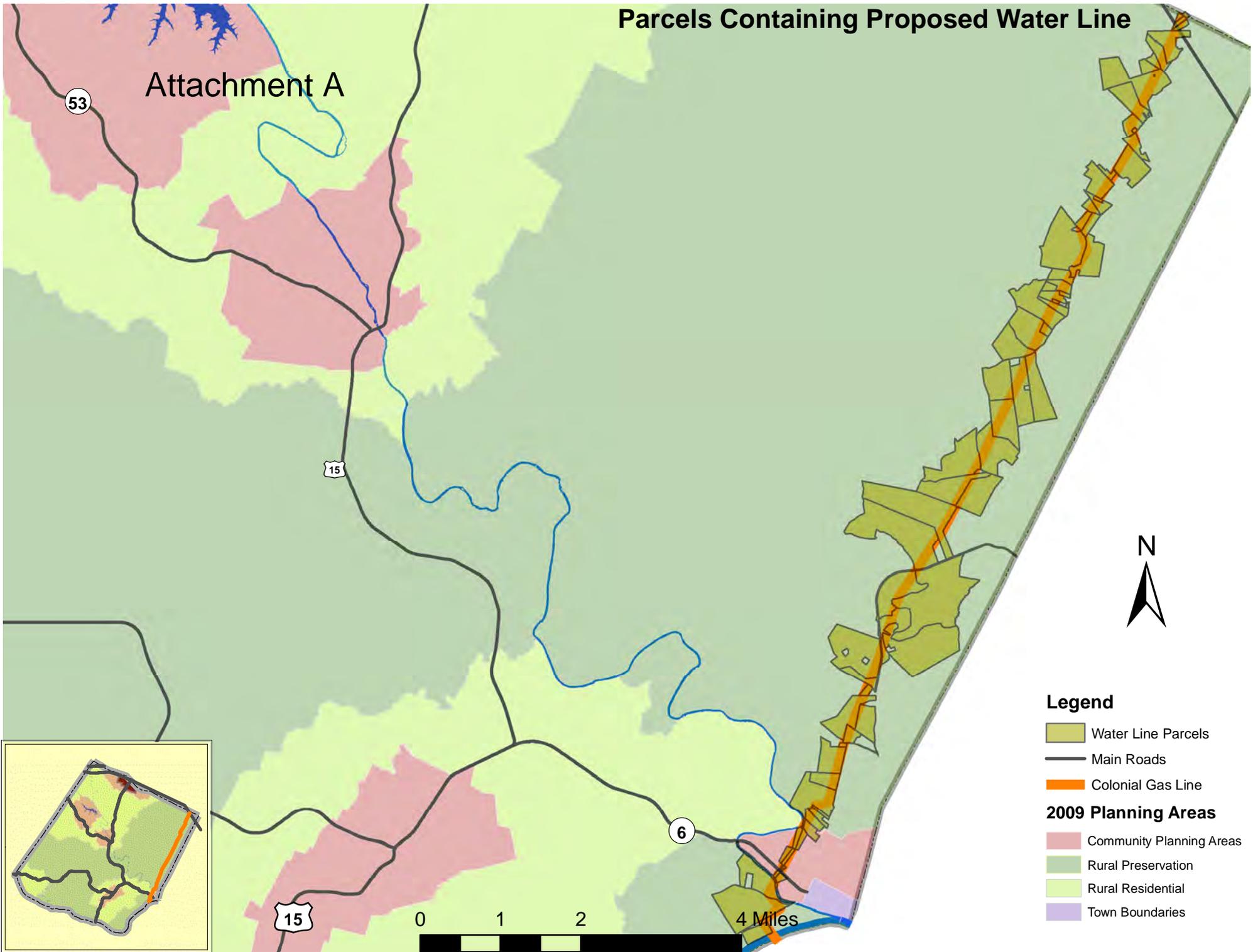
FOR THE JAMES RIVER WATER
AUTHORITY:

[Signature] Date: 15 Oct 13
Chairman, Board of Directors



Parcels Containing Proposed Water Line

Attachment A



Legend

- Water Line Parcels
- Main Roads
- Colonial Gas Line
- 2009 Planning Areas**
- Community Planning Areas
- Rural Preservation
- Rural Residential
- Town Boundaries

APPENDIX C-2-2

**ADDENDUM NO. 1 TO “AGREEMENT BETWEEN LOUISA COUNTY, VIRGINIA, FLUVANNA COUNTY, VIRGINIA,
THE LOUISA COUNTY WATER AUTHORITY, AND THE JAMES RIVER WATER AUTHORITY REGARDING THE JAMES
RIVER WATER PIPELINE”**

ADDENDUM NO. 1 TO

**“AGREEMENT BETWEEN LOUISA COUNTY, VIRGINIA, FLUVANNA COUNTY,
VIRGINIA, THE LOUISA COUNTY WATER AUTHORITY AND THE JAMES RIVER
WATER AUTHORITY REGARDING THE JAMES RIVER WATER PIPELINE”
DATED OCTOBER 1, 2013**

November ____, 2015

The parties hereby agree to supplement the Agreement among them, dated October 1, 2013, as follows, in order more clearly to express the intent of the parties, their respective rights and duties thereunder and to protect the public health, safety and general welfare of the citizens of Louisa and Fluvanna Counties. The terms of this Addendum shall not be deemed to amend the Agreement except as expressly stated herein, and the rights and obligations of the parties to the Agreement shall in all other respects be unchanged.

1. Louisa County and LCWA will design and construct the system to be able to deliver not less than 400,000 gallons per day of treated water to Fluvanna County’s Zion Crossroads connection point. Louisa County and LCWA will make all reasonable efforts to complete construction of the project in an expeditious manner by December 31, 2018.

2. Treated water will be provided to Fluvanna County at LCWA’s standard rate for commercial customers.

3. LCWA agrees to provide additional treated water capacity reservation for Fluvanna County when requested, absent a valid utility-related reason why such capacity cannot be reserved.

4. If additional capacity is not available within the then-existing capabilities of the system, LCWA will consider Fluvanna County capital contributions for treatment plant and other system expansion(s) at the time of the request for such additional capacity reservations. Depending on the financial factors in such a transaction, rate reductions may be considered.

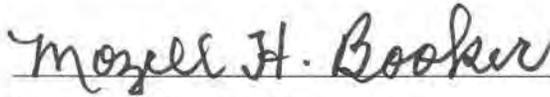
Witness the following signatures and seals.

FOR LOUISA COUNTY, VIRGINIA:


Chairman, Board of Supervisors

Date: 11/16/15

FOR FLUVANNA COUNTY, VIRGINIA:


Chairman, Board of Supervisors

Date: 11/18/15

FOR LOUISA COUNTY WATER AUTHORITY:


Chairman, Board of Directors

Date: 11/18/15

FOR THE JAMES RIVER WATER AUTHORITY:


Chairman, Board of Directors

Date: 1 Dec 15

APPROVED AS TO FORM:


Attorney for Louisa County


County Attorney for Fluvanna County


Louisa County Water Authority Attorney


James River Water Authority Attorney

APPENDIX C-3
JAMES RIVER WATER AUTHORITY STANDARD TERMS AND CONDITIONS

**JAMES RIVER WATER AUTHORITY
STANDARD TERMS AND CONDITIONS**

1. General Provisions

1.1 Unless otherwise agreed to in a writing signed by the governing body of the James River Water Authority, these Standard Terms and Conditions apply to and govern all purchases, regardless of the type of goods or services purchased, by the James River Water Authority (the “Authority”) from _____ (the “Vendor”).

2. Definitions

- 2.1 “Solicitation” means the vehicle by which the Authority solicited pricing, and if applicable other terms, by which it could acquire goods or services from Vendor, regardless of whether the vehicle was an Invitation for Bid, Request for Proposal, Request for Quote, telephone quote or any other means permissible under Virginia law.
- 2.2 “Contract Documents” means all documents that constitute any legal and binding agreement between the Vendor and the Authority, including these Standard Terms and Conditions.
- 2.3 “Contract Period” means the time period from the time that Vendor first becomes legally bound to provide goods or services to the Authority in response to a Solicitation until all of Vendor’s contractual obligations to the Authority, arising out the Solicitation, cease.
- 2.4 “Obligations” means any and all legal obligations of Vendor under any Contract Documents.

3. Laws of the Commonwealth

- 3.1 The Contract Documents shall be governed in all respects whether as to validity, construction, performance, or otherwise by the laws of the Commonwealth of Virginia. Vendor represents and warrants to the Authority that during the Contract Period it:
- a) Will comply and conform with the provisions of the Civil Rights Act of 1964, as amended, the Virginia Fair Employment Contracting Act of 1975, as amended, and the Virginia Human Rights Act, as amended, where applicable;
 - b) Not employ illegal alien workers or otherwise violate the provisions of the Immigration Reform and Control Act of 1986; and

- c) Comply with all federal, state and local laws and regulations applicable to the performance of the services procured.

4. Policies

- 4.1 In every contract of over \$10,000, the Vendor agrees during the Contract Period that Vendor:
 - a) Will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Vendor; and
 - b) Will post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause; and
 - c) Will state that the Vendor is an equal opportunity employer in all solicitations or advertisements for employees placed by or on behalf of the Vendor to perform under the Contract Documents. All notices, advertisements, and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section; and
 - d) Will include the provisions of the foregoing subparagraphs in every subcontract or purchase order exceeding \$10,000 issued by Vendor in order to fulfill its Obligations, so that the provisions will be binding upon each subcontractor or vendor employed by Vendor.
- 4.2 In every contract of over \$10,000, the Vendor agrees during the Contract Period the Vendor shall:
 - a) Provide a drug-free workplace for its employees;
 - b) Post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in its workplace and specify the actions which will be taken against any employee for a violation;
 - c) State in all of its solicitations or advertisements for employees that the Vendor maintains a drug-free workplace; and

- d) Include the provisions of this sub-paragraph in every subcontract or purchase order of over \$10,000, so that said provisions shall be binding upon each subcontractor or subvendor.
- e) For purposes of this sub-paragraph, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a Vendor under a Solicitation and in accordance with the Virginia Public Procurement Act.
- f) In addition to the provisions contained herein, the Vendor shall comply with the federal Drug Free Workplace Act.

4.3 Pursuant to Section 2.2-4343.1 of the Code of Virginia, in all Solicitations, contracts, and purchase orders, the Authority does not discriminate against faith-based organizations.

- a) "Faith-based Organization" means a religious organization that is or applies to be a Vendor to provide goods or services for programs funded by the block grant provided pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L. 104-193.
- b) If Vendor is a faith-based organization, then Vendor shall give to each individual who applies for or receives goods, services, or disbursements provided pursuant to this Agreement the following notice in bold-face type:

NOTICE

Neither the Authority's selection of a charitable or faith-based provider of services nor the expenditure of funds under this contract is an endorsement of the provider's charitable or religious character, practices, or expression. No provider of services may discriminate against you on the basis of religion, a religious belief, or your refusal to actively participate in a religious practice. If you object to a particular provider because of its religious character, you may request assignment to a different provider. If you believe that your rights have been violated, please discuss the complaint with your provider or notify the appropriate person as indicated in this form.

5. Certifications

5.1 The Vendor certifies that Vendor's response to the Solicitation:

- a) Has been prepared without prior participation, understanding, agreement, or connection with any corporation, firm or other person that is also submitting a bid/offer in response to the same Solicitation;

- b) Is in all respects fair, without misrepresentations of fact, and free from collusion or fraud;
- c) Is in full compliance with the Virginia Conflicts of Interest Act;
- d) Is or is intended to be competitive and free from any collusion with any person, firm or corporation; and
- e) Has been prepared without the benefit of being provided information not available to the general public, or other potential bidders, such as insider information known to Authority employees or other sources which may have gained such information from interaction with Authority employees.

- 5.2 The Vendor has not offered or received any kickback from any other bidder or vendor, supplier, manufacturer, or subcontractor in connection with the bid/offer on this solicitation. A kickback is defined as an inducement for the award of a contract, subcontracts or order, in the form of any payment, loan, subscription, advance, deposit of money, services or anything, present or promised, unless consideration of substantially equal or greater value is exchanged. Further, no person shall demand or receive any payment, loan, subscription, advance, and deposit of money, services or anything of value in return for an agreement not to compete on a public contract;
- 5.3 The Vendor is not a party to nor has he participated in nor is obligated or otherwise bound by agreement, arrangement or other understanding with any person, firm or corporation relating to the exchange of information concerning bids, prices, terms or conditions upon which the contract resulting from the acceptance of his bid proposal is to be performed;
- 5.4 The Vendor understands that collusive bidding is a violation of the Virginia Governmental Frauds Act and federal Law, and can result in fines, prison sentences, and civil damage awards and agrees to abide by all conditions of this proposal; and
- 5.5 Neither Vendor, Vendor's subcontractors, nor any person acting on Vendor's behalf, have conferred, or will confer, on any public employee having official responsibility for a procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is exchanged.

6. Warranties

- 6.1 The Vendor represents and warrants that it has the requisite experience, skills, capabilities, and manpower to perform the Obligations in a good and workmanlike fashion, that it is a legal business entity chartered or authorized to do business in Virginia having all necessary licenses required by law, that the person signing any of the Contract Documents has been fully authorized to do so, and his signature will legally bind the Vendor to perform its Obligations. Any goods or services furnished by the Vendor under the Contract Documents shall be covered by the most favorable warranties provided by the Vendor to any customer, but in no event shall such warranty be less than one (1) year from date of completion of services or sale of goods, as applicable.
- 6.2 Vendor warrants to the Authority that all materials and equipment furnished shall be new, unless otherwise specified, and that Vendor's Work shall be of good quality, free from faults and defects and in strict conformance with the Contract Documents. All materials and work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. This warranty shall be in addition to, and not in limitation of, any other warranty or remedy required by law or by the Contract Documents.
- 6.3 The Vendor agrees that if warranties set forth in the Contract Documents are in any respect breached, the Vendor will pay to the Authority the full contract price agreed to by the Authority to be paid for the supplies, materials, equipment or services furnished under the bid or proposal. These rights and remedies are in addition to and do not limit those rights and remedies otherwise available to the Authority.

7. Modifications, Additions or Changes

- 7.1 Modifications, additions or changes to these terms and conditions may not be made except in writing and agreed to by the Authority. No fixed priced contract may be increased by more than twenty-five (25) percent of the amount of the contract or \$50,000, whichever is greater, without the approval of the Authority. The amount of any contract may not be increased for any purpose without adequate consideration provided to the Authority.

8. Procurement Code

- 8.1 Solicitations are subject to the Virginia Public Procurement Act and any revisions thereto, which are hereby incorporated into this contract in their entirety. **ANY SOLICITATION OR CONTRACT DOCUMENTS THAT ARE ISSUED, REQUESTED OR EXECUTED IN VIOLATION OF VIRGINIA LAW ARE VOID AB INTIO, AND ARE OF NO EFFECT, REGARDLESS OF WHETHER ANY PURCHASE HAS BEEN MADE UNDER THE CONTRACT DOCUMENTS AND IRRESPECTIVE OF THE AMOUNT**

OR LENGTH OF VENDOR'S PERFORMANCE UNDER THE CONTRACT DOCUMENTS. The Virginia Public Procurement Act is contained within the Code of Virginia, beginning at § 2.2-4300.

9. Bid Acceptance Period

9.1 Any bid in response to a Solicitation shall be valid for 60 days. At the end of the 60 days, the bid may be withdrawn at the written request of the bidder. If the bid is not withdrawn at that time, it remains in effect until an award is made or the Solicitation is cancelled.

10. Indemnification

10.1 The Vendor agrees to indemnify, defend and hold harmless the Authority and its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by (i) the use of any materials, goods, or equipment of any kind or nature furnished by the Vendor; (ii) any services of any kind or nature provided by the Vendor; or (iii) Vendor's performance of its Obligations, provided that such liability is not attributable to the sole negligence on the part of the Authority.

11. Assignment

11.1 Neither the Obligations nor the Contract Documents may be assigned, sublet, or transferred, in whole or in part, without the written consent of the Authority.

12. Audit

12.1 The Vendor hereby agrees to retain all books, records, and other documents relative to Vendor's Obligations and the Contract Documents for five (5) years after final payment or after all other pending matters are closed, whichever is longer. The Authority and its authorized agents, auditors, the grantor of the funds to the Authority, the Comptroller of Virginia or of the United States, or any of their duly authorized representatives shall have access to any such books, documents, papers and records of the Vendor for the purpose of making audits, examinations, excerpts or transcriptions.

13. Ownership of Documents

13.1 Any reports, studies, photographs, negatives, or other documents prepared by Vendor in the performance of its Obligations shall be remitted to the Authority by the Vendor, without demand therefore, upon the earliest of (i) completion of its Obligations; (ii) completion of the Contract Period; or (iii) termination, cancellation or expiration of the Contract Documents. Vendor shall not use, willingly allow or cause to have such materials used for any purpose other than performance of the Obligations without the prior written consent of the Authority.

The Authority shall own the intellectual property rights to all materials produced under this Agreement.

14. Payment and Performance Bond

14.1 If Vendor's Obligations include construction, the amount of which exceeds \$100,000, the Vendor shall furnish to the Authority the bonds required under § 2.2-4337 of the Virginia Public Procurement Act within the Virginia Code, and shall otherwise fully comply with the requirements of such Code and Act. The Authority reserves the right to require payment and/or performance bonds in the amount of the Obligations for any other projects, goods or services, whether or not required by such sections of the Code and Act.

15. Required Payment

15.1 The Vendor covenants and agrees to:

- a) Within seven (7) days after receipt of any amounts paid to the Vendor under the Agreement,
- b) pay any subcontractor for its proportionate share of the total payment received from the Authority attributable to the work under the Agreement performed by such subcontractor, or
- c) notify the Authority and the subcontractor, in writing, of its intention to withhold all or a part of the subcontractor's payment and the reason therefore.

15.2 Vendor agrees to provide its federal employer identification number or social security number, as applicable, as a condition precedent to the Authority being required to make any payment to the Vendor under the Contract Documents.

15.3 Vendor agrees to pay interest at the legal rate or such other rate as may be agreed to in writing by the subcontractor and the Vendor on all amounts owed by the Vendor that remain unpaid after seven (7) days following receipt by the Vendor of payment from the Authority for work performed by the subcontractor in furtherance of Vendor meeting its Obligations to the Authority, except for amounts withheld pursuant to subparagraph 15.1(c) above.

15.4 Vendor agrees to include in its contracts with any and all subcontractors the requirements of 15.1(a), 15.1(b), and 15.1(c) above.

16. Liability Coverage

16.1 Unless otherwise expressly excepted in the Solicitation documents prepared by the Authority, the Vendor shall take out and maintain during the Contract Period such bodily injury, liability and property damage liability insurance as shall protect it and the Authority from claims for damages for personal injury, including death, as well as from claims for property damage, which could arise from Vendor's performance of its Obligations. Such insurance shall at least have the coverages and be in the amounts set forth in section 19 "Insurance and Bond Requirements" set forth below and shall name the "James River Water Authority" as additional insureds. Such insurance must be issued by a company admitted to do business within the Commonwealth of Virginia and with at least an AM Best rating of A-. Within 10 days after Vendor is awarded a contract in response to a Solicitation, and in no event later than the first day on which Vendor provides goods or services to the Authority, the Vendor shall provide the Authority with a certificate of insurance showing such insurance to be in force and providing that the insurer shall give the Authority at least 30 days' notice prior to cancellation or other termination of such insurance.

17. Loss or Damage in Transit

17.1 Delivery by a Vendor to a common carrier does not constitute delivery to the Authority. Any claim for loss or damage incurred during delivery shall be between the Vendor and the carrier. The Authority accepts title only when goods are received regardless of the F.O.B. point noted in the Solicitation or the Contract Documents. The receiving agency will note all apparent damages in transit on the freight bill and notify the Vendor. Discovery of concealed damages or loss will be reported by the receiving agency to the carrier and the Vendor within 15 days of receipt and prior to removal from the point of delivery if possible. The Vendor shall make immediate replacement of the damaged or lost merchandise or be in default of the Contract Documents. It shall be the Vendor's responsibility to file a claim against the carrier. If damage is to a small quantity, with the approval of the agency, the Vendor may deduct the amount of damage or loss from his or her invoice to the agency in lieu of replacement.

18. Freight

18.1 By signing any response to a Solicitation the bidder certifies that the bid price(s) offered for F.O.B. destination include only the actual freight charges at the lowest and best rate and is based upon the actual weight of the goods to be shipped. Freight charges are, therefore, established for each individual purchase. If a requirement is bid F.O.B. origin, the Vendor shall prepay the charges and add the amount to the invoice. A copy of the freight bill should be attached to all invoices that include freight charges. In a solicitation specifying F.O.B. origin the Authority will consider freight cost in the evaluation of bids.

19. Insurance and Bond Requirements

- 19.1 The Vendor shall maintain the following insurance to protect it from claims that could arise from performance of the Obligations, including claims (i) under the Workmen’s Compensation Act; (ii) for personal injury, including death; and (iii) for damage to property, regardless of whether such claims arise out of Vendor’s actions or inactions, or those of Vendor’s subcontractor or other persons directly or indirectly employed by either of them:
- a) Worker’s Compensation and Employer’s Liability. Vendor shall procure and maintain Worker’s Compensation and Employer’s Liability Insurance covering all of its employees in conformance with the laws of any state, district or territory of the United States of America in which work towards meeting Vendor’s Obligations are to be performed. Such insurance shall not have a limit of liability less than the following:
 - a) Bodily Injury by accident, \$500,000 for each accident;
 - b) Bodily Injury by disease, \$500,000 policy limit;
 - c) Bodily Injury by disease, \$500,000 for each employee.
 - b) Commercial General Liability Insurance. This coverage shall include contractual liability, underground hazard, explosion and collapse, hazard, property damage, independent Vendor, and personal injury insurance in support of section 10 of this Agreement entitled “Indemnification”. This policy shall be endorsed to include the Authority as additional insured’s during the Contract Period and shall state that this insurance is primary insurance as regards any other insurance carried by the Authority. Vendor shall procure and maintain Public Liability Insurance in an amount not less than:
 - a) \$1,000,000 for each occurrence involving bodily injury;
 - b) \$1,000,000 for each occurrence involving property damage;
 - c) \$2,000,000 aggregate limits.
 - c) Comprehensive Automobile Liability. Vendor shall procure and maintain Comprehensive Automobile Liability Insurance covering all automobiles, trucks, tractors, trailers, or other automobile equipment, whether owned, not owned, or hired by the Vendor, with the following limits:
 - a) \$1,000,000 for each occurrence involving personal injury;
 - b) \$1,000,000 for each occurrence involving property damage;
 - c) \$2,000,000 aggregate limits.
 - d) The Vendor shall purchase and maintain insurance coverage in a sufficient amount to cover all potential claims on his tools, equipment and machinery.
- 19.2 The Authority reserves the right to require insurance of any Vendor in greater amounts provided notice of such requirements is stated in the solicitation.

19.3 All insurance policies required under this paragraph, or otherwise required by the Solicitation or Contract Documents, shall include a clause waiving any and all subrogation rights against the Authority.

19.4 Insurance policies shall provide for notification to the Authority of non-payment of any premium and shall give the Authority the right to make the premium payment thereunder within a reasonable time, if the insurance policy is in danger of lapsing during the Contract Period. Any premium payments made by the Authority shall be deducted from amounts due Vendor under the Contract.

20. Compliance With Laws

20.1 All work performed shall be in accordance with all local, state and federal codes, laws and regulations, including but not limited to: Virginia Conflict of Interest Act, Virginia Fair Employment Contracting Act, Virginia Freedom of Information Act, Virginia Prompt Payment Act, and the Virginia Public Procurement Act.

21. No Waiver

21.1 Any failure of the Authority to demand rigid adherence to one or more of the terms of the Contract Documents, on one or more occasions, shall not be construed as a waiver nor deprive the Authority of the right to insist upon strict compliance with the terms of the Contract Documents. Moreover, it is the Authority's position and Vendor hereby agrees that the legal theories of Implied Waiver, Statute of Limitation, Estoppel, and Laches do not apply as defenses that the Vendor may assert in any action by the Authority. Any waiver of a term of this Agreement, in whole or in part, must be in writing and signed by the party granting the waiver to be effective.

22. Termination and Cancellation

22.1 The Authority shall have the unilateral right to terminate any contract with Vendor for default on the terms of that contract, or any other contract between the Vendor and the Authority.

22.2 The Authority has the unilateral right to cancel and terminate any contract with Vendor, in whole or in part, without penalty, merely out of convenience, and shall require no breach of contract by Vendor as a condition of termination. This right of termination for convenience may be exercised at the sole unconditional discretion of the Authority. If a contract is terminated in whole or in part for the convenience of the Authority, the Vendor shall be paid the contracted price for the service or goods actually provided or rendered up to the date of the termination of the respective contract, but shall not be paid any other fees or lost profits.

22.3 Any contract cancellation notice shall not relieve the Vendor of the obligation to perform on all outstanding orders issued prior to the effective date of cancellation.

23. Availability of Funds

23.1 It is understood and agreed between the parties herein that the Authority shall be bound hereunder only to the extent of the funds available and duly appropriated or which may hereafter become available and duly appropriated for the purpose of fulfilling the Authority's obligations with respect to the Contract Documents.

24. Billing, Method of Payment and Offset Rights

24.1 Billing shall be done monthly based on the contracted rate bid by the Vendor and submitted to the Fluvanna County Administration Department. The Authority will remit payment within 30 days of receipt of a correct invoice. Incorrect invoices shall be subject to correction and/or rejection by the Fluvanna County Administration Department.

24.2 Vendor agrees that the Authority has the unilateral right to offset any bill submitted to Authority by Vendor, or any payment owed to Vendor by the Authority, by any amount due to the Authority from Vendor pursuant to the Contract Documents, or any other agreement, contract or transaction between Authority and Vendor.

25. Tax Exemption

25.1 The James River Water Authority, as a political subdivision of the Commonwealth of Virginia, is exempt from any Federal excise tax and Virginia sales and use tax under VA Code §15.2-5132. The James River Water Authority's tax identification number is [27-0317733](https://www.irs.gov/efile/individual-overview-new-ein).

26. Work Site Damages

26.1 Any damages, including damage to finished surfaces, resulting from Vendor's performance of its Obligations shall be repaired to the satisfaction of the Authority at the Vendor's expense.

27. Choice of Law

27.1 To ensure uniformity of the enforcement of the Contract Documents, and irrespective of the fact that either of the parties now is, or may become, a resident

of a different state, this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

28. Forum Selection

28.1 Vendor agrees, and submits, to sole and exclusive jurisdiction and venue in either of the following courts: the General District or Circuit Courts of Louisa County, Virginia, or the General District or Circuit Courts of Fluvanna County, Virginia; for resolution of any and all claims, causes of action or disputes between Vendor and the Authority. The Vendor agrees hereby to waive any jurisdictional or venue defenses related to any such action brought in such courts, and further agrees to not remove or file any such action in Federal Court.

28.2 Vendor agrees that service by registered mail to the address set forth in Paragraph 31.1 of these Standard Terms and Conditions shall constitute sufficient service of process for any such action.

29. Severability

29.1 If any provision of any one, or all of the Contract Documents is held to be illegal, invalid, or unenforceable, or is found to be against public policy for any reason, such provision shall be fully severable and the remainder of the Contract Documents shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never been part of the Contract Documents, and the remaining provisions of the Contract Documents shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision, or by its severance.

30. Attorneys' Fees

30.1 Should the Authority employ an attorney to either (i) institute and maintain a suit against Vendor arising out of the Contract Documents or Vendor's Obligations; (ii) assist in enforcing or defending any of the Authority's rights under the Contract Documents; (iii) protect the Authority's interest in any matter arising under a contract with Vendor; (iv) collect damages for the breach of a contract or any other amounts owed to the Authority; or (v) recover on a surety bond given by the Vendor, then the Authority shall be entitled to recover its attorneys' fees, costs, charges, and expenses expended or incurred therein from the Vendor if the Authority prevails in court, regardless whether the Authority recovers at law or in equity.

31. Notices

31.1 All requests, notices and other communications required or permitted to be given under the Contract Documents shall be in writing. Delivery of a notice shall be deemed to have been made when such notice is either:

- a) Duly mailed by first-class mail, postage prepaid, return receipt requested, or any comparable or superior postal or air courier service then in effect; or
- b) Transmitted by hand delivery, telegram, telex, telecopy or facsimile transmission, to the party entitled to receive the same at the address indicated below or at such other address as such party shall have specified by written notice to the other party. Notices to the Authority shall be sent to:

James River Water Authority
123 Main Street
Fluvanna, Virginia 22963

With a copy to:
County Attorney
Louisa County
P.O. Box 160
Louisa, VA 23093

And a copy to:
County Attorney
Fluvanna County
132 Main Street
Palmyra, VA 22963

32. Contractual Claims Procedure

32.1 Contractual claims or disputes by Vendor against the Authority, whether for money or other relief, except for claims or disputes exempted by law from the procedure set forth herein, shall be submitted in writing no later than sixty (60) days after final payment; provided, however, that Vendor shall give the Authority written notice of its intention to file a claim or dispute within fifteen (15) days after the occurrence upon which the claim or dispute shall be based. Any written notice of Vendor's intention to file such a claim or dispute need not detail the amount of the claim, but shall state the facts and/or issues relating to the claim in sufficient detail to identify the claim, together with its character and scope. Whether or not Vendor files such written notice, Vendor shall proceed with the work as directed. If Vendor fails to make its claim or dispute, or fails to give notice of its intention to do so as provided herein, then such claim or dispute shall be deemed forfeited.

- 32.2 The Authority, upon receipt of a detailed claim, may at any time render its decision and shall render such decision within one hundred twenty (120) days of final payment. Each such decision rendered shall be forwarded to the Vendor by written notice.
- 32.3 If the Vendor disagrees with the decision of the Authority concerning any pending claim, the Vendor shall promptly notify the Authority by written notice that the Vendor is proceeding with the work under protest. Any claim not resolved, whether by failure of the Vendor to accept the decision of the Authority or under a written notice of Vendor's intention to file a claim or a detailed claim not acted upon by the governing body of the Authority, shall be specifically exempt by the Vendor from payment request, whether progress or final. Pendency of claims shall not delay payment of amounts agreed due in the final payment.
- 32.4 The Authority's decision on contractual claims shall be final and conclusive unless the Vendor appeals within six months of the date of the final decision on the claim by instituting legal action in the appropriate court.

33. Correction of Defective Work

- 33.1 Vendor shall promptly replace or correct any work or materials which Authority rejects as failing to conform to the requirements of the Contract Documents. If Vendor does not do so within a reasonable time, Authority shall have the right to replace or correct the defective work or materials and Vendor shall be liable to Authority for the cost thereof. If, in the opinion of Authority, it is not expedient to correct or replace all or any part of rejected work or materials, then Authority, at its option, may deduct from the payment due, or to become due, to Vendor such amounts as, in Authority's judgment, will represent the higher of: (i) the difference between the fair value of the rejected work and materials and the value thereof, if the work had complied with the Contract Documents; or (ii) the cost of correction.

I agree to these terms and conditions, and understand that they apply to and govern all purchases, regardless of the type of goods or services purchased, by the James River Water Authority from Vendor.

Name Title

Vendor _____

Date _____

APPENDIX C-4
PROCUREMENT POLICY OF JAMES RIVER WATER AUTHORITY

Procurement Policy
of
James River Water Authority

1.0 **Introduction:**

It is the intent of the James River Water Authority (the “**Authority**”) to obtain high quality goods and services at a reasonable cost and to conduct its purchasing procedures in a fair and impartial manner without impropriety or the appearance of impropriety and at all times in accordance with the provisions of this policy (this “**Procurement Policy**”). Maximum feasible competition will be sought, giving all qualified vendors access to Authority business with no offeror arbitrarily or capriciously excluded.

All procurement transactions shall be conducted in a manner that provides full and open competition, consistent with the ethical standards specified in Article 6 (§2.2-4367 et seq.) of the Virginia Public Procurement Act (“**Ethics in Public Contracting Article**”), Chapter 43 of Title 2.2 of the Code of Virginia of 1950, as amended (the “**Code**”), and the State and Local Government Conflict of Interest Act, §2.2-3100 et seq. of the Code (the “**Conflict of Interest Act**”).

2.0 **Procurement Policy**

2.1 **Procurement of Goods and Nonprofessional Services.**

2.1.1 Purchases of all parts, supplies and nonprofessional services valued at less than \$500 shall be procured after comparing offered prices by way of telephone, catalog, or other similar means. No permanent documentation of price comparison is required. When a purchase is made pursuant to this subsection, the purchase shall be made from the vendor quoting the lowest price, unless the Authority reasonably determines that it is in the best interest of the Authority that such purchase be made from another supplier quoting a higher price.

2.1.2 Except as permitted by law, contracts with non-governmental contractors for the purchase or lease of goods or nonprofessional services which in the aggregate are valued at more than \$500 and less than \$30,000 shall be awarded by solicitation of informal bids or quotations, preferably in writing, from three or more bidders or offerors, where practicable. When a purchase is made pursuant to this subsection, the purchase shall be made from the vendor quoting the lowest price, unless the Authority makes a written determination that it is in the best interest of the Authority that such purchase be made from another supplier quoting a higher price.

2.1.3 Except as permitted by law, contracts with non-governmental contractors for the purchase or lease of goods or nonprofessional services which in the aggregate are valued at \$30,000 or more, but

**Procurement Policy
of
James River Water Authority**

less than \$50,000, shall be awarded by solicitation of informal bids or quotations in writing, from a minimum of four bidders or offerors. When a purchase is made pursuant to this subsection, the purchase shall be made from the vendor quoting the lowest price, unless the Authority makes a written determination that it is in the best interest of the Authority that such purchase be made from another supplier quoting a higher price.

- 2.1.4 Except as permitted by law, contracts with non-governmental contractors for the purchase or lease of goods or nonprofessional services which in the aggregate are valued at more than \$50,000 shall be procured through competitive sealed bidding¹. If, in advance of the purchase, the Chairman of the Authority determines in writing that competitive sealed bidding is either not practicable or not fiscally advantageous, the Authority may procure the parts, supplies, and nonprofessional services through competitive negotiation². When competitive sealed bidding is used, the following factors shall be considered, in addition to price, when determining the lowest responsible bidder and the responsiveness of the bid: (a) the ability, capacity, and skill of the bidder to perform the contract or provide the service required; (b) whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference; (c) the character, integrity, reputation, judgment, experience, and efficiency of the bidder; (d) the quality of performance of previous contracts or services; (e) the previous and existing compliance by the bidder with laws and ordinances relating to the contract or service; (f) the sufficiency of financial resources and ability of the bidder to perform the contract or provide the service; (g) the quality, availability, and adaptability of the goods or services to the particular use required; (h) the ability of the bidder to perform future maintenance and service for use of the subject of the contract; (i) the number and scope of conditions attached to the bid; and (j) any other condition or criteria included in the request for bids or the instructions to bidders.

¹ The Virginia Public Procurement Act defines competitive sealed bidding as a method of contractor selection, other than for professional services, which includes the following elements: (i) issuance of a written invitation to bid; (ii) public notice of the invitation to bid; (iii) public opening and announcement of all bids received; (iv) evaluation of bids; and (v) award to the lowest responsive and responsible bidder.

² The Virginia Public Procurement Act defines competitive negotiation as a method of contractor selection and includes the following elements: (i) an issuance of a written request for proposal; (ii) public notice of the request for proposal; (iii) selection of two or more offerors deemed to be fully qualified and best suited among those submitting proposals, and (iv) negotiate with each offeror and award the contract to the offeror who has put forth the best proposal.

**Procurement Policy
of
James River Water Authority**

2.1.5 In addition to the requirements set forth in the request for bids or the instructions to bidders, evaluation of bids may be based upon special qualifications of potential contractors, life-cycle costing, value analysis, and other criteria such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose, which are helpful in determining acceptability.

2.1.6 Procurement of goods and nonprofessional services shall not be split to avoid the minimum amounts specified in this section.

2.2 Sole Source Procurement.

2.2.1 Upon written determination by the Chairman of the Authority that there is only one source for parts or supplies practically available, a contract may be awarded without competitive sealed bidding or competitive negotiation. The Chairman of the Authority shall issue a written notice stating that only one source was determined to be practicably available, and identify that which is being procured, the contractor selected, and the date on which the contract was or will be awarded.

2.3 Emergency Procurement.

2.3.1 Emergency procurement may be made without formal sealed bidding or competitive negotiation with a written determination by the Chairman of the Authority of the basis of the emergency, identification of what is being procured, the contractor selected, and the date of the contract award; however, such procurement shall be made with such competition as is practicable under the circumstances.

2.4 Goods and Services Provided by Local Governments

2.4.1 Goods and services provided by local governments may be used without competitive bidding. A cost analysis must accompany the requisition which demonstrates this is a low-cost alternative.

2.5 Procurement of Legal and Related Services.

2.5.1 Contracts for legal services, expert witnesses, and other services associated with litigation, regulatory proceedings, or other legal matters shall be exempt from price competition.

2.6 Procurement of Other Professional Services.

**Procurement Policy
of
James River Water Authority**

- 2.6.1 All professional services valued at less than \$30,000 shall be procured on the basis of three quotes, where practicable.
- 2.6.2 All professional services valued at \$30,000 or more shall be procured on the basis of competitive negotiation, as defined in the Virginia Public Procurement Act.
- 2.6.3 Procurement of professional services shall not be split to avoid the \$30,000 minimum.

2.7 Construction Procurement and Prequalification.

- 2.7.1 Competitive sealed bidding shall be the preferred method of construction procurement for the Authority, provided, however, that the Authority may enter into a contract for construction on a fixed price or not-to-exceed price design-build or construction management basis provided subject to the requirements specified in §2.2-4308 of the Virginia Public Procurement Act, Chapter 43 of Title 2.2 of the Code, as amended.
- 2.7.2 The Authority shall be permitted to prequalify prospective contractors for construction contracts valued at \$100,000 or more, subject to the requirements specified in §2.2-4317 of the Virginia Public Procurement Act, Chapter 43 of Title 2.2 of the Code, as amended. In evaluating requests for prequalification, the Authority shall determine whether offerors possess the management, financial soundness, and history of performance that indicate apparent ability to complete successfully the plans and/or specifications of the construction procurement solicitation.

2.8 Assignment of Procurement Contracts.

- 2.8.1 The Authority shall be permitted to accept an assignment of an existing contract for the purchase or lease of goods or the provision of professional or nonprofessional services from the Commonwealth of Virginia or another state or local governmental entity provided that such contract was procured by the assigning entity in accordance with applicable law.

2.9 Preference for Local Vendors.

- 2.9.1 If more than one bid or proposal received pursuant to the terms of this Procurement Policy is for the same total amount or unit price, quality and service being equal, the tie bidders shall be invited to resubmit written bids below the original price, and award shall be made to the lower bidder. If upon rebidding the bidders are again

**Procurement Policy
of
James River Water Authority**

equal, preference shall be given to goods and services produced in (i) the Counties of Fluvanna and/or Louisa; or (ii) the Commonwealth of Virginia (in that order), or provided by persons or entities located in (i) the Counties of Fluvanna and/or Louisa; or (ii) the Commonwealth of Virginia (in that order).

2.10 Anti-Discrimination Provisions.

2.10.1 The Authority shall not discriminate in the procurement process because of the race, religion, color, sex, or national origin of the bidder or offeror.

2.10.2 As provided in the Virginia Public Procurement Act, all procurement contracts of more than \$10,000 shall include the following provisions:

2.10.1.1 During the performance of this contract, the contractor agrees as follows: (a) the contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor; (b) the contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause; (c) the contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer; and (d) notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements in this section.

2.10.1.2 During the performance of this contract, the contractor agrees to (a) provide a drug-free workplace for the contractor's employees, (b) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the

**Procurement Policy
of
James River Water Authority**

actions that will be taken against employees for violation of such prohibition, and (c) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace.

2.11 Participation of Small, Women-, Minority- and Service Disabled Veteran-Owned Businesses.

2.11.1 Pursuant to §2.2-4310 of the Virginia Public Procurement Act, Chapter 43 of Title 2.2 of the Code, the Chairman of the Authority shall establish a program to facilitate the participation of small businesses and businesses owned by women, minorities, and service disabled veterans in the Authority's procurement transactions.

2.12 Certification of Compliance.

2.12.1 All Authority employees or officials who have official responsibility for any aspect of a procurement transaction must sign a statement certifying that they have complied with all provisions of the Ethics in Public Contracting Article of the Virginia Public Procurement Act, and the Conflicts of Interests Act.

2.12.2 Any Authority employee or official required to sign a certification who knowingly makes a false statement in such certification shall be guilty of committing a Class 1 Misdemeanor. Upon conviction, any Authority employee or official, in addition to any other fine or penalty provided by law, shall forfeit his or her employment or appointment.

2.12.3 An Annual Certification of Compliance form, attached hereto as Exhibit A, shall be distributed each year for all appropriate Authority employees and/or officials to sign. This form is to be signed on or before July 1 of each year, and forwarded to the Treasurer of the Authority (provided, however, that any such form signed by the Treasurer shall be forwarded to the Chairman of the Authority), with a copy to the Authority's general outside legal counsel. As new employees are hired, new officials are appointed, or purchasing related duties change, the form must be appropriately updated and forwarded to the Treasurer of the Authority, with a copy to the Authority's general outside legal counsel. The forms will be maintained on file with the Treasurer of the Authority for three (3) years after the current calendar year (provided, however, that any such forms signed by the Treasurer

**Procurement Policy
of
James River Water Authority**

shall be maintained on file with the Chairman of the Authority for three (3) years after the current calendar year).

Exhibit A
to
Procurement Policy
of
James River Water Authority

**ANNUAL CERTIFICATION OF COMPLIANCE
WITH THE VIRGINIA PUBLIC PROCUREMENT ACT AND CONFLICT OF
INTEREST ACT**

Pursuant to the provisions of Section 2.2-4375 of the Virginia Public Procurement Act, Chapter 43 of Title 2.2 of the Code of Virginia of 1950, as amended, I, [EMPLOYEE / OFFICIAL NAME], [EMPLOYEE / OFFICIAL TITLE], DO HEREBY CERTIFY as follows:

1. During the past fiscal year, in my capacity as [EMPLOYEE TITLE], I had official responsibility for some aspect of one or more procurement transaction involving the James River Water Authority (the "Authority").
2. I have complied with all of the provisions of Article 6 (§2.2-4367 et seq.) of the Virginia Public Procurement Act, Chapter 43 of Title 2.2 of the Code of Virginia of 1950, as amended (the "Code"), and the State and Local Government Conflict of Interest Act, §2.2-3100 et seq. of the Code.
3. I am aware that if I knowingly make a false statement in this Annual Certification of Compliance, I shall be guilty of committing a Class 1 Misdemeanor. Upon conviction, in addition to any other fine or penalty provided by law, I shall forfeit my employment or appointment with the Authority, as applicable.

WITNESS my hand this ___ day of _____, 20___.

[Employee / Official Name]
[Employee / Official Title]

APPENDIX C-5

**RESOLUTION SIGNIFYING THE INTENTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF FLUVANNA TO
CREATE A JOINT WATER AUTHORITY UNDER THE VIRGINIA WATER AND WASTE AUTHORITIES ACT AND
SETTING FORTH ITS ARTICLES OF INCORPORATION**

**RESOLUTION SIGNIFYING THE INTENTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF FLUVANNA TO CREATE A JOINT WATER AUTHORITY
UNDER THE VIRGINIA WATER AND WASTE AUTHORITIES ACT AND SETTING
FORTH ITS ARTICLES OF INCORPORATION**

WHEREAS, Fluvanna County desires to obtain bulk water from the James River in order to supplement water service to the residents and commercial and industrial establishments in the County; and

WHEREAS, since 2004, Fluvanna County and Louisa County have worked together on a project to obtain joint water supply and service from the James River in order to meet their respective water needs; and

WHEREAS, the Board of Supervisors has determined the most efficient and practicable manner to provide such services is to form a regional water authority, which may be created pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, §§ 15.2-5100 *et seq.*, VA Code Ann.)(“the Act”); and

WHEREAS, the Board of Supervisors advertised its intention to create a regional water authority and conducted a public hearing, as required by law, to be held on March 18, 2009; and

WHEREAS, the Board of Supervisors hereby adopts this resolution to create the articles of incorporation of this new authority.

NOW, THEREFORE, BE IT RESOLVED on this 18th day of March, 2009, by the Fluvanna County Board of Supervisors as follows:

Section 1. The Fluvanna County Board of Supervisors hereby signifies its intention to create a water authority pursuant to the Act, to be known as “James River Water Authority” (“Authority”) in order to accomplish the goal of solving their joint water needs by working with the Louisa County Board of Supervisors to provide for service from the James River.

Section 2. The purpose for which the Authority is to be formed is stated in its Articles of Incorporation as hereinafter set forth.

Section 3. The Articles of Incorporation of the Authority shall be as follows:

**ARTICLES OF INCORPORATION
OF
JAMES RIVER WATER AUTHORITY**

The Board of Supervisors of Fluvanna County and the Board of Supervisors of Louisa County, having both signified their intention to create an authority pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, §§ 15.2-5100 *et seq.*, VA Code Ann.), which shall be a public body politic and corporate, hereby certify:

1. **Name.** The name of the Authority shall be the “James River Water Authority”, and the address of its principal office shall be the Fluvanna County Office Building, Main Street, Palmyra, Virginia 22963.

2. **Incorporating Political Subdivisions.** The names of the incorporating political subdivisions are the County of Fluvanna, Virginia (“Fluvanna County”), and the County of Louisa, Virginia (“Louisa County”). Fluvanna County and Louisa County, as the incorporating political subdivisions, hereby acknowledge, covenant, and agree that these Articles of Incorporation shall not be further amended or changed without the express agreement of their governing bodies, as the incorporating political subdivisions. Furthermore none of the following actions shall be taken or permitted to occur by the Board of the Authority without the affirmative vote of a majority of the members appointed by the respective boards of supervisors of Fluvanna County and Louisa County on the Board of the Authority:

a. The inclusion of additional political subdivisions in the Authority;
b. Additional agreements with other political subdivisions, entities or persons, for the bulk sale of water or wholesale service of water.

3. **Authority Board.**

a. The powers of the Authority shall be exercised by a board of six (6) members consisting of the following:

1. John Y. Gooch, P.O. Box 540, Palmyra, Virginia 22963, Fluvanna County Board of Supervisors Member

2. G. Cabell Lawton, IV, P.O. Box 540, Palmyra, Virginia 22963, Fluvanna County Administrator

3. Thomas E. Payne, P. O. Box 540, Palmyra, Virginia 22963, a citizen of Fluvanna County appointed by the Fluvanna Board of Supervisors

4. _____,
Louisa County Board of Supervisors Member

5. Dale Mullen, P.O. Box 160, Louisa, Virginia 23093, Louisa County Administrator

6. _____, _____, Louisa County Water Authority General Manager or other citizen of Louisa County appointed by the Louisa Board of Supervisors

b. The terms of office of each of the initial members of the Board shall begin on the date of the issuance of a certificate of incorporation or charter for the Authority by the State Corporation Commission. The governing body of each of the participating counties shall appoint the members as set forth above.

c. The terms of the members of the board serving by virtue of their offices in their appointing county shall expire upon their ceasing to hold such offices or, after a term of four (4) years, whichever occurs first. The terms of the citizen appointees shall not exceed four (4) years. The governing body of each county is empowered to remove at any time, without cause, any member appointed by it and appoint a successor member to fill the unexpired term of the removed member's term. Each member of the board shall serve without compensation. However, each member shall be reimbursed by the Authority for the amount of actual expenses incurred in the performance of Authority duties.

d. No tiebreaker shall be appointed nor shall the number of members of the Board be changed without the concurrence of the respective Boards of Supervisors of Fluvanna County and Louisa County.

4. **Purpose and Powers.** The purpose for which the Authority is formed is to exercise those pertinent powers set forth in §§ 15.2-5100 *et seq.* VA Code Ann., to acquire, purchase, finance, construct, reconstruct, operate, and maintain facilities for developing a bulk or wholesale supply of potable water for the Counties of Fluvanna and Louisa, including without limitation sources of water supply, water intakes, reservoirs, filtration and purification plants, pumping stations, transmission lines, and storage facilities, together with all appurtenant equipment and appliances necessary or suitable thereto and all properties, rights, licenses, easements or franchises relating thereto and deemed necessary and convenient by the Authority for their operation.

The Authority may contract with any lawful entity to furnish water delivered to its facilities upon such terms as the Authority shall determine; provided, however, that any such contract shall include as a party thereto Fluvanna County and Louisa County (or any agency designated by either County for the purpose by its Board of Supervisors).

5. **Audit.** The Authority shall cause an annual audit of its books and records to be made by the State Auditor of Public Accounts or an independent certified public accountant at the end of each fiscal year and a certified copy thereof is to be filed promptly with the County Administrator of each of the participating counties.

6. **Estimates Impracticable.** Fluvanna County and Louisa County have determined it is not practicable to provide preliminary estimates of capital costs, proposals for specific

projects to be undertaken by the Authority or preliminary estimates of initial wholesale rates for water services at the current time.

IN WITNESS WHEREOF, the Board of Supervisors of the Fluvanna County and the Board of Supervisors of Louisa County have caused these Articles of Incorporation to be executed by their respective Chairmen, and their respective seals to be affixed, this _____ day of _____, 2009.

COUNTY OF FLUVANNA

By: _____
Chairman
Board of Supervisors

(SEAL)
ATTEST:

Clerk, Board of Supervisors

COUNTY OF LOUISA

By: _____
Chairman
Board of Supervisors

(SEAL)
ATTEST:

Clerk, Board of Supervisors

Section 4. The first members of the Authority Board shall be those persons specified in the Articles of Incorporation filed with the State Corporation Commission (“S.C.C.”) and shall expire as specified in the Articles of Incorporation.

Section 5. The Chairman of the Board of Supervisors is hereby authorized and directed to execute the Articles of Incorporation in substantially the form set forth above, to cause the executed Articles of Incorporation to be filed with the S.C.C. on or after the date of the

public hearing required by Section 6 hereof, together with proof of publication of the notice of such public hearing and to do all things necessary for the creation of the Authority.

Section 6. A public hearing was held by the Board of Supervisors as otherwise set forth herein. Notice of the public hearing, including a copy of the Board's resolution or a descriptive summary thereof, was published at least one time, 30 days prior to the date of the public hearing, in The Fluvanna Review, a newspaper having general circulation in the County, substantially as follows:

Notice of Public Hearing
FLUVANNA COUNTY BOARD OF SUPERVISORS

The Fluvanna County Board of Supervisors will hold a special public hearing on the following items at 7:00 p.m. on March 18, 2009, in the Circuit Court Room, Fluvanna County Courts Building located at Palmyra, Virginia:

Public Hearing: On a resolution to be considered for adoption by the Fluvanna County Board of Supervisors signifying its intention to create a joint water authority, pursuant to § 15.2-5100 *et seq.* VA Code Ann. The purpose of the resolution is to create the James River Water Authority, a joint water authority with Louisa County, to acquire, purchase, finance, construct, reconstruct, operate, and maintain facilities for developing a supply of potable water for Fluvanna County and Louisa County.

More information and a copy of the proposed resolution are available for review in the Administration Office, located at Palmyra, Virginia, Monday through Friday, 8:30 a.m. to 5:00 p.m., and the phone number is 434-591-1910.

Any parties wishing to be heard are requested to attend the public hearing.

It is the County's intent to comply with the requirements of the Americans with Disabilities Act. Should you need special accommodations, please contact the County Administrator's Office at the number listed above prior to March 15, 2009.

By Order of the Board of Supervisors

Section 7. After consultation with the Board of Supervisors of Louisa County and with the public works staffs of Fluvanna County, the Board of Supervisors has determined it is not practicable to provide preliminary estimates of capital costs, proposals for specific projects to

be undertaken by the Authority or preliminary estimates of initial wholesale service rates for such water services at the current time.

A Copy, teste:

Alice F. Jones, Clerk, Board of Supervisors
Fluvanna County, Virginia

APPENDIX C-6
ARTICLES OF INCORPORATION OF JAMES RIVER WATER AUTHORITY

**ARTICLES OF INCORPORATION
OF
JAMES RIVER WATER AUTHORITY**

The Board of Supervisors of Fluvanna County and the Board of Supervisors of Louisa County, having both signified their intention to create an authority pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, §§ 15.2-5100 *et seq.*, VA Code Ann.), which shall be a public body politic and corporate, hereby certify:

1. **Name.** The name of the Authority shall be the "James River Water Authority", and the address of its principal office shall be the Fluvanna County Office Building, Main Street, Palmyra, Virginia 22963.

2. **Incorporating Political Subdivisions.** The names of the incorporating political subdivisions are the County of Fluvanna, Virginia ("Fluvanna County"), and the County of Louisa, Virginia ("Louisa County"). Fluvanna County and Louisa County, as the incorporating political subdivisions, hereby acknowledge, covenant, and agree that these Articles of Incorporation shall not be further amended or changed without the express agreement of their governing bodies, as the incorporating political subdivisions. Furthermore none of the following actions shall be taken or permitted to occur by the Board of the Authority without the affirmative vote of a majority of the members appointed by the respective boards of supervisors of Fluvanna County and Louisa County on the Board of the Authority:

- a. The inclusion of additional political subdivisions in the Authority;
- b. Additional agreements with other political subdivisions, entities or persons, for the bulk sale of water or wholesale service of water.

3. **Authority Board.**

a. The powers of the Authority shall be exercised by a board of six (6) members consisting of the following:

1. John Y. Gooch, 362 Oliver Creek Road, Troy, Virginia 22974, Fluvanna County Board of Supervisors Member (Fluvanna County appointee)- four (4) year term subject to subsection 3.c. below.
2. G. Cabell Lawton, IV, 132 Main Street, Palmyra, Virginia 22963, Fluvanna County Administrator (Fluvanna County appointee) - four (4) year term subject to subsection 3.c. below.
3. Thomas E. Payne, 345 Paynes Lane, Troy, Virginia 22974, a citizen of Fluvanna County (Fluvanna County appointee) - four (4) year term.
4. John E. Thomasson, 125 West Street, Louisa, Virginia 23093, a citizen of Louisa County (Louisa County appointee) - two (2) year term.
5. Dale Mullen, 1 Woolfolk Avenue, Louisa, Virginia 23093, Louisa County Administrator (Louisa County appointee) - four (4) year term subject to subsection 3.c. below.
6. Goodman B. Duke, 304 Club Road, Louisa, Virginia 23093, a citizen of Louisa County (Louisa County appointee) - three (3) year term.

b. The terms of office of each of the initial members of the Board shall begin on the date of the issuance of a certificate of incorporation or charter for the Authority by the State Corporation Commission. The governing body of each of the participating counties shall appoint the members as set forth above.

c. The terms of the members of the board serving by virtue of their offices in their appointing county shall expire upon their ceasing to hold such offices or, after a term of four (4) years, whichever occurs first. The terms of the citizen appointees shall not exceed four (4) years. The governing body of each county is empowered to remove at any time, without cause, any member appointed by it and appoint a successor member to fill the unexpired term of the removed member's term. Each member of the board shall serve without compensation. However, each member shall be reimbursed by the Authority for the amount of actual expenses incurred in the performance of Authority duties.

d. No tiebreaker shall be appointed nor shall the number of members of the Board be changed without the concurrence of the respective Boards of Supervisors of Fluvanna County and Louisa County.

4. **Purpose and Powers.** The purpose for which the Authority is formed is to exercise those pertinent powers set forth in §§ 15.2-5100 *et seq.* VA Code Ann., to acquire, purchase, finance, construct, reconstruct, operate, and maintain facilities for developing a bulk or wholesale supply of potable water for the Counties of Fluvanna and Louisa, including without limitation sources of water supply, water intakes, reservoirs, filtration and purification plants, pumping stations, transmission lines, and storage facilities, together with all appurtenant equipment and appliances necessary or suitable thereto and all properties, rights, licenses, easements or franchises relating thereto and deemed necessary and convenient by the Authority for their operation.

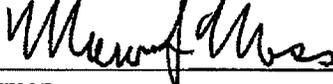
The Authority may contract with any lawful entity to furnish water delivered to its facilities upon such terms as the Authority shall determine; provided, however, that any such contract shall include as a party thereto Fluvanna County and Louisa County (or any agency designated by either County for the purpose by its Board of Supervisors).

5. **Audit.** The Authority shall cause an annual audit of its books and records to be made by the State Auditor of Public Accounts or an independent certified public accountant at the end of each fiscal year and a certified copy thereof is to be filed promptly with the County Administrator of each of the participating counties.

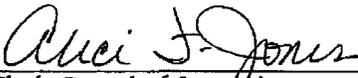
6. **Estimates Impracticable.** Fluvanna County and Louisa County have determined it is not practicable to provide preliminary estimates of capital costs, proposals for specific projects to be undertaken by the Authority or preliminary estimates of initial wholesale rates for water services at the current time.

IN WITNESS WHEREOF, the Board of Supervisors of Fluvanna County and the Board of Supervisors of Louisa County have caused these Articles of Incorporation to be executed by their respective Chairmen, and their respective seals to be affixed, this 20th day of April, 2009.

COUNTY OF FLUVANNA

By: 
Chairman
Board of Supervisors

(SEAL)
ATTEST:


Clerk, Board of Supervisors

COUNTY OF LOUISA

By: 
Chairman
Board of Supervisors

(SEAL)
ATTEST:


Clerk, Board of Supervisors

APPENDIX C-7
JAMES RIVER WATER AUTHORITY BYLAWS

JAMES RIVER WATER AUTHORITY

BYLAWS

ARTICLE I

PREAMBLE AND POWERS

1.1 The Act. Subject to the Articles of Incorporation, the James River Water Authority (the “Authority”) shall have all of the rights, powers and duties and shall be subject to the limitations and restrictions set forth in the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2 of the Code of Virginia of 1950, as amended (the “Act”). These bylaws are made pursuant to the authority contained in the Act.

ARTICLE II

BOARD MEMBERS

2.1 Members. The Board of the Authority (“Board”) shall consist of six (6) members. The Board of Supervisors of the Counties of Fluvanna and Louisa (collectively the “Governing Bodies”) shall each appoint three (3) members of the Board. Members are to be appointed for a term of four years and may be reappointed.

ARTICLE III

MEETINGS

3.1 Regular Meetings. Regular meeting of the Board shall be held monthly, at 10:30 a.m. on the first Tuesday of the month at the Spring Creek Sports Club, 181 Clubhouse Way, Zion Crossroads, Virginia 22942. The Board may by resolution change the date and frequency, and may fix the time and place of any regular meeting at any time prior to the meeting and may adjourn any meeting from time to time or to another place. The June meeting on the first Tuesday of the month shall be the annual meeting of the Board.

3.2 Special Meetings. Special meetings may be called by the Chairman, or his or her representative, upon 24 hours notice to all members and alternate members by telephone, by written notice delivered by hand or by facsimile machine. Such notice shall include the time, date, place and purpose of such special meeting.

3.3 Emergency Meetings. Emergency meetings may be called by the Chairman, or his or her representative, upon 4 hours notice to all members and alternate members by telephone, by written notice, by hand or by facsimile machine. Such notice shall include the time, date, place and purpose of such emergency meeting. The declaration of emergency must be approved by affirmative vote of the members at the emergency meeting.

3.4 Quorum. A majority of the members of the Board shall constitute a quorum (four of the six members constitutes a quorum).

3.5 Voting. Each member of the Board shall be entitled to one vote on matters before the Board. A vote of the majority of members is necessary for any action taken by the Board (i.e. four affirmative votes are necessary no matter how many members are present).

3.6 Public Meetings. All meetings shall be open to the public, except when, pursuant to the provision of Section 2.2-3711 of the Code of Virginia of 1950, as amended, the members have voted to hold an executive or closed meeting and no resolution, ordinance, rule, contract, regulation or motion adopted, passed or agreed to in an executive or closed session shall become effective unless the members following such session, reconvene in an open meeting and take a vote of the membership on such resolution, ordinance, rule, contract, regulation or motion.

3.7 Order of Business. The order of business for each regular meeting of the Board shall be:

1. Call to Order
2. Adoption of Agenda
3. Items from the Public
4. Approval of Minutes of Preceding Meeting
5. Financial Report
6. Discussion/Information Items
7. Action Items
8. Consent Agenda
9. Closed Meeting
10. Adjournment

The Board may by resolution revise the order of business at any meeting.

ARTICIVE IV OFFICE AND RECORDS

4.1 Office. The principal office of the Authority shall be the Fluvanna County Office Building in Fluvanna County oat Main Street, Palmyra, Virginia 22963.

4.2 Records. The Authority's books and records shall be maintained at the principal office and shall be open for inspection to any member of the Board or alternate upon request. By resolution, from time to time, the Board may modify this.

ARTICLE V
OFFICERS AND DUTIES

5.1 Officers. Officers of the Authority shall consist of a Chairman, Vice-Chairman, a Secretary, and a Treasurer. All officers shall be members.

5.2 Terms of Office. All officers shall be elected for a term of two years and shall hold office until June 30 of each even numbered year, unless a shorter term specified in the resolution electing such officer. An election of officers shall be held at the June meeting on the third Thursday of each even numbered year, with duly elected officers beginning office on July 1 of such year. A special election of officer(s) shall be held to fill the unexpired term of officer(s) that are no longer able to perform their duties. Officers may succeed themselves.

5.3 Chairman. The Chairman shall preside at all meetings of the Board at which he or she is present. The Chairman shall have the powers and perform such duties as conferred upon the office of Chairman. The Chairman shall sign all contracts and other instruments to be executed on behalf of the Authority, unless the Board authorizes or assigns another officer or the Executive Director to do so.

5.4 Vice-Chairman. The Vice-Chairman shall act as Chairman in the Chairman's absence and shall possess such powers and perform such duties as are conferred upon the Chairman and perform other such duties as the Board may assign.

5.5 Secretary. The Secretary shall act as clerk of the Board. He or she shall give notice of the meetings, keep minutes, affix the seal of the Authority to all documents which require such seal to be affixed and perform other duties as may be assigned by the Board. The Secretary may be assisted by the staff of the Authority.

5.6 Treasurer. The Treasurer shall have general charge and supervision of all financial books and accounts of the Authority. He or she shall perform other duties incident with the job of Treasurer and perform other duties as may be assigned. The Treasurer may be assisted by the staff of the Authority.

The Secretary and Treasurer positions may be filled by one person.

5.7 Additional Officers. In addition to the officers above mentioned, the Board may provide for such deputies, assistants, committees and other officers, as it may deem necessary. Such additional officers need not be members.

ARTICLE VI
INDEMNIFICATION

6.1 Limit on Liability. In every instance in which Virginia law as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of

liability of directors or officers of a corporation to the corporation or its shareholders, the directors and officers of the Authority shall not be liable to the Authority. The liability of a director or officer of the Authority, to the Authority, for damages assessed against such director or officer is eliminated, provided such director or officer has discharged his or her duties in accordance with the applicable statutory standards of conduct for directors and officers. The liability of a director or officer shall not be eliminated or limited if the director or officer engaged in willful misconduct, or a knowing violation of the criminal law, or of any federal or state law.

6.2 Indemnification of Officers and Members. The Authority shall indemnify any person who was or is a party or who is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative by reason of the fact that he or she is or was an officer or member of the Authority, or is or was serving at the request of the Authority as an officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in the manner such person reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

To the extent that an officer or member of the Authority has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this Section or in defense of any claim, issue or matter therein, such officer or member shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such officer or member in connection therewith.

Any indemnification this Section (unless ordered by a court) shall be made by the Authority only as authorized in the specific case upon a determination that indemnification of the officer or member is proper in the circumstances because such officer or member has met the applicable standard of conduct set forth in this Section. Such determination shall be made either (a) by the members of the Authority by a majority vote of a quorum consisting of members who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested members so directs, by independent legal counsel in a written opinion.

Expenses (including attorneys' fees) incurred in defending an action, suit or proceeding, whether civil, criminal, administrative, arbitral or investigative, may be paid by the Authority in advance of the final disposition of such action, suit or proceeding

as authorized in the manner provided in this Section upon receipt of an undertaking by or on behalf of the officer or member to repay such amount unless it shall ultimately be determined that such officer is entitled to be indemnified by the Authority as authorized in this Article.

Each such indemnity shall continue as to a person who has ceased to have the capacity referred to above and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Authority shall have power to make any other or further indemnity to any person permitted under the laws of the Commonwealth of Virginia.

ARTICLE VII COMMITTEES

7.1 Special or Standing Committees. The Board may establish such special or standing committees, as it may deem necessary or desirable for the conduct of business. Persons serving on such committees may be reimbursed for their expenses. The Board may establish such technical and advisor bodies as it deems appropriate and members of such bodies need not be a member of the Board. Nothing in this Article shall be construed to limit the Authority's powers to contract with consultants and experts and to pay them for their services.

ARTICLE VIII ADMINISTRATION

8.1 Executive Director. The Board may select and employ an Executive Director and shall pay such compensation as deemed appropriate. The Executive Director shall be the chief executive officer of the Authority responsible for the day to day operations of the Authority. Under the policies and directives established by the Authority the Executive Director shall have charge and responsibility for all personnel, operations and business of the Authority. The Executive Director shall be responsible for payment of bills, receipt of monies and records of revenues and expenses. The Executive Director shall prepare an annual budget for Board consideration and shall be responsible for the administration of the approved budget, to include budget reports to the Board. The Executive Director shall perform all other duties, incident to chief executive officer, and shall perform such other duties and have such other powers as the Board may designate.

8.2 Staff. The Board may approve and the Executive Director will administer such staff as approved by the Board. The Authority may establish employment positions and compensation and benefit plans for the staff as deemed appropriate.

8.3 Assistant Executive Director. An Assistant Executive Director may be employed by the Authority to perform those duties assigned by the Executive Director

and act for the Executive Director in his absence. The Assistant Executive Director is authorized to sign checks for the Authority. 6

8.4 Emergency Powers. In case of an emergency, such as a significant failure of equipment or pipe line, flood, fire or natural disaster that endanger the safe operation of the facilities of the Authority, the Executive Director is authorized to take such actions as the Executive Director deems necessary. As soon as practical, the Executive Director will inform the Board of such actions. The Chairman may call a Board meeting at the Chairman's discretion to discuss the emergency pursuant to Sections 3.2 and 3.3.

ARTICLE IX FINANCES AND PAYMENTS

9.1 Funds. Monies of the Authority shall be deposited or kept in bank or banks, as the Board shall designate from time to time. Each check, draft or voucher on the Authority's funds shall be signed by the Executive Director or Assistant Executive Director, if any, and countersigned by the Chairman, Vice-Chairman or Treasurer of the Authority.

9.2 Audits. At least annually, the Authority shall cause an audit to be made by an independent certified accountant of the Authority's funds. Audit results shall be reported to the Board and the County Administrators of the Governing Bodies.

9.3 Trustee. The Board may appoint a bank or other financial institution to act as trustee of Authority funds.

ARTICLE X FISCAL YEAR

10.1 Fiscal year. The fiscal year of the Authority shall be July 1 to June 30 of the following year.

ARTICLE XI COUNSEL

11.1 Legal Counsel. The Authority may engage legal counsel to advise and represent it in legal matters and proceedings and to act as counsel to the Authority.

ARTICLE XII RULES OF PROCEDURE

12.1 Procedures. Robert's Rules of Order shall govern all matters of procedure not specifically addressed by the Bylaws.

12.2 Minutes of Meetings. Minutes shall be kept for each meeting of the Board and the number of votes for or against any resolution, authorization or policy shall be recorded. 7

ARTICLE XIII
OFFICIAL SEAL

13.1 Seal. The official seal of the Authority shall consist of the embossed impression of a circular metallic disc containing in the outer rim the words “James River Water Authority” and in the inner circle the words “Seal” and “Virginia”.

ARTICLE XIV
AMENDMENTS

14.1 Amendments of Bylaws. Except as otherwise provided by law, these Bylaws may be amended, added to, altered or repealed in whole or part by the Authority at any meeting of the Authority, provided that notice of the proposed amendment, addition, alteration or repeal is given in the notice of such meeting, and that all members of the Authority are present at such meeting.

APPENDIX C-8

**SERVICE AGREEMENT AMONG JAMES RIVER WATER AUTHORITY AND THE COUNTY OF FLUVANNA, VIRGINIA,
AND THE COUNTY OF LOUISA, VIRGINIA**

SERVICE AGREEMENT

THIS SERVICE AGREEMENT (this “Agreement”), made and entered into as of April 1st, 2015, by and among the **JAMES RIVER WATER AUTHORITY** (the “Authority”), and the **COUNTY OF FLUVANNA, VIRGINIA**, and the **COUNTY OF LOUISA, VIRGINIA** (the “Counties” or individually the “County”).

RECITALS:

WHEREAS, the Authority is a public body politic and corporate created in 2009 upon agreement of the governing bodies of the Counties, and in accordance with the Virginia Water and Waste Authorities Act, Virginia Code § 15.2-5100, et seq. (the “Act”), for the purpose of servicing the water needs of the Counties; and

WHEREAS, the County of Fluvanna, Virginia and the County of Louisa, Virginia are counties and political subdivisions of the Commonwealth of Virginia (the “Commonwealth”);

WHEREAS, the Counties entered into a Memorandum of Understanding executed on March 30, 2004 stating their mutual intention to enter into a formal contract for the development of a joint water supply and service utilizing the James River (the “MOU”); and

WHEREAS, the Authority, the Counties and the Louisa County Water Authority (“LCWA”) entered into an agreement (the “2013 Interjurisdictional Agreement”) dated October 1, 2013 to reflect the desire to move the James River intake from Brems Bluff to Columbia, Virginia and to set forth the parties’ respective rights and duties with respect to a James River Pipeline Project; and

WHEREAS, the Authority and the Counties desire to enter into this Agreement to provide for, among other things, the development of a System for the supply of raw water by the Authority to the Counties, the sale of raw water by the Authority to the Counties, the allocation of the Authority’s capacity to the Counties and the method for fixing and collecting rates and charges for the use by the Counties of the Authority’s water system.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

“**Bond Fund**” shall mean the Bond Fund established in the Trust Agreement.

“**Bonds**” shall mean, collectively, any series of bonds, notes, debt, capital leases or other obligations issued by the Authority.

“**Capital Costs**” shall mean the debt service payments required to pay any Bonds issued by the Authority and other capital improvement costs, including required payments to the

Operating Fund, required payments to the Debt Service Reserve Fund, and required payments to any Bond Fund.

“Consulting Engineer” shall mean the Consulting Engineer retained by the Authority s referenced in the Trust Agreement.

“Debt Service Reserve Fund” shall mean the Debt Service Reserve Fund established in the Trust Agreement.

“Fiscal Year” shall mean in respect to the Authority the twelve months beginning on July 1 and ending on June 30, or such other twelve month period as may be determined by the Authority.

“Fixed Operating and Maintenance Costs” shall mean any Operating and Maintenance Costs that are incurred by the Authority in the absence of or regardless of the amount of System water flow to the Counties.

“Gross Revenues” shall mean all moneys received by the Authority in connection with or as a result of its ownership or operation of the System.

“MGD” shall mean million gallons per 24 hour day.

“Month” or “Monthly” shall mean calendar month, unless this Agreement specifies otherwise.

“Operating and Maintenance Costs” shall mean all current expenses directly or indirectly attributable to the ownership or operation of the System, including, without intending to limit or restrict any proper definition of such expenses under any applicable laws or generally accepted accounting principles, reasonable and necessary usual expenses of administration, operation, maintenance and repair, costs for billing and collecting the rates, fees and charges for the use of or the services furnished by the System, insurance and surety bond premiums and other charges and fees necessary for the maintenance of adequate insurance coverage for the Authority and the System, legal, engineering and auditing expense, expenses and compensation of the Trustee, and other current expenses of the Authority required to be paid by law or under the Trust Agreement, but shall not include Capital Costs.

“Operating Fund” shall mean the Operating Fund established in the Trust Agreement.

“Replacement Fund” shall mean the Replacement Fund established in the Trust Agreement.

“System” shall mean the raw water intake, raw water pump station, booster pump stations, raw water storage facilities, raw water pipelines and all associated appurtenances necessary for a complete and functional installation, all plants, systems, facilities, equipment or property owned, operated or maintained by the Authority and used in connection with the supply, storage or distribution of raw water, including, without limitation, dams, water supply systems,

water distribution systems, reservoirs, wells, intakes, mains, laterals, pumping stations, standpipes, filtration plants, purification plants, hydrants, meters, valves and equipment and apparatus, all properties, rights, easements and franchises relating thereto. The raw water intake and raw water pump station shall be constructed along the James River in the vicinity of the Town of Columbia in the County of Fluvanna. The raw water pipeline shall proceed northward from the intake facility to a point near Route 6 and the Columbia Community Planning Area ("CPA"), as the CPA is shown on the Fluvanna County Comprehensive Plan as of the date of the execution of this Agreement, and shall include "T" connections and valves to allow the Counties to connect to the System. Booster pump stations, raw water storage facilities and associated appurtenances shall be constructed as required along the pipeline route on Authority owned and/or leased property.

"Trust Agreement" shall mean the Agreement of Trust, or any similar agreement, if any, between the Authority and the Trustee designated therein, entered into for the purpose of allowing the Authority to issue Bonds, as supplemented and amended from time to time.

"Trustee" shall mean the Trustee or its successor serving as such under the Trust Agreement.

"Variable Operating and Maintenance Costs" shall mean any Operating and Maintenance Costs that are incurred by the Authority attributable to the amount of water flowing from the System to each County.

ARTICLE II CONSTRUCTION, OPERATION AND FINANCING OF RAW WATER INTAKE SYSTEM

Section 2.1 Agreement to Construct. The Authority, subject to obtaining financing therefor, agrees to construct and operate the System.

Section 2.2 Agreement to Finance. The Authority anticipates financing the costs of designing, constructing, and equipping the System, including expenses associated with the financing, as well as the acquisition of property, through the issuance of Bonds. Any issuance of Bonds by the Authority shall require the approval of the governing bodies of each County.

ARTICLE III PROVISION OF SERVICES

Section 3.1 Supply of Raw Water

(a) The Counties, subject to subsection (c), shall each have an allocation of 50% of the raw water provided by the System.

(b) The Authority shall use its best efforts to remain in a position to furnish raw water as herein provided to the Counties, but its obligation shall be limited to the amount of raw water available.

(c) A County may temporarily or permanently reallocate any portion of its allocated capacity to the other County on such terms as may be mutually agreeable. The County shall give the Authority written notice of any such transfer and the Authority shall change the capacity allocations on its books and records. However, these reallocations shall not alter the obligations of each County unless agreed to by the parties.

(d) The Authority will not sell raw water to any governmental entity, person, firm, or corporation that is not a party to this Agreement without the prior approval of the Counties.

(e) Notwithstanding any other provisions of this Agreement, a County may assign its capacity allocation to anyone without consent of the other County or the Authority.

(f) The raw water allocation above shall supersede the provisions of the 2013 Interjurisdictional Agreement contained in Paragraph 1.3(a) therein.

Section 3.2 Purchase of Raw Water.

(a) Each County shall have the right to purchase from the Authority raw water for use and/or for resale up to their respective allocation.

(b) In the event the Authority is unable to furnish all of the raw water required under this Agreement, each County shall have the right to construct, acquire, utilize, purchase, procure or take water from any facilities other than the System constructed by the Authority.

Section 3.3 Expansion of System.

(a) Either County may request an expansion of the capacity of the System and issue bonds to finance the cost of such expansion. The County requesting such an expansion shall be solely responsible for all capital costs of the expansion, and shall promptly reimburse the Authority for any additional costs incurred by the Authority occasioned by the construction necessary for such an expansion as such costs are incurred. The County requesting such an expansion shall be allocated the entire additional capacity created through the expansion.

(b) If both of the Counties simultaneously request an expansion of the capacity of the System, the provision of this subsection shall apply to each in proportion to the capacities each has requested. Following completion of an expansion, any resulting increases in routine Operating Expenses shall be paid for by the Counties according to their proportional interest in the System as provided for in Article IV.

(c) The Authority must approve any such expansion.

ARTICLE IV PAYMENTS

Section 4.1 Payments for Variable Operating and Maintenance Costs

The Variable Operating and Maintenance Costs which can be attributed to water flows shall be proportionally split between the Counties based on actual water flow to each Party. The Authority will invoice each County on the tenth day of each month for its proportionate share of the Variable Operating and Maintenance Costs based on actual usage during the previous month. Within 90 days after the end of each Fiscal Year, the payments from each County for Variable Operating and Maintenance Costs shall be adjusted to account for any excess or deficit in the amount of Variable Operating and Maintenance Costs actually paid by the County during such Fiscal Year. Each County that has paid Variable Operating and Maintenance Costs to the Authority in an amount less than its share of total Variable Operating and Maintenance Costs shall promptly pay to the Authority for deposit directly into the Operating Fund from any funds legally available to it on a subject to appropriation basis the amount of such deficit. If a County has paid Variable Operating and Maintenance Costs in excess of its share of total Variable Operating and Maintenance Costs for the Fiscal Year, then the Authority shall credit such County with the amount of the excess against future Variable Operating and Maintenance Costs becoming due under Section 4.1 of this Agreement.

Section 4.2 Payments for Fixed Operating and Maintenance Costs and Bonds

(a) The Fixed Operating and Maintenance Costs incurred in the absence or regardless of flow, and the monthly debt service charges for Bonds issued by the Authority for purposes of constructing the Authority's System, improving or repairing the System or refunding any outstanding series of Bonds issued for such purpose, shall be divided evenly between Counties.

(b) The Authority will invoice each County on the tenth day of each month for its half of the Fixed Operating and Maintenance Costs for the previous month. The Counties each shall pay, on a subject to appropriation basis, to the Authority, at least ten (10) days in advance of each payment date on any series of Bonds, their half of the monthly debt service charges sufficient to pay when due the principal of, premium, if any, and interest on the Bonds and provision for any reserves therefor. All such monthly debt service charges shall be calculated based on the period of the debt service payment by the Authority. For example, if the Authority is obligated to make semiannual payments on a debt, the corresponding advance Monthly debt service charges payable by each County concerning that debt shall be one-sixth of each County's share of the semiannual payment.

Section 4.3 Annual Reserve Payments

On the first day of each Fiscal Year, the Authority shall bill to each County, and each County agrees to pay to the Authority, its proportionate share (as determined pursuant to Section 6.4) of an Operating and Maintenance reserve payment equal to sixty (60) days of its projected Annual Budget less Capital Costs and the funds on hand in the operating fund.

Section 4.4 Invoices

Except as otherwise provided in this Agreement, on the tenth day of each Month, the Authority shall prepare and submit invoices to the Counties for payment of all charges and surcharges payable to the Authority by the Counties hereunder. The Counties shall pay the amount invoiced within 30 days after receipt of such invoice. Failure to pay in full any uncontested amounts within 30 days of the date of receipt shall cause the County to be liable for interest on the unpaid amount at a rate of one (1) point above the prime interest rate announced from time to time by the bank with which the Authority maintains its primary banking relationship.

Section 4.5 Payment Disputes

If any County disputes any portion of the charges billed to it by the Authority, it shall so notify the Authority within 10 days of receipt of the invoice. If the payment dispute is unresolved within 30 days of the date of the County's receipt of the invoice, the County shall be liable for interest on the unpaid amount at a rate of one (1) point above the prime interest rate announced from time to time by the bank with which the Authority maintains its primary banking relationship if the amount in question is determined to have been appropriately billed to the County. The Authority may make such other rules as it deems appropriate for resolution of payment disputes.

Section 4.6 Payment from Participating Jurisdictions

Each County agrees to promptly pay from any funds legally available to it on a subject to appropriation basis, all amounts required by this Agreement. Each County hereby directs its County Administrator to include in each annual budget submitted to the governing body of his or her County or in an amendment thereto, sufficient funds to cover the County's payment obligations required by this Agreement. If at any time the revenues available to the Authority shall be insufficient to pay in a timely fashion any of the Fixed Operating and Maintenance Costs, Variable Operating and Maintenance Costs, or Capital Costs, the Authority shall notify each County of the amount of such insufficiency and the County Administrator of the County shall request a supplemental appropriation from the governing body of the County for its share of the amount necessary to make such payment. Nothing in this Agreement shall be deemed to constitute a pledge of the faith and credit or the taxing power of either County. The obligations herein of each County are independent and no County shall have any obligation to pay any amounts owed to the Authority by any other County.

**ARTICLE V
METERS**

Section 5.1 Installation of Meters

In order to permit the delivery to the Participating Jurisdictions of raw water sold to each County, the Authority shall permit the Counties or an authority created under the Act by the County to connect its system with the raw water supply mains maintained by the Authority, the

specific location of such connection to be designated by the Authority in a location or locations not inconsistent with the 2013 Interjurisdictional Agreement and reasonably acceptable to the Counties. The volume of raw water delivered to such County shall be determined by a meter or meters installed by the Authority.

Section 5.2 Failure of Meters to Register

In the event the meter or meters so installed shall fail to register correctly the flow of raw water for any period of time, the amount of raw water supplied by the Authority shall be determined by the average daily consumption of raw water over a period of 30 days preceding the date when such meter or meters failed to register the correct flow.

**ARTICLE VI
ANNUAL BUDGET**

Section 6.1 Budget Request and Adoption of Annual Budget

By February 1st each year, the Authority shall submit its budget request to the Counties for the operation of the System for the ensuing Fiscal Year, which shall be called the Annual Budget. The Annual Budget shall be adopted by June 30 of each year.

Section 6.2 Report of Consulting Engineer and Estimate of Water Usage

Prior to making its budget request and preparing the Annual Budget, the Authority shall obtain a report from an engineer giving advice and making recommendations as to the proper maintenance, repair and operation of the Authority's System, including any capital expenditures, during the ensuing Fiscal Year and estimating the amount necessary for such purposes. In addition each County shall give the Authority an estimate of total water usage during the ensuing Fiscal Year.

Section 6.3 Details of Annual Budget

The budget request and Annual Budget shall be prepared in such manner as to show in reasonable detail all rates, fees and other charges to be derived by the Authority to pay, in the ensuing Fiscal Year (i) all Operating Expenses expected to be incurred in connection with the ownership or operation of the Authority's System, (ii) any amount required to be paid, if any, into the Replacement Fund, (iii) the amount of principal of a premium, if any, and interest on the Bonds, that shall become due, including any amount necessary to be paid into the Debt Service Reserve Fund to restore the balance therein to the amount of the Debt Service Reserve, and (iv) any other lawful costs and expenses the Authority deems necessary or desirable.

Section 6.4 Amendments to Annual Budget

The Authority may amend the Annual Budget at any time during the Fiscal Year.

Section 6.5 Delay in Adoption of Annual Budget

Section 6.5 Delay in Adoption of Annual Budget

If for any reason an Annual Budget has not been adopted within the time required by Section 6.1 of this Article VI, the last previously adopted Annual Budget will be deemed to provide for and regulate and control expenditures during such Fiscal Year until an Annual Budget for such Fiscal Year has been adopted.

**ARTICLE VII
MISCELLANEOUS**

Section 7.1 Sale or Transfer of System

Each County agrees not to sell, transfer or dispose of its water system unless:

- (a) The transferee agrees to comply with the terms of this Agreement to the extent applicable to raw water delivered by the Authority;
- (b) The transferee agrees to fix and collect rates and charges sufficient to satisfy the obligation of the transferring County under Article IV above, to the extent such County does not fix and collect such rate and charges; and
- (c) The transferee agrees to make payments to the Authority required to be made by the transferring County to the extent such payments are not made by the County.
- (d) In addition, each County agrees not to sell, transfer or dispose of more than five percent (5%) of the book value of its water system in any one year (excluding obsolete, unnecessary or unused parts of its water system unless:
 - (i) such transfer is to another governmental unit within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended; and
 - (ii) the sale, transfer or other disposal is approved by the Authority.
- (e) Notwithstanding the foregoing, no such sale, transfer or disposition shall release the transferring County from any obligation or liability under this Agreement or affect any County agreement or understanding between the County and the transferee.

Section 7.2 Amendments

This Agreement may be changed or modified only with the consent of the Authority and each of the Counties. Such modification may be requested by any party, in which event a joint meeting of such governing bodies shall be held not less than 90 days after giving such notice, at which joint meeting the requested changes or modifications shall be considered and discussed. No such change or modification may be made which will affect adversely the prompt payment when due of all moneys required to be paid, by each of the Counties under the terms of this

Agreement and no such change shall be effective that would cause a violation of any provision of the resolution authorizing or the indenture securing the bonds.

Section 7.3 Compliance with Laws

This Agreement shall be subject to all valid rules, regulations and laws applicable hereto passed or promulgated by the United States of America, the Commonwealth, or any governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

Section 7.4 Distribution Upon Dissolution

At such time as it shall become necessary to determine the respective interests of the Counties in the assets of the Authority for the purpose of distributing or otherwise disposing of the same, unless otherwise required under Section 15.2-5109 of the Act, the interest of each County shall be in the ratio that the capacity of the System allocated to such County at such time bears to the entire capacity of the System.

Section 7.5 Rates Charged by Participating Jurisdictions

Nothing in this Agreement shall in any way affect the rights and obligations of the Counties to charge such rates as it may determine for the use of water and other facilities and services supplied by its System, as now existing or hereafter extended and enlarged.

Section 7.6 Audit of Authority Books and Records

The Authority agrees to have made an annual audit of the books and records of the Authority and to deliver to each of the Counties a copy of the annual audit within 10 days after receiving the annual audit.

Section 7.7 Term of Agreement

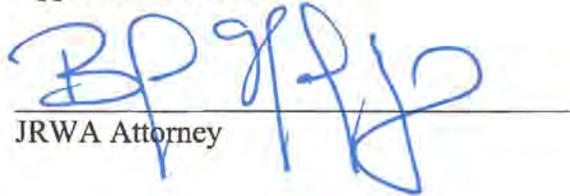
This Agreement shall continue in force and effect for a period from the date hereof and for so long as the Authority shall remain in existence.

IN WITNESS WHEREOF, the parties caused this Service Agreement to be signed by their respective officers thereunto duly authorized, and this Agreement to be dated as of the date and year first above written.

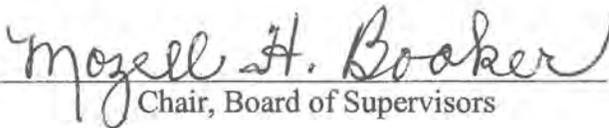
JAMES RIVER WATER AUTHORITY

By: 
Chairman

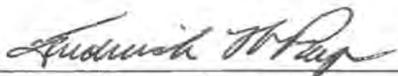
Approved as to Form


JRWA Attorney

COUNTY OF FLUVANNA, VIRGINIA

By: 
Chair, Board of Supervisors

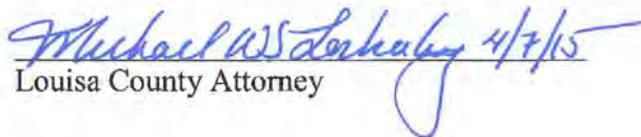
Approved as to Form


Fluvanna County Attorney

COUNTY OF LOUISA, VIRGINIA

By: 
Chair, Board of Supervisors

Approved as to Form

 4/7/15
Louisa County Attorney

APPENDIX C-9

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF FLUVANNA, VIRGINIA, APPROVING THE
EXECUTION AND DELIVERY OF A SUPPORT AGREEMENT**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF FLUVANNA, VIRGINIA APPROVING THE EXECUTION
AND DELIVERY OF A SUPPORT AGREEMENT**

WHEREAS, the James River Water Authority (the "Water Authority") is a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (the "Commonwealth") exercising public and essential governmental functions and created by resolutions duly adopted by the Board of Supervisors of the County of Fluvanna, Virginia (the "Board of Supervisors") and the Board of Supervisors of the County of Louisa, Virginia in accordance with the Virginia Water and Waste Authorities Act, as amended (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended), for the purpose of servicing the water needs of the County of Fluvanna, Virginia (the "County") and the County of Louisa, Virginia (collectively, the "Member Jurisdictions");

WHEREAS, the Water Authority is authorized to contract debts and to issue, as evidence thereof, notes, bonds or other obligations payable from revenues from a revenue-producing undertaking of the Water Authority, and the Water Authority now desires to finance the design and construction of a raw water intake, a pump station and a raw water pipeline, as well as the acquisition of land and right-of-way necessary therefor (collectively, the "Project") through the issuance of its Revenue Bond, Series 2016 in a maximum principal amount not to exceed \$10,000,000 (the "Local Bond");

WHEREAS, the Water Authority and the Member Jurisdictions are entering into a Service Agreement (the "Service Agreement"), which provides for payments by each Member Jurisdiction to the Water Authority for services to be rendered to the Member Jurisdictions by the Water Authority, and sets forth certain other responsibilities of the parties;

WHEREAS, the Water Authority has been advised that the Virginia Resources Authority ("VRA"), a public body corporate and political subdivision of the Commonwealth, is willing to purchase the Local Bond on terms favorable to the Water Authority;

WHEREAS, VRA has indicated its willingness to purchase such Local Bond in accordance with the terms of a Local Bond Sale and Financing Agreement, dated as of April 1, 2016, between VRA and the Water Authority (the "Financing Agreement"); and

WHEREAS, VRA has indicated that its agreement to purchase the Local Bond will be conditioned upon each of the Member Jurisdictions undertaking non-binding obligations to appropriate from time to time moneys to the Water Authority in connection with payments due under the Service Agreement, which constitute the principal source of and security for the payment of the debt service on the Local Bond, as set forth in the Support Agreement to be dated as of May 1, 2016 (the "Support Agreement"), among the Water Authority, the County and VRA, the most recent draft of which has been presented to this meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF FLUVANNA, VIRGINIA, THAT:

1. It is found and determined that the best interests of the County and its citizens will be served by the agreement by the Board of Supervisors to enter into the Support Agreement to satisfy one of VRA's conditions to the purchase of the Local Bond.
2. The Board of Supervisors acknowledges that (i) the obligations of the Water Authority to determine, and of the Member Jurisdictions to pay, the charges for the use of and for services to be furnished by the System (as defined in the Financing Agreement) are crucial to the security for the Local Bond, (ii) VRA would not purchase the Local Bond without the security and credit enhancement provided by the Support Agreement, (iii) VRA will be a third party beneficiary of the Service Agreement for so long as the Local Bond remains outstanding, and (iv) VRA is treating the Support Agreement as a

“local obligation” within the meaning of Section 62.1-199 of the Virginia Code, which in the event of a nonpayment thereunder authorizes VRA or the trustee for VRA’s bonds to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. Section 62.1-216.1 provides that if the Governor is satisfied that such nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.

3. In consideration of the Water Authority’s issuance of the Local Bond and VRA’s agreement to purchase the Local Bond pursuant to the terms of the Financing Agreement, the Chairman or Vice Chairman of the Board of Supervisors or the County Administrator, any of whom may act, is hereby authorized and directed to execute and deliver the Support Agreement. The Support Agreement shall be in substantially the form presented to this meeting, which is hereby approved, with such completions, omissions, insertions or changes not inconsistent with this Resolution as may be approved by the Chairman or Vice Chairman of the Board of Supervisors or the County Administrator, in their sole discretion, the execution thereof by the Chairman or Vice Chairman of the Board of Supervisors or the County Administrator to constitute conclusive evidence of his or her approval of such completions, omissions, insertions or changes.
4. The County Administrator is hereby authorized and directed to carry out the obligations imposed on him by the Support Agreement, and to take all proper steps on behalf of the County as may be required in connection with the Water Authority’s financing of the Project or with the carrying out of any matter authorized by this Resolution or the Support Agreement.
5. Nothing contained herein or in the Support Agreement is or shall be deemed to be a lending of the credit of the County to the Water Authority, VRA or to any holder of the Local Bond or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything contained herein or in the Support Agreement legally bind or obligate the Board of Supervisors to appropriate funds for purposes described in the Support Agreement.
6. All actions previously taken by representatives or agents of the County in furtherance of the financing of the Project, the issuance of the Local Bond and/or the execution and delivery of the Support Agreement are hereby ratified, approved and confirmed.
7. No covenant, condition, agreement or obligation contained in the Support Agreement shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the County in his or her individual capacity, and no officer of the County executing the Support Agreement shall be liable personally on the Support Agreement or be subject to any personal liability or accountability by reason of the execution and delivery thereof.
8. This Resolution shall take effect immediately.

The undersigned Clerk of the Board of Supervisors of the County of Fluvanna, Virginia hereby certifies that the foregoing constitutes a true, correct and complete copy of a Resolution duly adopted by the Board of Supervisors of the County of Fluvanna, Virginia at a meeting duly called and held on March 16, 2016, during which a quorum was present and acting throughout, by the vote set forth below, and that such Resolution has not been repealed, revoked, rescinded or amended:

<u>Board Member</u>	<u>Present/Absent</u>	<u>Vote</u>
John M. Sheridan	Present	Yes
Mozell H. Booker	Present	Yes
Patricia B. Eager	Present	Yes
Anthony P. O'Brien	Present	Yes
Donald W. Weaver	Present	Yes

WITNESS my signature as Clerk of the Board of Supervisors of the County of Fluvanna, Virginia, this 16th day of March, 2016.


Clerk _____
Board of Supervisors of the County of Fluvanna,
Virginia

(SEAL)

**SUPPORT AGREEMENT
JAMES RIVER WATER AUTHORITY**

THIS SUPPORT AGREEMENT (this “Support Agreement”) is made as of May 1, 2016, among the **COUNTY OF FLUVANNA, VIRGINIA** (the “County”), the **JAMES RIVER WATER AUTHORITY** (the “Water Authority”), and the **VIRGINIA RESOURCES AUTHORITY** (“VRA”), as purchaser of the Local Bond, as hereinafter defined, pursuant to a Local Bond Sale and Financing Agreement dated as of April 1, 2016 (the “Financing Agreement”), between VRA and the Water Authority.

RECITALS:

WHEREAS, the Water Authority is a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) exercising public and essential governmental functions and created by resolutions duly adopted by the Board of Supervisors of the County (the “Board”) and the Board of Supervisors of the County of Louisa, Virginia in accordance with the Virginia Water and Waste Authorities Act, as amended (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended), for the purpose of servicing the water needs of the County and the County of Louisa, Virginia (collectively, the “Member Jurisdictions”);

WHEREAS, the Water Authority is authorized to contract debts and to issue, as evidence thereof, notes, bonds or other obligations payable from revenues from a revenue-producing undertaking of the Water Authority, and the Water Authority now desires to finance the design and construction of a raw water intake, a pump station and a raw water pipeline, as well as the acquisition of land and right-of-way necessary therefor (collectively, the “Project”) through the issuance of its Revenue Bond, Series 2016 in a maximum principal amount not to exceed \$10,000,000 (the “Local Bond”);

WHEREAS, the Water Authority and the Member Jurisdictions are entering into a Service Agreement (the “Service Agreement”), which provides for payments by each Member Jurisdiction to the Water Authority for services to be rendered to the Member Jurisdictions by the Water Authority, and sets forth certain other responsibilities of the parties;

WHEREAS, the Water Authority has determined that it is in its best interest to issue and sell its Revenue Bond, Series 2016 (the “Local Bond”), to VRA pursuant to the terms of the Financing Agreement to finance the Project; and

WHEREAS, as a condition to the purchase by VRA of the Local Bond, VRA is requiring each of the Member Jurisdictions to enter into a support agreement substantively identical to this Support Agreement;

AGREEMENT

NOW, THEREFORE, for and in consideration of the issuance of the Local Bond by the Water Authority, the purchase of the Local Bond by VRA and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. Unless otherwise defined, each capitalized term used in this Support Agreement shall have the meaning given it in the Financing Agreement.

2. The Water Authority shall use its best efforts to issue the Local Bond for the purpose described in the Recitals above.

3. If at any time the revenues available to the Water Authority shall be insufficient to pay in a timely fashion any of the debt service payments due on the Local Bond (the "Debt Service"), either because (i) the Water Authority has failed to charge the County its allocable portion of the Debt Service (a "County Debt Service Payment") as required to make such Debt Service payment or (ii) the County has failed to make a County Debt Service Payment as provided under the Service Agreement, the Water Authority shall notify the County and VRA of the amount of such insufficiency and the County Administrator of the County shall request a supplemental appropriation from the Board in the amount necessary to make such payment.

4. The County Administrator shall present each request for appropriation pursuant to paragraph 3 above to the Board, and the Board shall consider such request at the Board's next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. Promptly after such meeting, the County Administrator shall notify VRA as to whether the County Debt Service Payment so requested was appropriated. If the Board shall fail to make any such appropriation, the Water Authority shall add the amount of such requested appropriation to the amounts to be otherwise charged to the County for the Water Authority's next fiscal year.

5. The Board hereby undertakes a non-binding obligation to appropriate such County Debt Service Payments as may be requested from time to time pursuant to paragraph 3 above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth. The Board, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Boards do likewise.

6. The County and the Water Authority acknowledge that (i) the obligations of the Water Authority to determine, and of the Member Jurisdictions to pay, the charges for the use of and for services to be furnished by the System (as defined in the Financing Agreement) are crucial to the security for the Local Bond, (ii) VRA would not purchase the Local Bond without the security and credit enhancement provided by this Support Agreement, (iii) VRA will be a third party beneficiary of the Service Agreement for so long as the Local Bond remains outstanding and (iv) VRA is treating this Support Agreement as a "local obligation" within the meaning of Section 62.1-199 of the Virginia Code, which in the event of a nonpayment hereunder authorizes VRA or the Trustee to file an affidavit with the Governor that such

nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. Section 62.1-216.1 provides that if the Governor is satisfied that the nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.

7. Nothing herein contained is or shall be deemed to be a lending of the credit of the County to the Water Authority, VRA or to any holder of the Local Bond or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything herein contained legally bind or obligate the Board to appropriate funds for the purposes described herein.

8. Any notices or requests required to be given hereunder shall be deemed given if sent by registered or certified mail, postage prepaid, addressed (i) if to the County, to 132 Main Street, Palmyra, Virginia 22963, Attention: County Administrator, (ii) if to the Water Authority, to c/o Fluvanna County as fiscal agent, 132 Main Street, Palmyra, Virginia 22963, Attention: Fluvanna County Administrator, and (iii) if to VRA, to 1111 East Main Street, Suite 1920, Richmond, Virginia 23219, Attention: Executive Director. Any party may designate any other address for notices or requests by giving notice.

9. It is the intent of the parties hereto that this Support Agreement shall be governed by the laws of the Commonwealth.

10. This Support Agreement shall remain in full force and effect until the Local Bond and all other amounts payable by Water Authority under the Financing Agreement have been paid in full.

11. This Support Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

[REMAINDER OF PAGE LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have each caused this Support Agreement to be executed in their respective names as of the date first above written.

COUNTY OF FLUVANNA, VIRGINIA

By:  3/16/16
County Administrator

JAMES RIVER WATER AUTHORITY

By: _____
Chairman

VIRGINIA RESOURCES AUTHORITY

By: _____
Executive Director

APPENDIX C-10

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOUISA VIRGINIA APPROVING THE
EXECUTION AND DELIVERY OF A SUPPORT AGREEMENT**

**BOARD OF SUPERVISORS
COUNTY OF LOUISA
RESOLUTION**

At a regular meeting of the Board of Supervisors of the County of Louisa held in the Louisa County Public Meeting Room at 5:00 PM on the 21st day of March 2016, at which the following members were present, the following resolution was adopted by a majority of all members of the Board of Supervisors, the vote being recorded in the minutes of the meeting as shown below:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Fitzgerald A. Barnes, Patrick Henry District Supervisor
SECONDER:	Stephanie L. Koren, Mineral District Supervisor
AYES:	Barlow, Barnes, Gentry Jr., Havasy, Wade, Koren, Williams

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOUISA,
VIRGINIA APPROVING THE EXECUTION AND DELIVERY OF A SUPPORT AGREEMENT**

WHEREAS, the James River Water Authority (the "Water Authority") is a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (the "Commonwealth") exercising public and essential governmental functions and created by resolutions duly adopted by the Board of Supervisors of the County of Louisa, Virginia (the "Board of Supervisors") and the Board of Supervisors of the County of Fluvanna, Virginia in accordance with the Virginia Water and Waste Authorities Act, as amended (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended), for the purpose of servicing the water needs of the County of Louisa, Virginia (the "County") and the County of Fluvanna, Virginia (collectively, the "Member Jurisdictions");

WHEREAS, the Water Authority is authorized to contract debts and to issue, as evidence thereof, notes, bonds or other obligations payable from revenues from a revenue-producing undertaking of the Water Authority, and the Water Authority now desires to finance the design and construction of a raw water intake, a pump station and a raw water pipeline, as well as the acquisition of land and right-of-way necessary therefore (collectively, the "Project") through the issuance of its Revenue Bond, Series 2016 in a maximum principal amount not to exceed \$10,000,000 (the "Local Bond");

WHEREAS, the Water Authority and the Member Jurisdictions are entering into a Service Agreement (the "Service Agreement"), which provides for payments by each Member Jurisdiction to the Water Authority for services to be rendered to the Member Jurisdictions by the Water Authority, and sets forth certain other responsibilities of the parties;

WHEREAS, the Water Authority has been advised that the Virginia Resources Authority ("VRA"), a public body corporate and political subdivision of the Commonwealth, is willing to purchase the Local Bond on terms favorable to the Water Authority;

WHEREAS, VRA has indicated its willingness to purchase such Local Bond in accordance with the terms of a Local Bond Sale and Financing Agreement, dated as of April 1, 2016, between VRA and the Water Authority (the "Financing Agreement"); and

WHEREAS, VRA has indicated that its agreement to purchase the Local Bond will be conditioned upon each of the Member Jurisdictions undertaking non-binding obligations to appropriate from time to time moneys to the Water Authority in connection with payments due under the Service

Agreement, which constitute the principal source of and security for the payment of the debt service on the Local Bond, as set forth in the Support Agreement to be dated as of May 1, 2016 (the "Support Agreement"), among the Water Authority, the County and VRA, the most recent draft of which has been presented to this meeting;

NOW, THEREFORE, BE IT RESOLVED, on this 21st day of March 2016, that the Louisa County Board of Supervisors hereby states:

1. It is found and determined that the best interests of the County and its citizens will be served by the agreement by the Board of Supervisors to enter into the Support Agreement to satisfy one of VRA's conditions to the purchase of the Local Bond.

2. The Board of Supervisors acknowledges that (i) the obligations of the Water Authority to determine, and of the Member Jurisdictions to pay, the charges for the use of and for services to be furnished by the System (as defined in the Financing Agreement) are crucial to the security for the Local Bond, (ii) VRA would not purchase the Local Bond without the security and credit enhancement provided by the Support Agreement, (iii) VRA will be a third party beneficiary of the Service Agreement for so long as the Local Bond remains outstanding, and (iv) VRA is treating the Support Agreement as a "local obligation" within the meaning of Section 62.1-199 of the Virginia Code, which in the event of a nonpayment thereunder authorizes VRA or the trustee for VRA's bonds to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. Section 62.1-216.1 provides that if the Governor is satisfied that such nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.

3. In consideration of the Water Authority's issuance of the Local Bond and VRA's agreement to purchase the Local Bond pursuant to the terms of the Financing Agreement, the Chairman or Vice Chairman of the Board of Supervisors or the County Administrator, any of whom may act, is hereby authorized and directed to execute and deliver the Support Agreement. The Support Agreement shall be in substantially the form presented to this meeting, which is hereby approved, with such completions, omissions, insertions or changes not inconsistent with this Resolution as may be approved by the Chairman or Vice Chairman of the Board of Supervisors or the County Administrator, in their sole discretion, the execution thereof by the Chairman or Vice Chairman of the Board of Supervisors or the County Administrator to constitute conclusive evidence of his or her approval of such completions, omissions, insertions or changes.

4. The County Administrator is hereby authorized and directed to carry out the obligations imposed on him by the Support Agreement, and to take all proper steps on behalf of the County as may be required in connection with the Water Authority's financing of the Project or with the carrying out of any matter authorized by this Resolution or the Support Agreement.

5. Nothing contained herein or in the Support Agreement is or shall be deemed to be a lending of the credit of the County to the Water Authority, VRA or to any holder of the Local Bond or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything contained herein or in the Support Agreement legally bind or obligate the Board of Supervisors to appropriate funds for purposes described in the Support Agreement.

6. All actions previously taken by representatives or agents of the County in furtherance of the financing of the Project, the issuance of the Local Bond and/or the execution and delivery of the Support Agreement are hereby ratified, approved and confirmed.

7. No covenant, condition, agreement or obligation contained in the Support Agreement shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the County in his or her individual capacity, and no officer of the County executing the Support Agreement shall be liable personally on the Support Agreement or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

8. This Resolution shall take effect immediately.

A Copy, teste:



Christian R. Goodwin, Clerk
Board of Supervisors
Louisa County, Virginia

**SUPPORT AGREEMENT
JAMES RIVER WATER AUTHORITY**

THIS SUPPORT AGREEMENT (this “Support Agreement”) is made as of May 1, 2016, among the **COUNTY OF LOUISA, VIRGINIA** (the “County”), the **JAMES RIVER WATER AUTHORITY** (the “Water Authority”), and the **VIRGINIA RESOURCES AUTHORITY** (“VRA”), as purchaser of the Local Bond, as hereinafter defined, pursuant to a Local Bond Sale and Financing Agreement dated as of April 1, 2016 (the “Financing Agreement”), between VRA and the Water Authority.

RECITALS:

WHEREAS, the Water Authority is a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) exercising public and essential governmental functions and created by resolutions duly adopted by the Board of Supervisors of the County (the “Board”) and the Board of Supervisors of the County of Fluvanna, Virginia in accordance with the Virginia Water and Waste Authorities Act, as amended (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended), for the purpose of servicing the water needs of the County and the County of Fluvanna, Virginia (collectively, the “Member Jurisdictions”);

WHEREAS, the Water Authority is authorized to contract debts and to issue, as evidence thereof, notes, bonds or other obligations payable from revenues from a revenue-producing undertaking of the Water Authority, and the Water Authority now desires to finance the design and construction of a raw water intake, a pump station and a raw water pipeline, as well as the acquisition of land and right-of-way necessary therefor (collectively, the “Project”) through the issuance of its Revenue Bond, Series 2016 in a maximum principal amount not to exceed \$10,000,000 (the “Local Bond”);

WHEREAS, the Water Authority and the Member Jurisdictions are entering into a Service Agreement (the “Service Agreement”), which provides for payments by each Member Jurisdiction to the Water Authority for services to be rendered to the Member Jurisdictions by the Water Authority, and sets forth certain other responsibilities of the parties;

WHEREAS, the Water Authority has determined that it is in its best interest to issue and sell its Revenue Bond, Series 2016 (the “Local Bond”), to VRA pursuant to the terms of the Financing Agreement to finance the Project; and

WHEREAS, as a condition to the purchase by VRA of the Local Bond, VRA is requiring each of the Member Jurisdictions to enter into a support agreement substantively identical to this Support Agreement;

AGREEMENT

NOW, THEREFORE, for and in consideration of the issuance of the Local Bond by the Water Authority, the purchase of the Local Bond by VRA and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. Unless otherwise defined, each capitalized term used in this Support Agreement shall have the meaning given it in the Financing Agreement.

2. The Water Authority shall use its best efforts to issue the Local Bond for the purpose described in the Recitals above.

3. If at any time the revenues available to the Water Authority shall be insufficient to pay in a timely fashion any of the debt service payments due on the Local Bond (the "Debt Service"), either because (i) the Water Authority has failed to charge the County its allocable portion of the Debt Service (a "County Debt Service Payment") as required to make such Debt Service payment or (ii) the County has failed to make a County Debt Service Payment as provided under the Service Agreement, the Water Authority shall notify the County and VRA of the amount of such insufficiency and the County Administrator of the County shall request a supplemental appropriation from the Board in the amount necessary to make such payment.

4. The County Administrator shall present each request for appropriation pursuant to paragraph 3 above to the Board, and the Board shall consider such request at the Board's next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. Promptly after such meeting, the County Administrator shall notify VRA as to whether the County Debt Service Payment so requested was appropriated. If the Board shall fail to make any such appropriation, the Water Authority shall add the amount of such requested appropriation to the amounts to be otherwise charged to the County for the Water Authority's next fiscal year.

5. The Board hereby undertakes a non-binding obligation to appropriate such County Debt Service Payments as may be requested from time to time pursuant to paragraph 3 above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth. The Board, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Boards do likewise.

6. The County and the Water Authority acknowledge that (i) the obligations of the Water Authority to determine, and of the Member Jurisdictions to pay, the charges for the use of and for services to be furnished by the System (as defined in the Financing Agreement) are crucial to the security for the Local Bond, (ii) VRA would not purchase the Local Bond without the security and credit enhancement provided by this Support Agreement, (iii) VRA will be a third party beneficiary of the Service Agreement for so long as the Local Bond remains outstanding and (iv) VRA is treating this Support Agreement as a "local obligation" within the meaning of Section 62.1-199 of the Virginia Code, which in the event of a nonpayment hereunder authorizes VRA or the Trustee to file an affidavit with the Governor that such

nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. Section 62.1-216.1 provides that if the Governor is satisfied that the nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.

7. Nothing herein contained is or shall be deemed to be a lending of the credit of the County to the Water Authority, VRA or to any holder of the Local Bond or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything herein contained legally bind or obligate the Board to appropriate funds for the purposes described herein.

8. Any notices or requests required to be given hereunder shall be deemed given if sent by registered or certified mail, postage prepaid, addressed (i) if to the County, to 1 Woolfolk, Avenue, Louisa, Virginia 23093, Attention: County Administrator, (ii) if to the Water Authority, to c/o Fluvanna County as fiscal agent, 132 Main Street, Palmyra, Virginia 22963, Attention: Fluvanna County Administrator, and (iii) if to VRA, to 1111 East Main Street, Suite 1920, Richmond, Virginia 23219, Attention: Executive Director. Any party may designate any other address for notices or requests by giving notice.

9. It is the intent of the parties hereto that this Support Agreement shall be governed by the laws of the Commonwealth.

10. This Support Agreement shall remain in full force and effect until the Local Bond and all other amounts payable by Water Authority under the Financing Agreement have been paid in full.

11. This Support Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

[REMAINDER OF PAGE LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have each caused this Support Agreement to be executed in their respective names as of the date first above written.



COUNTY OF LOUISA, VIRGINIA

By: 
County Administrator

JAMES RIVER WATER AUTHORITY

By: _____
Chairman

VIRGINIA RESOURCES AUTHORITY

By: _____
Executive Director

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF LOUISA, VIRGINIA APPROVING THE EXECUTION AND
DELIVERY OF A SUPPORT AGREEMENT**

WHEREAS, the James River Water Authority (the “Water Authority”) is a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) exercising public and essential governmental functions and created by resolutions duly adopted by the Board of Supervisors of the County of Louisa, Virginia (the “Board of Supervisors”) and the Board of Supervisors of the County of Fluvanna, Virginia in accordance with the Virginia Water and Waste Authorities Act, as amended (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended), for the purpose of servicing the water needs of the County of Louisa, Virginia (the “County”) and the County of Fluvanna, Virginia (collectively, the “Member Jurisdictions”);

WHEREAS, the Water Authority is authorized to contract debts and to issue, as evidence thereof, notes, bonds or other obligations payable from revenues from a revenue-producing undertaking of the Water Authority, and the Water Authority now desires to finance the design and construction of a raw water intake, a pump station and a raw water pipeline, as well as the acquisition of land and right-of-way necessary therefor (collectively, the “Project”) through the issuance of its Revenue Bond, Series 2016 in a maximum principal amount not to exceed \$10,000,000 (the “Local Bond”);

WHEREAS, the Water Authority and the Member Jurisdictions are entering into a Service Agreement (the “Service Agreement”), which provides for payments by each Member Jurisdiction to the Water Authority for services to be rendered to the Member Jurisdictions by the Water Authority, and sets forth certain other responsibilities of the parties;

WHEREAS, the Water Authority has been advised that the Virginia Resources Authority (“VRA”), a public body corporate and political subdivision of the Commonwealth, is willing to purchase the Local Bond on terms favorable to the Water Authority;

WHEREAS, VRA has indicated its willingness to purchase such Local Bond in accordance with the terms of a Local Bond Sale and Financing Agreement, dated as of April 1, 2016, between VRA and the Water Authority (the “Financing Agreement”); and

WHEREAS, VRA has indicated that its agreement to purchase the Local Bond will be conditioned upon each of the Member Jurisdictions undertaking non-binding obligations to appropriate from time to time moneys to the Water Authority in connection with payments due under the Service Agreement, which constitute the principal source of and security for the payment of the debt service on the Local Bond, as set forth in the Support Agreement to be dated as of May 1, 2016 (the “Support Agreement”), among the Water Authority, the County and VRA, the most recent draft of which has been presented to this meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOUISA, VIRGINIA, THAT:

1. It is found and determined that the best interests of the County and its citizens will be served by the agreement by the Board of Supervisors to enter into the Support Agreement to satisfy one of VRA’s conditions to the purchase of the Local Bond.

2. The Board of Supervisors acknowledges that (i) the obligations of the Water Authority to determine, and of the Member Jurisdictions to pay, the charges for the use of and for services to be furnished by the System (as defined in the Financing Agreement) are crucial to the security for the Local Bond, (ii) VRA would not purchase the Local Bond without the security and credit enhancement provided by the Support Agreement, (iii) VRA will be a third party beneficiary of the Service Agreement for so long as the Local Bond remains outstanding, and (iv) VRA is treating the Support Agreement as a "local obligation" within the meaning of Section 62.1-199 of the Virginia Code, which in the event of a nonpayment thereunder authorizes VRA or the trustee for VRA's bonds to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. Section 62.1-216.1 provides that if the Governor is satisfied that such nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.
3. In consideration of the Water Authority's issuance of the Local Bond and VRA's agreement to purchase the Local Bond pursuant to the terms of the Financing Agreement, the Chairman or Vice Chairman of the Board of Supervisors or the County Administrator, any of whom may act, is hereby authorized and directed to execute and deliver the Support Agreement. The Support Agreement shall be in substantially the form presented to this meeting, which is hereby approved, with such completions, omissions, insertions or changes not inconsistent with this Resolution as may be approved by the Chairman or Vice Chairman of the Board of Supervisors or the County Administrator, in their sole discretion, the execution thereof by the Chairman or Vice Chairman of the Board of Supervisors or the County Administrator to constitute conclusive evidence of his or her approval of such completions, omissions, insertions or changes.
4. The County Administrator is hereby authorized and directed to carry out the obligations imposed on him by the Support Agreement, and to take all proper steps on behalf of the County as may be required in connection with the Water Authority's financing of the Project or with the carrying out of any matter authorized by this Resolution or the Support Agreement.
5. Nothing contained herein or in the Support Agreement is or shall be deemed to be a lending of the credit of the County to the Water Authority, VRA or to any holder of the Local Bond or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything contained herein or in the Support Agreement legally bind or obligate the Board of Supervisors to appropriate funds for purposes described in the Support Agreement.
6. All actions previously taken by representatives or agents of the County in furtherance of the financing of the Project, the issuance of the Local Bond and/or the execution and delivery of the Support Agreement are hereby ratified, approved and confirmed.
7. No covenant, condition, agreement or obligation contained in the Support Agreement shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the County in his or her individual capacity, and no officer of the County executing the Support Agreement shall be liable personally on the Support

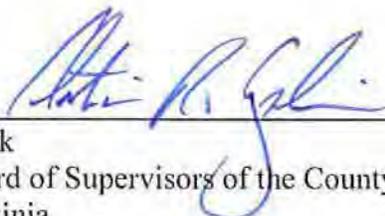
Agreement or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

8. This Resolution shall take effect immediately.

The undersigned Clerk of the Board of Supervisors of the County of Louisa, Virginia hereby certifies that the foregoing constitutes a true, correct and complete copy of a Resolution duly adopted by the Board of Supervisors of the County of Louisa, Virginia at a meeting duly called and held on March 21, 2016, during which a quorum was present and acting throughout, by the vote set forth below, and that such Resolution has not been repealed, revoked, rescinded or amended:

<u>Board Member</u>	<u>Present/Absent</u>	<u>Vote</u>
	Present	Yes
Troy J. Wade, Chairman	Present	Yes
Stephanie L. Koren, Vice Chairman	Present	Yes
Tommy Barlow	Present	Yes
Fitzgerald A. Barnes	Present	Yes
Willie L. Gentry, Jr.	Present	Yes
Richard Havasy	Present	Yes
Toni Williams	Present	Yes

WITNESS my signature as Clerk of the Board of Supervisors of the County of Louisa, Virginia, this 25th day of March, 2016.



Clerk
Board of Supervisors of the County of Louisa,
Virginia

(SEAL)

**RESOLUTION OF THE BOARD OF SUPERVISORS OF LOUISA COUNTY,
VIRGINIA AUTHORIZING THE EXECUTION AND DELIVERY OF A
LOCAL LEASE ACQUISITION AGREEMENT AND
FINANCING LEASE AND RELATED DOCUMENTS**

WHEREAS, the Board of Supervisors of Louisa County, Virginia (the "Board") has determined that Louisa County, Virginia (the "County") has an immediate need for the construction of a water treatment plant, water lines and related water system infrastructure including a water storage tank, and sewer lines and related sewer system infrastructure and desires to finance the same including related expenses and costs of issuance (collectively, the "Project");

WHEREAS, there has been presented to the Board a plan for the financing of the Project which would not create debt of the County for purposes of the Virginia Constitution;

WHEREAS, pursuant to such financing plan, the Virginia Resources Authority (the "VRA") would use a portion of the proceeds of its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2016A (as defined in the below defined Lease, the "Related Series of VRA Bonds" and as referenced below, the "VRA Bonds") to finance the Project in accordance with the terms of a Local Lease Acquisition Agreement and Financing Lease, dated as of April 1, 2016 (the "Lease"), between the County and VRA;

WHEREAS, the County will enter into a Prime Lease, dated as of May 1, 2016 (the "Prime Lease") with VRA whereby the County will lease certain real estate, which may include any or all of the real estate upon which the Project is to be located, owned by the County, as may be required by VRA (the "Real Estate"), and the associated improvements and property located on the Real Estate (the "Improvements") to VRA;

WHEREAS, the County will enter into the Lease with VRA pursuant to which VRA will lease the Real Estate and the Improvements back to the County and the County will make rental payments corresponding in amount and timing to the debt service on the portion of the VRA Bonds issued to finance the Project (the "Rental Payments");

WHEREAS, pursuant to the Lease, the County will undertake and complete the Project;

WHEREAS, the County has indicated that the amount of proceeds being requested from VRA is approximately \$42,439,950 (the "Proceeds Requested") plus amounts necessary to pay any capitalized interest and the costs of issuance, or such other amount requested by the County in writing and approved by VRA prior to the pricing of the VRA Bonds, provided such amount does not exceed the maximum aggregate principal amount of the principal components of the Rental Payments under the Lease as authorized pursuant to this Resolution;

WHEREAS, VRA has advised the County that VRA's objective is to pay the County as the purchase price for the Lease an amount which, in VRA's judgment, reflects the market value of the Rental Payments under the Lease (the "VRA Purchase Price Objective"), taking into consideration the maximum authorized principal amount of the principal components of the Rental Payments under the Lease, the Proceeds Requested and such factors as the purchase price to be received by VRA for the VRA Bonds, the issuance costs of the VRA Bonds (consisting of

the underwriters' discount and other costs incurred by VRA (collectively, the "VRA Costs") and the market conditions relating to the sale of the VRA Bonds;

WHEREAS, such factors may result in, among other things, (i) the aggregate principal amount of the principal components of the Rental Payments under the Lease being greater than the Proceeds Requested in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, or (ii) the County receiving less than the Proceeds Requested if the maximum authorized aggregate principal amount of the principal components of the Rental Payments under the Lease set forth in paragraph 2 of this Resolution does not exceed the Proceeds Requested by at least the amount of the VRA Costs and any original issue discount;

WHEREAS, there have been made available to the members of the Board at this meeting preliminary drafts of the following documents (collectively, the "Documents") in connection with the transactions described above, copies of which shall be filed with the records of the Board:

(a) Prime Lease;

(b) Lease; and

(c) Leasehold Deed of Trust and Security Agreement, dated as of May 1, 2016 (the "Deed of Trust"), from VRA to the deed of trust trustees thereunder for the benefit of U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, the payments due under the Lease shall be subject to appropriation by the County for each fiscal year;

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF LOUISA COUNTY, VIRGINIA:

1. The Board hereby finds and determines that it is in the best interests of the County to proceed with the financing of the Project. After consideration of the methods of financing the Project, it is hereby determined that it is in the best interests of the County to accept, and the County does hereby accept, the offer from VRA for the financing of the Project as contemplated by the Lease.

2. The maximum aggregate principal amount of the principal components of the Rental Payments under the Lease shall not exceed \$45,625,000, the interest component of the Rental Payments under the Lease shall be calculated at a rate not to exceed 5.50% (exclusive of "supplemental interest" as provided in the Lease) and the Lease and the Prime Lease shall terminate no later than October 1, 2050. As a result of the actual costs of the Project becoming more accurately determined, the final aggregate principal amount of the principal components of the Rental Payments may be less than the authorized maximum aggregate principal amount of the principal components of the Rental Payments set forth in the preceding sentence. The interest components of the Rental Payments under the Lease shall be payable on each April 1 and October 1, commencing October 1, 2016. The principal components of the Rental Payments under the Lease shall be payable on each October 1, commencing no later than October 1, 2017

and ending no later than October 1, 2045. Given the VRA Purchase Price Objective and market conditions, it may become necessary to enter into the Lease with the aggregate principal amount of the principal components of the Rental Payments greater than the Proceeds Requested. If the limitation on the maximum aggregate principal amount of the principal components of the Rental Payments under the Lease set forth in this paragraph 2 restricts VRA's ability to generate the Proceeds Requested, taking into account the VRA Costs, the VRA Purchase Price Objective and market conditions, the purchase price of the Lease will result in an amount less than the Proceeds Requested. Subject to the foregoing limitations, the County authorizes VRA to establish the final aggregate principal amount of the principal components of the Rental Payments under the Lease, the final interest components of the Rental Payments under the Lease and the interest rates at which the same are calculated, the final termination date of the Lease and the final principal amortization schedule as evidenced by the principal components of the Rental Payments under the Lease. No further action or approval of such financing terms shall be necessary on the part of the County. The Rental Payments and any penalties or premiums due under the Lease shall be payable on the dates and in the amounts set forth in the Lease, and the payment thereof shall be subject to appropriation by the County. The County may, at its option, redeem, prepay or refund the Rental Payments due under the Lease upon the terms set forth therein. The interest component of the Rental Payments payable under the Lease shall be computed on the basis described in the Lease.

As set forth in the Lease, the County agrees to pay, subject to appropriation, the "supplemental interest" and other charges as provided therein, including such amounts as may be necessary to maintain or replenish the VRA Reserve and, on the demand of VRA, a late payment penalty if any Rental Payment on the Lease is not paid within ten days after its due date.

The Rental Payments and other amounts payable under the Lease shall be payable in lawful money of the United States of America.

3. The Documents shall be in substantially the forms submitted to this meeting, which are hereby approved, with such completions, omissions, insertions and changes (including changes of dates of documents) as may be subsequently approved by the Chairman and Vice Chairman of the Board and the County Administrator, any of whom may act, which approval shall be evidenced conclusively by the execution and delivery of the Documents to which the County is a party by such Chairman or Vice Chairman of the Board or the County Administrator.

4. The Chairman and Vice Chairman of the Board and the County Administrator, any of whom may act, are each hereby authorized and directed to execute and deliver the Documents to which the County is a party and to acknowledge and consent to, if necessary, the provisions of the Deed of Trust. The Chairman and Vice Chairman of the Board and the County Administrator, any of whom may act, are each hereby also authorized to cause the recording, with the Circuit Court Clerk's Office of Louisa County, Virginia, of the Prime Lease, the Lease and the Leasehold Deed of Trust, if so requested by VRA. The Clerk and Deputy County Clerk of the Board, either of whom may act, are each hereby authorized and directed to affix the County seal to any of the Documents to which the County is a party and to attest the same.

5. The Chairman and Vice Chairman of the Board and the County Administrator and other appropriate officials of the County, including the Clerk and Deputy Clerk of the Board, are each hereby authorized to execute and deliver all other certificates, instruments and documents, including the Non-Arbitrage Certificate and Tax Compliance Agreement, dated the date of its execution and delivery, between VRA and the County, in the name and on behalf of the County and to take all such further action (a) as they may consider necessary or desirable to carry out the intent and purpose of this Resolution, the financing of the Project or the execution, delivery and performance of the Documents to which the County is a party or (b) as may be reasonably requested by VRA in connection with any of the foregoing.

6. The County authorizes and consents to the inclusion of information with respect to the County in VRA's Preliminary Official Statement and VRA's Official Statement in final form, both prepared in connection with the sale of the VRA Bonds. The Chairman and Vice Chairman of the Board and the County Administrator are each authorized and directed to take whatever actions are necessary and/or appropriate to aid VRA in ensuring compliance with Securities and Exchange Commission Rule 15c2-12.

7. The Board hereby selects and designates Troutman Sanders LLP as Bond Counsel with respect to the financing contemplated by the Lease.

8. The County has heretofore received and reviewed the Information Statement describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool I (the "Contract"), and the County hereby authorizes the use of SNAP in connection with the investment of the proceeds received by the County under the Lease, if the Chairman and Vice Chairman of the Board and the County Administrator, any of whom may act, determine that the utilization of SNAP is in the best interest of the County. The County acknowledges that the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the County in connection with SNAP, except as otherwise provided in the Contract.

9. No covenant, condition, agreement or obligation contained herein or the Documents shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the County in his or her individual capacity, and no officer of the County executing the Lease shall be liable personally on the Lease or be subject to any personal liability or accountability by reason of the execution and delivery thereof. No officer, employee or agent of the County shall incur any personal liability with respect to any other action taken by him or her pursuant to this Resolution, provided he or she acts in good faith.

10. The Board previously adopted on March 16, 2015 a reimbursement resolution in connection with the Project. The Board hereby amends the maximum principal amount of the indebtedness related to the Project as set forth in such resolution from \$45,250,000 to \$45,625,000. The provisions of such resolution relating to the reimbursement of "original expenditures", except as modified by the preceding sentence, remain in full force and effect and are ratified and confirmed hereby.

11. All acts of the Chairman and Vice Chairman of the Board and the County Administrator and other officers of the County, regardless of whether such acts occurred prior to or occur after the adoption of this Resolution, that are in conformity with the purposes and intent of this Resolution and in furtherance of the plan of financing, the execution and delivery of the Lease and the undertaking of the Project are hereby approved and ratified.

12. The Project and the property subject to the Deed of Trust (the "Collateral Property") are hereby declared to be essential to the efficient operation of the County, and the Board anticipates that the Project and the Collateral Property will continue to be essential to the operation of the County during the term of the Lease. The Board, while recognizing that it is not empowered to make any binding commitment to make appropriations beyond the current fiscal year, hereby states its intent to make annual appropriations in future fiscal years in amounts sufficient to permit the County to make all payments under the Lease and hereby recommends that future Boards of Supervisors do likewise during the term of the Lease. If the County exercises its right not to appropriate money for Rental Payments under the Lease, the County understands that VRA, or the Trustee as assignee of VRA, may terminate the Lease or otherwise exclude the County from possession of the Collateral Property or any portion thereof to the extent provided in the Lease and the Deed of Trust.

13. All resolutions, ordinances or parts thereof in conflict herewith are repealed.

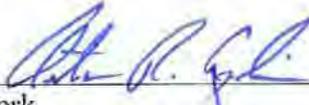
14. This Resolution shall take effect immediately.

Adopted: March 21, 2016

The undersigned Clerk of the Board of Supervisors of Louisa County, Virginia hereby certifies that the foregoing constitutes a true, correct and complete copy of a Resolution duly adopted by the Board of Supervisors of Louisa County, Virginia at a meeting duly called and held on March 21, 2016, during which a quorum was present and acting throughout, by the vote set forth below, and that such Resolution has not been repealed, revoked, rescinded or amended:

<u>Board Member</u>	<u>Present/Absent</u>	<u>Vote</u>
Troy J. Wade, Chairman	Present	Yes
Stephanie L. Koren, Vice Chairman	Present	Yes
Fitzgerald A. Barnes	Present	Yes
Tommy Barlow	Present	Yes
Willie L. Gentry, Jr.	Present	Yes
Richard Havasy	Present	Yes
Toni Williams	Present	Yes

WITNESS my signature as Clerk of the Board of Supervisors of Louisa County, Virginia, this 25th day of March, 2016.



 Clerk
 Board of Supervisors of Louisa County, Virginia

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APPENDIX C-11

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF A REVENUE BOND, SERIES 2016, OF THE JAMES RIVER WATER AUTHORITY AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
A REVENUE BOND, SERIES 2016, OF THE JAMES RIVER
WATER AUTHORITY AND PROVIDING FOR THE FORM,
DETAILS AND PAYMENT THEREOF**

WHEREAS, the James River Water Authority (the “Authority”) is a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (the “Commonwealth”) exercising public and essential governmental functions and created by resolutions duly adopted by the Board of Supervisors of the County of Fluvanna and the Board of Supervisors of the County of Louisa in accordance with the Virginia Water and Waste Authorities Act, as amended (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) (the “Act”), for the purpose of servicing the water needs of the County of Fluvanna, Virginia and the County of Louisa, Virginia (collectively, the “Member Jurisdictions”); and

WHEREAS, the Authority is authorized to contract debts and to issue, as evidence thereof, notes, bonds or other obligations payable from revenues from a revenue-producing undertaking of the Authority, and the Authority now desires to finance the design and construction of a raw water intake, a pump station and a raw water pipeline, as well as the acquisition of land and right-of-way necessary therefor (collectively, the “Project”) through the issuance of a revenue bond; and

WHEREAS, the Virginia Resources Authority (the “VRA”) has a program for the purpose of purchasing and acquiring obligations issued by water and waste authorities to finance projects such as the Project, and the Authority has applied to VRA for the purchase of the Authority’s Revenue Bond, Series 2016 (the “Local Bond”), the proceeds of which will be used to finance the costs of the Project and pay the costs of issuing the Local Bond and any other financing costs including the funding of one or more required reserves; and

WHEREAS, VRA has agreed to purchase such Local Bond from the proceeds of its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2016A (the “VRA Bonds”) in accordance with the terms of a Local Bond Sale and Financing Agreement, dated as of April 1, 2016 (the “Financing Agreement”), between VRA and the Authority; and

WHEREAS, the Authority has indicated that the amount of proceeds being requested from VRA for the Project and other costs is \$9,146,460 (the “Proceeds Requested”) plus amounts necessary to pay any capitalized interest and the costs of issuance and one or more required reserves if the Authority opts to debt fund such reserve, or such other amount requested by the Authority in writing and approved by VRA prior to the pricing of the VRA Bonds, provided such sum does not exceed the maximum principal amount of the Local Bond authorized pursuant to this Resolution; and

WHEREAS, VRA has advised the Authority that VRA’s objective is to pay the Authority as the purchase price for the Local Bond an amount which, in VRA’s judgment, reflects the market value of the Local Bond (the “VRA Purchase Price Objective”), taking into consideration such factors as the maximum authorized par amount of the Local Bond, the

Proceeds Requested, the purchase price to be received by VRA for the VRA Bonds, the issuance costs of the VRA Bonds (consisting of the underwriters' discount and other costs incurred by VRA (collectively, the "VRA Costs")) and other market conditions relating to the sale of the VRA Bonds; and

WHEREAS, such factors may result in the Authority receiving an amount other than the Proceeds Requested and consequently (i) the principal amount of the Local Bond may be greater than the Proceeds Requested in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, or (ii) if the maximum authorized aggregate amount of the Local Bond set forth in paragraph 3 of this Resolution does not exceed the Proceeds Requested by at least the amount of the VRA Costs and any original issue discount, the amount to be paid to the Authority, given the VRA Purchase Price Objective and market conditions, will be less than the Proceeds Requested; and

WHEREAS, the forms of the Financing Agreement and the Local Bond have been made available to the members of the Authority and filed in the Authority's records;

BE IT RESOLVED BY THE JAMES RIVER WATER AUTHORITY:

1. Issuance of Local Bond and Use of Proceeds. Pursuant to the Constitution and statutes of the Commonwealth, including the Act, the Authority hereby approves the issuance and sale of the Local Bond to provide funds to finance the Project and pay the costs of issuing the Local Bond and any other financing costs including the funding of one or more required reserves.

2. Method of Sale. After consideration of the methods of sale of the Local Bond, it is hereby determined that it is in the best interest of the Authority to accept, and the Authority does hereby accept, the offer from VRA to purchase the Local Bond. The Local Bond is hereby sold to VRA in accordance with the terms and provisions set forth in the Financing Agreement.

3. Local Bond Details. The Local Bond shall be issued as a single, registered bond without coupons, shall be designated "Revenue Bond, Series 2016", shall be numbered R-1, shall be dated the date required by VRA, shall be in a principal amount not to exceed \$10,000,000, shall bear interest at the rate or rates to be set forth therein and shall mature no later than October 1, 2046. The Authority authorizes the issuance and sale of the Local Bond at a "true" interest cost not to exceed 5.50% (exclusive of "supplemental interest" as provided in the Financing Agreement). Given the VRA Purchase Price Objective and market conditions, it may become necessary to issue the Local Bond in an aggregate amount greater than the Proceeds Requested. If the limitation on the maximum aggregate principal amount of the Local Bond set forth in this paragraph 3 restricts VRA's ability to generate the Proceeds Requested, taking into account the VRA Costs, the VRA Purchase Price Objective and market conditions, the purchase price of the Local Bond will result in an amount less than the Proceeds Requested. Subject to the foregoing limitations, the Authority authorizes VRA to establish the final principal amount of the Local Bond, the final interest rate or rates on the Local Bond, and the final maturity date and the final principal amortization schedule (including principal installment dates and amounts) for the Local Bond. No further action or approval of such financing terms shall be necessary on the part of the Authority. The principal of and premium, if any, and interest on the Local Bond shall be payable

on the dates and in the amounts set forth in the Local Bond and the Financing Agreement. The Authority may, at its option, redeem, prepay or refund the Local Bond upon the terms set forth in the Financing Agreement. Interest on the Local Bond shall be computed on the basis described in the Financing Agreement and the form of the Local Bond.

As set forth in the Financing Agreement, the Authority agrees to pay such “supplemental interest” and other charges as provided therein, including such amounts as may be necessary to maintain or replenish the VRA Reserve (as defined in the Financing Agreement) and, on the demand of VRA, a late payment penalty if any principal or interest payment on the Local Bond is not paid within ten days after its due date.

The principal of and premium, if any, and interest on the Local Bond shall be payable in lawful money of the United States of America.

4. Approval of Bond Documents. The Financing Agreement and the Local Bond (the “Bond Documents”) shall be in substantially the forms made available at this meeting, which are hereby approved, with such completions, omissions, insertions and changes (including changes of the dates thereof) as may be approved by the Chairman and the Vice Chairman of the Authority, either of whom may act, which approval shall be evidenced conclusively by the execution and delivery of such Bond Documents.

5. Execution and Delivery of Local Bond. The Chairman and the Vice Chairman of the Authority, either of whom may act, are each hereby authorized and directed to execute the Local Bond and the Secretary and the Assistant Secretary, either of whom may act, are each authorized and directed to fix the Authority’s seal thereon and to attest such seal.

6. Execution and Delivery of Financing Agreement. The Chairman and the Vice Chairman of the Authority, either of whom may act, are each hereby authorized and directed to execute the Financing Agreement and to deliver it to VRA.

7. Authorization of Execution and Delivery of Other Documents. The Chairman and the Vice Chairman of the Authority and other appropriate officials of the Authority are each hereby authorized to (i) execute and deliver all other certificates, instruments and documents in the name and on behalf of the Authority, including without limitation the Non-Arbitrage Certificate and Tax Compliance Agreement, dated the date of execution and delivery, between VRA and the Authority, and the Support Agreements, each dated as of May 1, 2016, among VRA, the Authority and each Member Jurisdiction and (ii) take all such further action (a) as they may consider necessary or desirable to carry out the intent and purpose of this Resolution, the issuance of the Local Bond, the financing of the Project and the execution, delivery and performance of the Financing Agreement or (b) as may be reasonably requested by VRA in connection with any of the foregoing.

8. Preparation of Printed Local Bond. The Authority shall initially issue the Local Bond in typewritten form. Upon request of the registered owner and upon presentation of the Local Bond at the office of the Registrar (as hereinafter defined), the Authority shall arrange to have prepared, executed and delivered in exchange as soon as practicable the Local Bond in printed form in an aggregate principal amount equal to the unpaid principal of the Local Bond in

typewritten form, of the same form and maturity and registered in such names as requested by the registered owners or their duly authorized attorneys or legal representatives. The printed Local Bond may be executed by the manual or facsimile signature of the Chairman or Vice Chairman and the Authority's seal affixed thereto and attested by the manual or facsimile signature of the Secretary or the Assistant Secretary of the Authority. The typewritten Local Bond surrendered in any such exchange shall be canceled.

9. Registration and Transfer of the Local Bond. The Authority appoints the Director of Finance of the Authority's fiscal agent as paying agent and registrar (the "Registrar") for the Local Bond. If deemed to be in its best interest, the Authority may at any time appoint a qualified bank or trust company or any other person or entity as successor Registrar. Upon surrender of a Local Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Authority shall execute, and the Registrar shall authenticate and deliver in exchange, a new Local Bond or Local Bonds having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rate or rates and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person or entity exclusively entitled to payment of principal, premium, if any, and interest, and the exercise of all other rights and powers of the owner.

10. Mutilated, Lost or Destroyed Local Bond. If a Local Bond has been mutilated, lost or destroyed, the Authority shall execute and deliver a new Local Bond of like form, date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Local Bond or in lieu of and in substitution for such lost or destroyed Local Bond; provided, however, that the Authority shall so execute and deliver a new Local Bond only if the registered owner has paid the reasonable expenses and charges of the Authority in connection therewith and, in the case of a lost or destroyed Local Bond, (a) has filed with the Authority evidence satisfactory to the Authority that such Local Bond was lost or destroyed and (b) has furnished to the Authority satisfactory indemnity.

11. Pledge of Revenues and Limited Obligation. In accordance with the provisions of the Financing Agreement, the Authority pledges the Net Revenues Available for Debt Service (as defined in the Financing Agreement) to the payment of principal of, premium, if any, and interest on, the Local Bond. The Authority has no taxing power. The Local Bond shall not be deemed to constitute a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the Authority and the Member Jurisdictions. Neither the Commonwealth nor any political subdivision thereof, including the Authority and the Member Jurisdictions, shall be obligated to pay the principal of, premium, if any, or interest on, the Local Bond or other costs incident thereto except from the Net Revenues Available for Debt Service and other moneys specifically pledged therefor under the Financing Agreement, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof,

including the Authority and the Member Jurisdictions, is pledged to the payment of the principal of, premium, if any, or interest on, the Local Bond or other costs incident thereto.

12. Official Statement. The Authority authorizes and consents to the inclusion of information with respect to the Authority and, if necessary, the Member Jurisdictions in VRA's Preliminary Official Statement and VRA's Official Statement in final form, both prepared in connection with the sale of the VRA Bonds. The Chairman and the Vice Chairman of the Authority are each authorized and directed to take whatever actions are necessary and/or appropriate to aid VRA in ensuring compliance with Securities and Exchange Commission Rule 15c2-12.

13. SNAP Investment Authorization. The Authority has heretofore received and reviewed the Information Statement (the "Information Statement") describing the State Non-Arbitrage Program of the Commonwealth ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool I (the "Contract"), and the Authority hereby authorizes the use of SNAP in connection with the investment of the proceeds of the Local Bond, if the Chairman or Vice Chairman determines that the utilization of SNAP is in the best interest of the Authority. The Authority acknowledges that the Treasury Board of the Commonwealth is not, and shall not be, in any way liable to the Authority in connection with SNAP, except as otherwise provided in the Contract.

14. Other Actions. All actions of Authority officials taken heretofore or hereafter in conformity with the purposes and intent of this Resolution are ratified, approved and confirmed.

15. Limitation of Liability of Officials of the Authority. No covenant, condition, agreement or obligation contained herein shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the Authority in his or her individual capacity. No officer of the Authority executing the Local Bond shall be liable personally on the Local Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No officer, employee or agent of the Authority shall incur any personal liability with respect to any other action taken by him or her pursuant to this Resolution, provided he or she acts in good faith.

16. Selection of Bond Counsel. The Authority hereby appoints the law firm of Troutman Sanders LLP, Richmond, Virginia, as bond counsel to supervise the proceedings and approve the issuance of the Local Bond.

17. Amendment to Reimbursement Resolution. The Authority previously adopted on August 5, 2014 a reimbursement resolution in connection with the Project. The Authority hereby amends the maximum principal amount of the indebtedness related to the Project as set forth in such resolution from \$7,000,000 to \$10,000,000. The provisions of such resolution relating to the reimbursement of "Expenditures", except as modified by the preceding sentence, remain in full force and effect and are ratified and confirmed hereby.

18. Repeal of Conflicting Actions. All resolutions, ordinances or parts thereof in conflict herewith are repealed.

19. Effective Date. This Resolution and the provisions contained herein shall become effective immediately upon enactment.

CERTIFICATION

The undersigned Secretary of the James River Water Authority hereby certifies (1) that the foregoing constitutes a true, correct and complete copy of a Resolution adopted by the James River Water Authority at a meeting duly called and held on March __, 2016, with the members present and absent and voting on the Resolution as set forth below; (2) that such meeting was duly convened and held in all respects in accordance with law; and (3) that the foregoing Resolution has not been repealed, revoked, rescinded or amended.

	<u>VOTE</u>			
<u>NAME</u>	<u>PRESENT</u>	<u>ABSENT</u>	<u>AYE</u>	<u>NAY</u>

APPROVED BY JRWA ON MARCH 30, 2016

WITNESS, my hand and the seal of the James River Water Authority this _____ day of March, 2016.

JAMES RIVER WATER AUTHORITY

By _____
Secretary

(SEAL)

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
JAMES RIVER WATER AUTHORITY
REVENUE BOND
SERIES 2016

The **JAMES RIVER WATER AUTHORITY**, a public body politic and corporate and a political subdivision of the Commonwealth of Virginia (the "Authority"), for value received, hereby promises to pay, solely from the sources described below, to the Virginia Resources Authority ("VRA"), as the registered owner hereof, or registered assigns or legal representatives, a principal sum equal to \$ _____, subject to prior redemption as hereinafter provided.

Principal of this Bond is payable in installments (the "Installments") on each October 1, beginning October 1, 2017. Each Installment shall be in the applicable amount specified in Schedule 1 attached hereto. If not sooner paid, the entire remaining principal balance hereof shall be due and payable on October 1, 2046.

Interest on the unpaid principal hereof shall be payable on each April 1 and October 1, beginning October 1, 2016. The per annum rate of interest payable with respect to the portion of the principal amount hereof which is payable as a particular Installment shall be the applicable rate specified in Schedule 1 attached hereto. Interest hereon shall accrue from the date hereof and shall be calculated on the basis of a year of 360 days consisting of twelve 30-day months.

All payments of principal of, premium (if any) and interest on this Bond shall be paid directly to U.S. Bank National Association, as trustee for VRA (the "VRA Trustee"), for as long as VRA is the registered owner hereof. If any payment of principal or premium (if any) or interest on this Bond is scheduled to be made on a date which is not a business day, such payment shall be made on the next succeeding business day. If such payment is made on such next succeeding business day, no additional interest shall accrue for the period after the date on which such payment is scheduled to be made.

Principal of and premium (if any) and interest on this Bond are payable in lawful money of the United States of America.

If any installment of principal of, premium (if any) or interest on this Bond is not paid within ten days after its due date, the Authority shall pay to the registered owner hereof a late payment charge in an amount equal to 5.0% of the amount of the overdue installment.

If any failure of the Authority to pay all or any portion of any required payment of the principal of, premium (if any) or interest on this Bond results in a withdrawal from or a drawing on any VRA Reserve (as defined in the hereinafter defined Financing Agreement), the interest rates applicable to this Bond shall be increased to interest rates sufficient to reimburse the VRA

Reserve for any forgone investment earnings on the funds withdrawn therefrom and/or pay any interest, fees or penalties assessed as a result of the withdrawal from or drawing on the VRA Reserve. The increment of interest payable pursuant to the increase in rates shall be referred to as "Supplemental Interest." The Authority's obligation to pay Supplemental Interest shall commence on the date of the withdrawal or drawing of funds from the VRA Reserve occasioned by the Authority's failure to pay a required payment or portion thereof as described above (the "Supplemental Interest Commencement Date"). The Authority's obligation to pay Supplemental Interest shall terminate on the date on which the Authority makes all payments required but outstanding since the date of the initial failure to pay (the "Supplemental Interest Termination Date"). From the Supplemental Interest Commencement Date to the Supplemental Interest Termination Date, Supplemental Interest shall be due and payable on the regularly scheduled interest payment dates provided for in this Bond. As soon as reasonably possible after the Supplemental Interest Commencement Date, VRA shall deliver to the Authority a certificate as to the increase in interest rates and the amount of Supplemental Interest. The certificate shall set forth in reasonable detail the basis for the increase in interest rates and the manner of calculation of the increase and the amount of Supplemental Interest. Such certificate shall be conclusive (absent manifest error) as to the interest rate increase and amount of Supplemental Interest set forth therein. In determining the interest rate increase and the amount of Supplemental Interest, VRA may use any reasonable averaging and attribution methods. Supplemental Interest shall accrue only while VRA or the VRA Trustee is the registered owner of this Bond, and any installment of Supplemental Interest shall be payable only to the extent that VRA shall have furnished the aforesaid certificate setting forth the amount of such installment.

The Authority's obligations to pay the amounts described in this Bond shall not be discharged in whole or in part by any amount withdrawn from or drawn on a VRA Reserve.

Subject to the Authority's right to apply Revenues (as defined in the Financing Agreement) to the payment of Operating Expenses (as defined in the Financing Agreement) and the Authority's obligation to apply Revenues to the payment of prior bonds, if any, secured by Revenues, the Revenues are irrevocably pledged to secure the payment of the principal of, premium (if any) and interest on this Bond as the same shall become due. The Authority has covenanted in the Financing Agreement that it will fix and collect rates, fees and other charges for the use of, and for services furnished by, the Project (as hereinafter defined) in accordance with the provisions of the Financing Agreement. This Bond is a limited obligation of the Authority payable solely as described in the first sentence of this paragraph. The principal of, premium, if any, and interest on this Bond will not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions, including the Authority and the Member Jurisdictions (as hereinafter defined). NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE MEMBER JURISDICTIONS, IS DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO OR TO LEVY ANY TAXES THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT EXCEPT FROM THE FUNDS OF THE AUTHORITY PLEDGED FOR SUCH PURPOSE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE MEMBER

JURISDICTIONS, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO. THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

This Bond is authorized and issued pursuant to (i) the Virginia Water and Waste Authorities Act, as amended (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended), and (ii) a resolution adopted by the Authority on March __, 2016, for the purpose of financing the design and construction of a raw water intake, a pump station and a raw water pipeline, as well as the acquisition of land and right-of-way necessary therefor (collectively, the "Project") owned and operated by the Authority to service the water needs of the County of Fluvanna, Virginia and the County of Louisa, Virginia (collectively, the "Member Jurisdictions"). It is also issued pursuant to the terms of a Local Bond Sale and Financing Agreement, dated as of April 1, 2016 (the "Financing Agreement"), between the Authority and VRA to evidence a loan by the VRA to the Authority to finance the costs of the Project and pay the costs of issuing the Local Bond and any other financing costs including the funding of any required reserves. The obligations of the Authority under this Bond shall terminate when all amounts due and to become due pursuant to this Bond and the Financing Agreement have been paid in full.

This Bond is subject to defeasance, redemption, repayment and refunding to the extent and on the terms set forth in the Financing Agreement.

If an Event of Default (as defined in the Financing Agreement) occurs, the principal of this Bond may be declared immediately due and payable by the registered owner by written notice to the Authority.

Notwithstanding anything in this Bond to the contrary, in addition to the payments of the principal and interest provided for by this Bond, the Authority shall also pay, but solely from the Revenues, such additional amounts, if any, which may be necessary to provide for payment in full of all amounts due under the Financing Agreement. The Financing Agreement may be amended as provided therein.

No covenant, condition, agreement or obligation contained herein shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the Authority in his or her individual capacity, and no officer of the Authority executing this Bond shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance hereof.

The Director of Finance of the fiscal agent of the Authority shall act as Registrar (the "Registrar") until a different Registrar is selected and shall maintain registration books for the registration and the registration of transfer of this Bond. Payments of principal and interest shall be made by check or draft mailed or by wire to the registered owner, at its address as it appears on the registration books kept for that purpose at the principal office of the Registrar, except that payments hereunder shall be made directly to the VRA Trustee for as long as VRA is the registered owner hereof. The final payment of principal shall be payable upon presentation and surrender of this Bond to the Registrar. The transfer of this Bond may be registered only on the

books kept for the registration and registration of transfer of this Bond upon surrender thereof to the Registrar at his or her address together with an assignment duly executed by the registered owner in person or by his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such transfer, the Authority shall execute and deliver, in exchange for this Bond, a new registered Bond registered in the name of the transferee. Prior to due presentment for registration of transfer, the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal of, premium, if any, and interest on this Bond and to the exercise of all other rights and powers of the owner.

If this Bond has been mutilated, lost or destroyed, the Authority shall execute and deliver a new Bond of like date and tenor in exchange or substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond; *provided*, that the Authority shall execute and deliver such Bond only if the registered owner has paid the reasonable expenses and charges of the Authority and the Registrar in connection therewith and, in the case of a mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of a lost or destroyed Bond, the registered owner has furnished to the Authority and the Registrar (if different from the Authority or its officials) (a) evidence satisfactory to them that such Bond was lost or destroyed and the registered owner was the owner thereof and (b) indemnity satisfactory to them.

Any failure or delay by the registered owner to exercise any right hereunder or under the Financing Agreement shall not be construed as a waiver of the right to exercise the same or any other rights at any time.

This Bond shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. Whenever possible, each provision of this Bond shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Bond shall be prohibited by or invalid under such law, such provisions shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Bond. This Bond shall apply to and bind the Authority's successors and assigns to the extent provided herein and shall inure to the benefit of the registered owner, its successors and assigns.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

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IN WITNESS WHEREOF, the James River Water Authority has caused this Bond to be signed by the manual signature of its Chairman or Vice Chairman, its seal to be impressed hereon and attested by its Secretary or Assistant Secretary and this Bond to be dated the ____ day of _____, 2016.

JAMES RIVER WATER AUTHORITY

By _____
Chairman

APPROVED BY JRWA ON MARCH 30, 2016

(SEAL)

ATTEST:

Secretary, James River Water Authority

CERTIFICATE OF AUTHENTICATION

This Bond is one of the bonds of the series designated herein and described in the within mentioned resolution.

**Director of Finance,
County of Fluvanna, Virginia, as Bond
Registrar**

By _____
Authorized Signature

Date of authentication: _____, 2016

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(please print or typewrite Name and Address including postal zip code of Transferee)

**PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE**

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing _____, Attorney, to transfer said Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company or by an institution participating in the Securities Transfer Agent Medallion Program or similar program.

(Signature of Registered Owner)

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

APPENDIX C-12

**BOARD OF DIRECTORS JAMES RIVER WATER AUTHORITY RESOLUTION: RESOLUTION APPROVING PUBLIC USES
AND AUTHORIZING ACQUISITION OF NECESSARY PROPERTY BY EMINENT DOMAIN**

**BOARD OF DIRECTORS
JAMES RIVER WATER AUTHORITY
RESOLUTION**

At a regular meeting of the Board of Directors of the James River Water Authority held in the Spring Creek Sports Club, 181 Clubhouse Way, Zion Crossroads, Virginia, at 10:30 a.m. on the 5th day of April 2016, at which the following members were present, the following resolution was adopted by a majority of all members of the Board of Directors, the vote being recorded in the minutes of the meeting as shown below:

<u>PRESENT</u>	<u>VOTE</u>
Goodman B. Duke	AYE
D. D. Watson.....	AYE
Joe Chesser.....	ABSENT
Mark Dunning.....	AYE
Christian R. Goodwin	AYE
Steven M. Nichols.....	AYE

On the motion of Mr. Watson, seconded by Mr. Nichols, which carried by a vote of 5-0 the following resolution was adopted:

RESOLUTION APPROVING PUBLIC USES AND AUTHORIZING ACQUISITION OF NECESSARY PROPERTY BY EMINENT DOMAIN

WHEREAS, the James River Water Authority (the "Authority") is planning to construct a raw water intake and pump station and pipeline with associated appurtenances using the James River in Fluvanna County as a source ("Project"); and

WHEREAS, the intake structure and pumping station are to be utilized by the Counties of Fluvanna and Louisa as customers of the JRWA; and

WHEREAS, this Project is an important part of each County's plans to provide reliable and adequate sources of water for the future needs of their respective citizens; and

WHEREAS, the intake structure is proposed to be located beneath the water surface in the James River, upstream of its confluence with the Rivanna River and from the uptake structure, underground pipes will carry water drawn from the river to a raw water pump station situated on higher ground where it will be necessary to construct an above-ground structure, and an access driveway, at the pump station site and additional underground piping will convey water from the pump station, in a northerly direction, to a point north of Route 6 west of Columbia; and

WHEREAS, the Authority has determined that in order to construct the Project it must acquire approximately 2.0 acres in fee simple on tax map parcel 61-A-4 and/or easements on the following Tax Map Parcels: 61-A-4, 53-A-61, 53-A-62, 53-A-62C, 53-A-63, 53-11-5, 53-11-19 ("Property") by condemnation or other means; and

WHEREAS, the Authority has conducted a public hearing in accordance with Virginia Code §15.2-1903(B) to determine the necessity for condemnation and has carefully considered the recommendations of staff and public testimony, if any, at the public hearing; and

WHEREAS, the Board finds it necessary and proper to use its statutory “quick-take” powers” pursuant to Virginia Code §15.2-5114 and §25.1-300 et seq. to enter on the affected properties in order to take and use the property needed to begin work on the Project.

NOW THEREFORE, BE IT RESOLVED,

1. that the construction of the raw water intake and pump station and pipeline with associated appurtenances using the James River in Fluvanna County as a source Project is for a public use, necessary for the health and welfare and in the best interests of the people served by the Authority; and
2. that the acquisition of the Property is necessary for the construction of the raw water intake and pump station and pipeline with associated appurtenances using the James River in Fluvanna County as a source and the Authority hereby certifies that it has reviewed such acquisitions for compliance with Virginia Code §1-219 and has determined that they are authorized thereunder as a public use for which the Authority may exercise its powers of eminent domain; and
3. that the Authority shall cause bona fide offers of just compensation to be made to each of the following owners of Property, setting forth the compensation and damages offered by the Authority for the acquisition of Property which shall be at 100% of the fair market value:

Parcel	Owner	Fee Simple +/-	Easement Area Acreage +/-		
			Perm. Utility	Temp. Const.	Perm. Access
61-A-4	Hammond	2.0	0.52	4.21	0.10
53-A-61	Bialkowski	0.0	0.76	2.49	1.38
53-A-62	Point of Fork Farm	0.0	0.66	0.67	1.33
53-A-62C	Point of Fork Farm	0.0	0.00	0.00	0.54
53-A-63	Bialkowski	0.0	0.00	0.00	0.18
53-11-5	Lyttle	0.0	0.21	0.77	0.00
53-11-19	CVEC	0.0	0.11	0.52	0.00

4. that if the owners of any of the above parcels have not accepted the Authority’s offer of fair market value and executed the necessary documents by the deadline date specified in the letter making such offer, then the Authority or his designee is authorized to file a Certificate of Take and Certificate of Deposit among the land records of Fluvanna County; and
5. that the Authority or their designees are further authorized and directed to sign the required Certificates and to deposit the estimated fair market value of the required temporary construction easements with the Clerk of the Fluvanna County Circuit Court

on behalf of the Authority and for the benefit of the respective property owners, in accordance with the applicable state statutes; and

6. Upon the filing of such Certificates, the deposit of such funds and the completion of any other statutory requirements for exercise of the "quick-take" condemnation process, the Authority shall be deemed to have acquired each of the rights to the Property described above, and the Authority staff, project engineers and project contractor and their respective employees, subcontractors and agents shall be authorized to enter on each of the properties to execute the Project; and
7. Notwithstanding the foregoing, the Authority or its representative is authorized to continue negotiating with the owners of the parcels described above to obtain a voluntary settlement and conveyance if, in his sole judgment there is a reasonable possibility that such negotiation will be successful.

BE IT FURTHER RESOLVED that this Resolution, as approved by the James River Water Authority Board upon due consideration and after all required public notice and hearing, shall take effect immediately this 5th day of April, 2016.



Chairman, Goodman B. Duke
James River Water Authority

This is a true copy of the Resolution

Attest:



Name: STEVEN M. NICHOLS

Title: JWA BOARD MEMBER

APPENDIX C-13
REIMBURSEMENT AGREEMENT BETWEEN JAMES RIVER WATER AUTHORITY AND THE COUNTY OF FLUVANNA,
VIRGINIA

THIS AGREEMENT (this “Agreement”), made and entered into as of June 1, 2016 (“Effective Date”), by and between the **JAMES RIVER WATER AUTHORITY** (the “Authority”), and the **COUNTY OF FLUVANNA, VIRGINIA** (“County”).

RECITALS:

WHEREAS, the Authority, the County, Louisa County and the Louisa County Water Authority (“LCWA”) entered into an agreement (the “2013 Interjurisdictional Agreement”) dated October 1, 2013 to reflect the desire to move the James River intake from Bremono Bluff to near Columbia, Virginia and to set forth the parties’ respective rights and duties with respect to a James River pipeline project (“Project”);

WHEREAS, the Authority applied for a special use permit to construct the Project on tax map number 53-A-62C in the County Fluvanna, which was rejected by the County on December 2, 2015; and

WHEREAS, the Authority subsequently applied to the County for a special use permit to Construct the Project on tax map number 61-A-4, which is adjacent to the property that was previously denied a special use permit; and

WHEREAS, on January 20, 2016, the County approved a special use permit for the Authority to construct the Project on tax map number 61-A-4; and

WHEREAS, the Authority has incurred additional Project costs associated with moving and redesigning the Project to the adjacent property.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1. The County agrees to pay the amount of \$525,039.00 to the Authority within 30 days of the Effective Date of this Agreement as payment in full for the additional costs incurred by the Authority associated with relocating the Project to tax map number 61-A-4.

Section 2. The Authority agrees to apply the amount received under Section 1 above towards the payment of the guaranteed maximum price as described in the Comprehensive Agreement between the Authority and Faulconer Construction Company, Inc., for the construction of the James River Water Authority’s project.

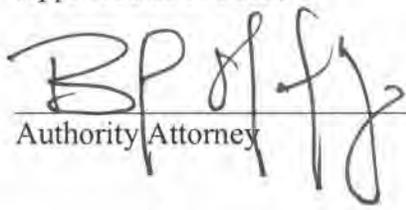
Section 3. This Agreement shall be governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the parties caused this Agreement to be signed by their respective officers thereunto duly authorized, and this Agreement to be dated as of the date and year first above written.

JAMES RIVER WATER AUTHORITY

By:  _____
Chairman

Approved as to Form

 _____
Authority Attorney

COUNTY OF FLUVANNA, VIRGINIA

By:  _____
Chair, Board of Supervisors

Approved as to Form

 _____
Fluvanna County Attorney