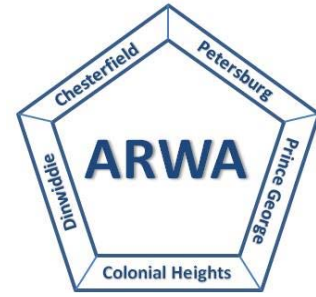


Appomattox River Water Authority



21300 Chesdin Rd. - S. Chesterfield, VA 23803 - Phone (804) 590-1145 - Fax (804) 590-9285

Appomattox River Water Authority Regular Meeting of the Board of Directors

DATE: August 16, 2018

TIME: 2:00 PM

LOCATION: Appomattox River Water Authority
Board Room, Administration Building
21300 Chesdin Road
South Chesterfield, Virginia 23803

AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes: Minutes of the Regular Board Meeting on June 14, 2018
3. Public Comment
4. Recognition of 50 Years of American Water Works Association Membership and Service to the Water Industry
5. Executive Director's Report:
 - Reservoir Status Update for July/August 2018
 - Irrigation Withdrawal License Agreements
 - Failure of ARWA Filter Number 28
 - Status Report: Ongoing Projects/Operational/Financials
6. Items from Counsel:
 - Resolution Authorizing the Executive Director to Provide Emergency Services to Non-Participating Jurisdictions in the Event of a Local Water Emergency
7. Other Items from Board Members/Staff Not on Agenda:
8. Closed Session
9. Adjourn

Cc: W. Dupler/George Hayes, Chesterfield
L. Lyons, Petersburg
W. Henley, Colonial Heights
F. Haltom, Prince George
R. Wilson, Dinwiddie Water Authority
A. Anderson, McGuire Woods

1. Call to Order/Roll Call

2. Approval of Minutes: Minutes of the Regular Board Meeting on June 14, 2018.

Following are the Minutes of the Regular Board Meeting on June 14, 2018.

Absent any corrections or revisions, we recommend approval of the minutes as submitted.

BOARD OF DIRECTORS MEETING

Appomattox River Water Authority

June 14, 2018 at 2:00 p.m.

**Location: Appomattox River Water Authority
21300 Chesdin Road, South Chesterfield, Virginia 23803**

PRESENT:

Percy Ashcraft, Chairman (Prince George)
Joseph Casey, (Chesterfield)
Kevin Massengill, Secretary/Treasurer (Dinwiddie)
Aretha Ferrell-Benavides, (Petersburg)
Robert B. Wilson, (Alternate, Dinwiddie)
William Henley, (Alternate, Colonial Heights)
George Hayes, (Alternate, Chesterfield)
Frank Haltom, (Alternate, Prince George)
Lionel Lyons, (Alternate, Petersburg)

STAFF:

Robert C. Wichser, Executive Director, (ARWA & SCWWA)
James C. Gordon, Asst. Executive Director (ARWA & SCWWA)
Arthur Anderson, (McGuire Woods)
Melissa Wilkins, Accounting/Office manager (ARWA & SCWWA)
Kathy Summerson, Administrative Assistant (SCWWA)

OTHERS:

Roger B. Arnold, (Hazen and Sawyer)
Keith Boswell, (CEO, Virginia's Gateway Region)

ABSENT:

Douglas Smith, (Colonial Heights)
William Dupler, (Alternate, Chesterfield)

Mr. Ashcraft, Chairman, called the meeting to order at 3:09 p.m.

1. Call to Order/Roll Call.

The roll was called.

2. Approval of Minutes: Minutes of the Regular Meeting of the Board on May 17, 2018

Upon a motion made by Mr. Massengill and seconded by Mr. Lyons the following resolution was adopted:

RESOLVED, that the minutes of the Regular Meeting of the Board on May 17, 2018 are hereby approved:

For: 5 Against: 0 Abstain: 0

3. Public Comment and Public Hearing on Proposed FY 2018/2019 Budget

There were no public comments.

4. Executive Director's Report:

• Reservoir Status Update for May/June 2018

Dr. Wichser reported on the Reservoir Status Update for May/June 2018. He stated the reservoir has been full, the hydro facility has been running and presently at the flow into the reservoir we have 381 CFS coming in. He further stated that during the high flow event we had a few weeks ago, we had over 5,000 MGD coming in. Dr. Casey asked how many feet of water is across the dam, and Dr. Wichser replied approximately three and one-half feet.

Mr. Lyons replaced Ms. Ferrell-Benavides on the Board at 3:12 p.m.

• July 1, 2018 to December 31, 2018 Work Plan Summary/Update

Dr. Wichser reported the Work Plan Summary/Update running from July 1, 2018 through December 31, 2018. He stated that we have received our new Virginia Pollution and Discharge Permit and DEQ has placed some additional regulatory requirements for us to comply with which addresses potential groundwater impacts from the two ARWA sludge lagoons. He stated that we would likely be discussing this topic at later Board Meetings as needed.

Status Reports: Ongoing Projects/Operational/Financials

Mr. Gordon reported on the Status Reports of Ongoing Projects/Operational/Financials.

5. Items from Counsel

- **Status of Updated Service Agreement & Fourth Amendment to the Service Agreement**

Mr. Anderson stated Dr. Wichser and Chairman Ashcraft asked him to discuss briefly the Water Service Agreement and where we are with that. He further stated that Service Agreements were inked in 1964 between the Authority and each of the five member jurisdictions. He stated that those Service Agreements have been through three major sequential amendments. He further stated the way it's set up between the Authority and the five member jurisdictions, any amendment, change or replacement of the Service Agreement needs to be approved by both this governing body, the Board of the Appomattox River Water Authority and the governing bodies of each of the five member jurisdictions. Mr. Anderson stated that in late 2013 the Board took action to direct ARWA Staff and McGuire Woods to update and consolidate the 1964 Agreements. He further stated the main purpose was to convert what is in the current Agreement as mutable or changeable capacity allocations in the system to fixed property rights that can be bought and sold. He stated right now the allocations in the current contract are made for purposes assessing the charges for capital improvements, and they can change with changes in member demand. He further stated other things we tried to accomplish in consolidating the Agreements were to modernize them, provide more detail on water quality requirements that would be provided by the Authority, update and modernize the rate setting function, provide an organized and systematic way of planning for new capital improvements, and generally modernizing a document that has been around for more than fifty years. Mr. Anderson stated the first draft of the document went out in 2014. He further stated he was involved in probably eighteen drafts of it with a lot of long meetings and a lot of discussion. He stated the Authority did go into mediation in November of 2016 because of the proposed Branders Bridge Pump Station & Ground Tank situation, and basically, we did not come away with a resolution to the Branders Bridge situation or a resolution to the Water Service Agreement. He further stated that by March 2017 it was clear that the modernization and consolidation of the Water Service Agreement had stalled. He stated one of the main purposes for modifying the Agreement was to create the fixed property rights in the capacity of the system. Mr. Anderson stated he followed the Petersburg situation very carefully and the liquidity of that, which was mentioned in several reports, was hinged on Petersburg's ability of being able to sell excess capacity in its water system.

Ms. Ferrell-Benavides returned to the meeting at 3:29 p.m.

Mr. Anderson stated that in late spring of 2017, he and Dr. Wichser got together and developed a Fourth Amendment to the Water Service Agreement which intended to create those property rights to freeze the capacity allocations as we understood them to be now and create property rights in those capacity allocations that could be bought and sold. He further stated that the Fourth Amendment focused on that, and the only other thing it did do was it put a governor on exactly how much capacity any of the members could buy or sell in each five-year time period after it was approved. Mr. Anderson stated that on May 18, 2017 the Board approved the Fourth Amendment by a three to two vote. He further stated part of the Resolution was to send the Agreement to the governing bodies for their consideration. He stated that on June 6, 2018 Petersburg City Council approved it, on June 13, 2018 Prince George Board of Supervisors approved it and on July 11, 2018 Colonial Heights City Council approved the Fourth Amendment. He further stated no action has been taken in either Dinwiddie County or Chesterfield County. He further stated he had the understanding that Chesterfield might be submitting some comments on the Fourth Amendment but he never received those.

Mr. Ashcraft stated that this was the best summary of this topic that he's heard and the history was well versed and told Mr. Anderson he should have it in some kind of writing. Mr. Anderson stated he would send this summary out in a memo format to everyone. Mr. Ashcraft stated we are getting to where we need to have a Service Agreement, if we are going to continue to operate this Authority.

Dr. Casey stated he appreciated the Raftelis report, and this item would be a Closed Session topic for the August 2018 Board meeting. He further stated in reference to the Fourth Agreement that they would finish up their assignment in about a month and would contact members individually to get feedback from them. He stated once this is complete they will come back to the Board in August during a Closed Session. He further stated he agreed with the Chairman that these things cannot continue and at some point, they have to be resolved.

Ms. Ferrell-Benavides stated it's been almost a year since she came on board and one of the things she wanted to do was to better understand all concerns. She further stated one thing she is very conscious of is her community as a whole. She stated her council was very concerned about what happened and what didn't happen and this report is good. She further stated she wanted to update her council next week. She stated some of them feel that we didn't want to do it or we avoided doing it as a City. She further stated they don't understand the process of it taking five votes for this to happen. She stated she needed to do some protection for her council but also educate the community so they won't think we want to utilize this as a source of revenue. She further stated as they are starting to stabilize, she thinks it's easier to have this discussion now, but it's also necessary as she needs to close this issue out. Mr. Anderson stated he would put the report in memo form for everybody by next week.

Mr. Massengill thanked Mr. Anderson for getting this back on the table again. He stated from Dinwiddie's perspective there were a couple of things. He further stated that it's pretty transparent that Chesterfield, with the

Fourth Amendment, that there was potential for some friendly modification and amendments. He stated when this went to the Dinwiddie Board they saw this as a fruitless process to vote on something they knew was going to die. He further stated that the time it was originally brought to the Board last June, you have to go back and remember what time frame we were in with many things going on. He stated just for clarity we still have a Service Agreement and was told by Mr. Anderson that was correct. Mr. Ashcraft stated certain actions that we are pursuing among ourselves are prohibited by the Agreement and that is what we are trying to change. Mr. Massengill stated the big issues we can't move forward on until we do something with the Amendment. He further stated on Dinwiddie's part they are willing to roll up their sleeves to figure out a way to make it work. He stated there are three things his Board clearly understands: 1) If there is a way that this helps Petersburg, they want to see it happen; 2) If there is any way this helps Prince George County better position themselves in the future, they want to do that; and, 3) There is a sense that what Chesterfield has assumed they have owned all these years and purchased, it should be solidified.

Mr. Henley stated for Colonial Heights they are willing to talk, review and listen to anything members want to say.

Mr. Ashcraft stated this will be discussed at the August 2018 Board meeting.

- **Resolution Authorizing the Executive Director to Provide Emergency Services to Non-Participating Jurisdictions in the Event of a Local Public Health Water Emergency**

Mr. Anderson referred to the event that happened in the spring where VA American Water in the City of Hopewell had a water pipe break in their main plant pump station. VA American Water called Dr. Wichser and asked for provision to supply water to their tanker trucks, where Virginia American would send a potable water tanker truck to ARWA to fill in order to provide drinking water to the citizen of the City of Hopewell, as they were under a boil water notice and strict water conservation restrictions. Dr. Wichser reported this to the Board two meetings ago and at the last meeting Mr. Anderson was asked to look at this issue from the legal perspective and advise the Board on what actions would be recommended to the Board to make this kind of public health emergency response assistance by ARWA in the future. Mr. Anderson stated we looked at the ARWA's VA WARN Agreement that has already been Board approved. He further stated the Authority is a member of that as well as Chesterfield County. He stated the issue is that neither the City of Hopewell nor Virginia American Water is a member of Virginia WARN. He further stated the draft Resolution sent out did allow the Executive Director to proceed on a limited basis to provide water. He stated when we wrote this, we were thinking it would just be a replication of what happened with Virginia American Water and the City of Hopewell incident. He further stated that we provided that there would be a charge for the water, and that charge would be at the highest per gallon any member pays. Mr. Anderson stated that following the Board meeting he did receive comments from Chesterfield County, and from a legal perspective, he had no problem with the comments made. He stated it does provide a little more detail about making sure that any provision of these public health emergency services would not have an adverse effect on the Authority's ability to serve any of the member jurisdictions under the existing Service Agreement. He further stated that Chesterfield County wanted a little more detail and wanted a written finding that water service would still be able to be provided.

Mr. Anderson referred to the statement from Chesterfield County that the Executive Director demonstrates that the service levels will be maintained, and asked Dr. Casey how formal of a document was he looking for. Dr. Casey stated he wanted to do this once and put it behind us. He further stated this Agreement does not enable us to help out a sixth person. Dr. Casey asked if the City of Hopewell needed to join WARN, and Dr. Wichser replied he talked to the individual overseeing Virginia WARN and she stated she would be going back to both the City of Hopewell and VA American Water to discuss this. Dr. Wichser stated that in the history of the City of Hopewell, they have never produced their own water, so they purchase one-hundred percent of their potable water and industrial water from Virginia American Water.

Mr. Henley asked if Virginia WARN was the equivalent of a mutual aid agreement between the utilities, and Dr. Wichser replied correct. Dr. Wichser further stated that Virginia WARN stands for the Virginia Water and Wastewater Agency Response Network. Mr. Henley asked if we are confident that the members could meet within seven days and was told that a meeting is required within seven days. Mr. Henley further asked if it took a unanimous decision, and Mr. Ashcraft stated that most actions by the Board requires a unanimous decision. Mr. Ashcraft asked Dr. Casey why he thought unanimous was important in this situation. Dr. Casey replied he thinks it goes back to where they don't want to be giving away water, and then starving ourselves so as long as that's the presumptive way we will be voting which is already stated in the original version. Mr. Henley asked if this was for sale of water and Mr. Anderson replied correct. He stated once you fulfill the requirements then the Authority could sell to other people. He further stated if that private entity could be served by any of you, the Authority is supposed to give you an opportunity to do that. He stated if you declined it then the Authority would sell directly, but they have never done that. Dr. Casey stated he thought he read it differently, that we would have to have a meeting within seven days and Mr. Anderson read that it says "shall run from the beginning of the emergency to the next regularly scheduled meeting of the Board or to a special meeting of the Board, which shall be held within seven days of the Executive Director exercising his authority, whichever occurs first". Mr. Ashcraft stated if the regularly scheduled meeting was within seven days it would be okay, but if passed seven days we would have to call a special meeting. Mr. Anderson stated

the way we had written it before we said the duration could run from the start of the emergency to the next meeting, regular or special. Dr. Casey stated if you wanted to make it seven days longer that's fine.

Mr. Ashcraft asked Dr. Wichser about the City of Hopewell issue, if he got that call for help now, when you go to the Section for Prerequisite for Exercise of the Authority, would he have had time to ensure that the water service level of all jurisdictions would not be negatively impacted before he made the decision. Dr. Wichser replied exercising this wording would not allow the complete flexibility that could be needed in an extreme public health emergency. He explained that he received a call around 5:30 p.m. on a Friday night from Virginia American Water in Hopewell, who stated they needed assistance and asked if we could fill up a couple of tankers with potable water for them. He further stated after their conversation he then instructed his Operations Manager to get set up to be able to assist Virginia American Water's potable tanker trucks. He stated around 7:30 p.m. he received a call from Corporate New Jersey Virginia American Water discussing an interconnect through Prince George that might be able to supply potable water to the City of Hopewell. He further stated that before he made any decisions with them, he called Mr. Hayes of Chesterfield County and briefed him on the potential impact on the Swift Creek Meter Vault, as he would have to cut back water flow a little bit and would let Mr. Hayes know if the interconnect through Prince George were going forward and if so he would get back to him. He stated at that time he sent Mr. Ashcraft and Mr. Thompson, Manager of Prince George's Utilities an email because he was trying to coordinate Prince George to come on line with needed discussion with the Corporate Virginia American Engineering Group on the potential interconnect using Prince George's utility infrastructure. He further stated that he was told that Virginia American Water did contact Mr. Dicky Thompson of Prince George Utilities to discuss the interconnect, but the interconnect was never activated so he never had to get back with Mr. Hayes. He stated he was completing emails and on the phone with New Jersey and Virginia American Hopewell. He stated he knew at that time that supplying the requested small amount of water to Virginia American Water would have no impacts on Dinwiddie, Colonial Heights, Prince George and Petersburg and that's why he went to Mr. Hayes as Chesterfield would be the only member potentially impacted if Prince George moved forward with an interconnect to supply the City of Hopewell. He stated if Prince George moved forward with the interconnect, he would then again follow up with Mr. Ashcraft by e-mail or phone. He further stated if it had been a more extensive emergency event, all ARWA members would have been contacted by phone and email. He stated ARWA ended up providing Virginia American Water approximately 7,000 gallons. He further stated he felt the ARWA Executive Director should be given full reign and the Board needs to rely on this expertise in making a rapid critical public health emergency decision, however, that the Executive Director needs to be in contact with the Board if their jurisdictions are going to be impacted. In this case, Dr. Wichser stated he made the judgment that from a demand standpoint there was no impact except for potentially on Chesterfield and Prince George, and that is why both of these jurisdictions were contacted.

Dr. Casey asked Mr. Hayes if something were to happen in the James River and that system goes down if their local agreements provide for their interconnect system to push the water across the river. Mr. Hayes replied they have emergency interconnects with the City of Richmond, and in the past, they have provided water to the City of Richmond from Swift Creek and the Appomattox River Water Authority.

Mr. Ashcraft stated Staff will come back at next meeting in August 2018 with suggested changes to the Resolution.

6. Other Items from Board Members/Staff Not on Agenda:

- **Discussion of Need for a Special Meeting on July 19, 2018 for Final Presentation of Raftelis Preliminary Valuation of Water System Assets and Review of Governance & Ownership Alternatives Report**

Mr. Ashcraft stated he had talked about his feelings that the elected Board members need to have a closer eye or ears on activities on water and wastewater in this region. He further stated he would like to ask Raftelis to come to a special meeting on July 19, 2018 to ask them to give a statement of where they think this Authority is. He stated after Raftelis gave their report, then there would be a question and answer period. He also stated it would be an open public meeting. He suggested having the special meeting possibly at the Train Station in the City of Petersburg.

Mr. Henley asked if the Board had accepted the final report from Raftelis and was told no. Dr. Casey asked Mr. Ashcraft if this was just closure to Phase 1, and Mr. Ashcraft replied yes, and further stated whatever detail they want to go into we can talk to Mr. Cole about that. Mr. Henley stated it seems to him that Chesterfield County is bringing information to the August 2018 meeting and this is all connected. He further commented that it would be better to hear what Chesterfield has to say at the August meeting first before having a special meeting to review and close out the Raftelis report. Mr. Ashcraft stated Mr. Henley was right. Dr. Casey stated they used the Raftelis Report as a base document. Mr. Massengill stated he supports this and thinks we are at the point of bringing in some of our elected officials just to hear the conversation. He further stated what he fears is if it's just the Raftelis Report, and we are talking about specifically preliminary evaluation and the overall governance structure, what's absent in that conversation is truly the problem statement of what led to that consultant's report even being done. He further stated he wondered if a July meeting wouldn't be more appropriate to have a briefing of staff of the challenges that led to where we are here. Dr. Casey stated if Mr. Ashcraft wants this meeting he is game. Mr. Ashcraft stated with our Service Agreement all five localities will have to approve something if we are going to put that to bed. He further

stated all localities will have to approve indebtedness in the future, if we're going to borrow money to fix some of these other things.

Mr. Ashcraft asked Mr. Haltom to comment on what their Board authorized their Prince George utility team, which is led by their Engineer, to begin a process in which they would obtain a permit to withdraw raw water from the Appomattox River. Mr. Haltom commented they engaged Dewberry consultants to conduct a study for Prince George utilities, to define more of what their challenges are towards development. He stated in that study, they defined where they had several options to provide additional utility services to better stabilize Prince George's ability to bring in new economic development prospects. He stated the information was shared with their Board and one option was a raw water intake on the Appomattox River. He further stated at their Tuesday Board Meeting Work Session, the Board authorized Prince George Utilities to move forward with the Virginia Department of Environmental Quality to begin the activities towards seeking a raw water intake permit.

7. Closed Session

Mr. Anderson read the Resolution to go into Closed Session (attached).

Upon a motion made by Mr. Massengill and seconded by Ms. Ferrell-Benavides the Board went into Closed Session at 4:36 p.m.

For: 5 Against: 0 Abstain: 0

Upon a motion made by Mr. Massengill and seconded by Ms. Ferrell-Benavides the Board came out of Closed Session at 4:49 p.m.

For: 5 Against: 0 Abstain: 0

Ms. Summerson read the Certification regarding the Closed Session and, upon a motion made by Mr. Massengill and seconded by Mr. Henley, it was approved by a unanimous roll call vote (attached).

9. Adjourn

Upon a motion made by Mr. Henley and seconded by Mr. Massengill the meeting was adjourned at 4:52 p.m.

The next Regular Meeting is scheduled for Thursday, August 16, 2018 at 2:00 p.m. at the Appomattox River Water Authority.

MINUTES APPROVED BY:

Kevin Massengill
Secretary/Treasurer

CLOSED MEETING RESOLUTION

APPOMATTOX RIVER WATER AUTHORITY

June 14, 2018

I move that we go into a closed meeting for discussion and consideration of the assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of the Authority, as permitted by Section 2.2-3711A.1. of the Virginia Freedom of Information Act:

MOTION: Massengill

SECOND: Ferrell-Benavides

VOTE

Ashcraft	Aye
Ferrell-Benavides	Aye
Casey	Aye
Massengill	Aye
Henley (Alt.)	Aye

ABSENT DURING VOTE: None.

ABSENT DURING CLOSED MEETING: None.

SESSION DATE: June 14, 2018

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Board of the Appomattox River Water Authority (the "Authority") convened a closed meeting on June 14, 2018, pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed meeting was conducted in conformity with Virginia law;

NOW THEREFORE, BE IT RESOLVED that the Board of the Authority hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by the Virginia Freedom of Information Act were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board.

MOTION: Massengill

SECOND: Henley

VOTE

Ashcraft	Aye
Ferrell-Benavides	Aye
Casey	Aye
Massengill	Aye
Henley (Alt.)	Aye

ABSENT DURING VOTE: None.

ABSENT DURING CLOSED MEETING: None.

3. Public Comment

The Guidelines for Public Comment are:

GUIDELINES FOR PUBLIC COMMENT AT SCWWA/ARWA BOARD OF DIRECTORS MEETINGS

If you wish to address the SCWWA/ARWA Board of Directors during the time allocated for public comment, please raise your hand or stand when the Chairman asks for public comments.

Members of the public requesting to speak will be recognized during the specific time designated on the meeting agenda for “Public Comment Period.” Each person will be allowed to speak for up to three minutes.

When two or more individuals are present from the same group, it is recommended that the group designate a spokesperson to present its comments to the Board and the designated speaker can ask other members of the group to be recognized by raising their hand or standing. Each spokesperson for a group will be allowed to speak for up to five minutes.

During the Public Comment Period, the Board will attempt to hear all members of the public who wish to speak on a subject, but it must be recognized that on rare occasion presentations may have to be limited because of time constraints. If a previous speaker has articulated your position, it is recommended that you not fully repeat the comments and instead advise the Board of your agreement. The time allocated for speakers at public hearings are the same as for regular Board meeting, although the Board can allow exceptions at its discretion.

Speakers should keep in mind that Board of Directors meetings are formal proceedings and all comments are recorded on tape. For that reason, speakers are requested to speak from the podium and wait to be recognized by the Chairman. In order to give all speakers proper respect and courtesy, the Board requests that speakers follow the following guidelines:

- Wait at your seat until recognized by the Chairman;
- Come forward and state your full name and address. If speaking for a group, state your organizational affiliation;
- Address your comments to the Board as a whole;
- State your position clearly and succinctly and give facts and data to support your position;
- Summarize your key points and provide the Board with a written statement or supporting rationale, when possible;
- If you represent a group, you may ask others at the meeting to be recognized by raising their hand or standing;
- Be respectful and civil in all interactions at Board meetings;
- The Board may ask speakers questions or seek clarification, but recognize that Board meetings are not a forum for public debate; Board Members will not recognize comments made from the audience and ask that members of the audience not interrupt the comments of speakers and remain silent while others are speaking so that other members in the audience can hear the speaker;
- The Board will have the opportunity to address public comments after the Public Comment Period has been closed;
- At the request of the Chairman, the Executive Director may address public comments after the session has been closed as well; and
- As appropriate, staff will research questions by the public and respond through a report back to the Board at the next regular meeting of the full Board. It is suggested that citizens who have questions for the Board or staff submit those questions in advance of the meeting to permit the opportunity for some research before the meeting.

4. Recognition of 50 years of American Water Works Association Membership and Service to the Water Industry

5. Executive Director's Report:

- **Reservoir Status Update for July/August 2018**

- **Irrigation Withdrawal License Agreements**

Following is a memo regarding the Irrigation Withdrawal License Renewal Agreements for the ARWA. Also included are copies of the Irrigation Withdrawal Policy Last dated June 23, 2011 and the ARWA License Agreement.

MEMORANDUM

**TO: APPOMATTOX RIVER WATER AUTHORITY
BOARD OF DIRECTORS**

**FROM: ROBERT C. WICHSER, EXECUTIVE DIRECTOR
JAMES GORDON, ASSISTANT EXECUTIVE DIRECTOR**

SUBJECT: IRRIGATION WITHDRAWAL LICENSE AGREEMENTS ADDITIONAL TERM

DATE: AUGUST 16, 2018

On November 20, 2008 the Appomattox River Water Authority (ARWA) Board of Directors adopted the Resolution titled *"Policy Pertaining To Direct Irrigation Withdrawals From Lake Chesdin"*; which was subsequently amended and restated on June 23, 2011. This Resolution provided the foundation for the development of ARWA's homeowner irrigation withdrawal License Agreement that was developed in 2009 and implemented with the homeowners bordering the Chesdin Reservoir who are withdrawing water from the reservoir for irrigation purposes. ARWA only considered irrigation License Agreement applications from those persons who could demonstrate that their existing irrigation systems were fully operational and or substantially complete as of January 20, 2009. No new irrigation systems (installed after January 20, 2009) were or are permitted to withdrawal water from the Chesdin Reservoir due to the ARWA Board approved moratorium on new direct irrigation withdrawals, which continues in full force today.

The License Agreement between ARWA and each homeowner (Licensee) was issued effective January 1, 2009, ending on December 31, 2013 (the "Initial Term" with a \$300 fee), with the opportunity for the Licensee to exercise the option to renew the term of the License for one additional five year term commencing on January 1, 2014 and terminating on January 1, 2019. (Note: "Additional Term" required a fee of \$319.50, which included an additional inflation adjustment).

Since the ARWA License Agreement already contained the additional five year extension beyond the first five year "Initial Term", and had been ARWA Board-approved on November 2008, June 2011, and on August 2013, moving forward there is only the Board approval needed to continue the next five year extension "Additional Term" and fee.

Both the Resolution and the License Agreement require the inflation factor to be calculated based on "All Items Consumer Price Index for All Urban Consumers for the U.S. City Average (Current Series) for the sixty months ended on the previous October 1 for the Additional Term". The inflation factor calculated for 2014 to 2018 (1st half) is 1.6%, 0.145%, 1.3%, 2.1%, 2.5%, or summed equals 7.645% ($0.07645 \times \$319.50 = \24.42). ARWA will send written notification to each irrigation License Agreement holder informing them that they will need to request to the Authority in writing that they wish to exercise their option to renew the term of the agreement for one additional five-year term commencing on January 1, 2019, including the submittal of the "Additional Term" fee of \$343.92. Renewal notices will be issued by ARWA by the end of November 2018 to each License Agreement holder.

BOARD ACTION REQUESTED:

Staff requests Board of Directors approval for ARWA to enter into the next five year “Additional Term” January 1, 2019 until January 1, 2024 related to the irrigation withdrawal License Agreements with the homeowners holding existing License Agreements, requesting a renewal fee of \$343.92 for each transaction.

APPOMATTOX RIVER WATER AUTHORITY

- RESOLUTION -

POLICY PERTAINING TO DIRECT IRRIGATION WITHDRAWALS FROM LAKE CHESDIN

Originally Adopted: November 20, 2008

Amended and Restated: June 23, 2011

WHEREAS, the Appomattox River Water Authority ("ARWA") is the owner and manager of Lake Chesdin, a 3,100-acre reservoir located on the Appomattox River on the Chesterfield County and Dinwiddie County line that provides a drinking water supply to the Cities of Colonial Heights and Petersburg and the Counties of Chesterfield, Dinwiddie, and Prince George (the "Participating Jurisdictions");

WHEREAS, ARWA faces significant increases in demand for drinking water for all purposes throughout ARWA's service area;

WHEREAS, the Lake Chesdin area experienced an extended drought between 2001 and 2002, which resulted in low lake levels and the imposition of mandatory water use restrictions for the first time in ARWA's history;

WHEREAS, in October, 2007, ARWA announced that Lake Chesdin held less than 200 days of water storage at current usage, which warranted mandatory water conservation by users of ARWA's water supply;

WHEREAS, on July 29, 2008, ARWA called for voluntary water conservation because Lake Chesdin's water level fell below the trigger level, which is 18 inches below the spillway of the dam;

WHEREAS, lawn and garden irrigation may use thousands of gallons of water each day on just one landowner's property;

WHEREAS, ARWA has noted that a number of persons residing near Lake Chesdin have installed pumps, intake devices, and other equipment and taken other measures for the purpose of withdrawing water directly from Lake Chesdin for the purpose of lawn and garden irrigation ("Direct Irrigation Withdrawals"), and the potential exists for others to do the same as growth occurs around Lake Chesdin;

WHEREAS, none of the Direct Irrigation Withdrawals or pumps, intake devices, or other equipment for making Direct Irrigation Withdrawals ("Systems") have been approved previously by ARWA's Board of Directors (the "Board"), and, on November 2, 2007, the Board appointed a committee to review the issue of Direct Irrigation Withdrawals and to make recommendations pertaining to such activity (the "Committee");

WHEREAS, the Committee met and reported its recommendations to the Board at the Board's regular meeting on December 20, 2007, which the Board adopted by resolution on December 20, 2007;

WHEREAS, the Board authorized and directed the Committee to (1) draft an appropriate permit or license document in furtherance of its recommendations; (2) develop policies and procedures for application for, and issuance of, such documents and for the collection and administration of the recommended fees;

WHEREAS, ARWA held a public hearing on the adoption of a proposed policy pertaining to Direct Irrigation Withdrawals on August 11, 2008, after notice of the public hearing was published once in a newspaper of general circulation in ARWA's service area;

WHEREAS, as agreed during the public hearing, the Committee met with a self-selected group of interested citizens on September 15, 2008 (the "Committee-Citizen Meeting");

WHEREAS, during the Board's September 18, 2008 regular meeting, the Board discussed the public hearing and the Committee-Citizen Meeting;

WHEREAS, the Board determined to schedule a second public hearing on a proposed policy pertaining to Direct Irrigation Withdrawals and held such public hearing on November 20, 2008, after notice of the public hearing was published twice in several newspapers of general circulation in ARWA's service area, and following the public hearing adopted a policy and guidance (the "Original Policy") for the approval of Direct Irrigation Withdrawal licenses ("Licenses"); and

WHEREAS, on June 23, 2011, ARWA's Executive Director recommended making certain minor changes to the Original Policy and, after careful consideration of the Executive Director's recommendations and to further the public purposes for which ARWA was created, the Board hereby amends and restates the Original Policy (as amended and restated, the "Policy").

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE
APPOMATTOX RIVER WATER AUTHORITY THAT:**

1. Protection of Lake Chesdin for Public Drinking Water Supply. It is the purpose of this Policy to conserve, protect, and beneficially utilize the surface water in Lake Chesdin to ensure the public welfare, safety, and health, and the terms of this Policy are in all respects for the benefit of the inhabitants of the Participating Jurisdictions who rely upon Lake Chesdin as a source of drinking water. ARWA hereby determines and finds that the continued unrestricted Direct Irrigation Withdrawals from Lake Chesdin, now and in the future, would impact the safe yield of the reservoir and may impact the ability to obtain permitting of future water sources by federal and state authorities, thereby jeopardizing the public welfare, safety, and health.

2. License Required for Direct Irrigation Withdrawals. No Direct Irrigation Withdrawal shall occur except as authorized by the terms of a License Agreement, recommended by ARWA's Executive Director, approved by the Board, and executed by the Licensee (the "License Agreement"). The License Agreement shall be substantially in the form

presented at the Board's meeting on November 20, 2008, with such insertions, deletions, or other changes not inconsistent with this Policy as may be approved by the Executive Director in his discretion.

3. Applications for Licenses. Persons desiring a License shall submit an application to the Executive Director (the "Application"). The Application shall be substantially in the form presented at this meeting, with such insertions, deletions, or other changes as may be approved by the Executive Director in his discretion and not inconsistent with this Policy. Applications must be received by the Executive Director by January 20, 2009, or between June 23, 2011, and September 21, 2011. ARWA will consider applications only from those persons who can demonstrate that their Systems were existing and fully operational or substantially complete as of January 20, 2009, which shall include those Systems that, at a minimum, have received written conditional approval from ARWA for a dock, pier, or bulkhead on which System is to be constructed.

4. Term of License. Regardless of when an application for a License is received, a License, if granted, shall be for a term of five (5) years, commencing on January 1, 2009 and ending on December 31, 2013 (the "Initial Term"), unless sooner terminated in accordance with the License Agreement. On or prior to December 31, 2013, each licensee may exercise his option to renew the term of his License for one additional five (5) year term commencing on January 1, 2014 (the "Additional Term"), by prior written notice to ARWA. The Board may consider granting extensions of Licenses beyond the Additional Term, but the granting of any extension shall be at the Board's sole discretion. If the Board receives any request for a License extension beyond the Additional Term, the Board shall conduct a public hearing on this Policy before granting or denying any such request.

5. License Fee. The fees for a License shall be three hundred dollars (\$300) for the Initial Term and the sum of \$300 plus an inflation adjustment to be based on the All Items Consumer Price Index for All Urban Consumers for the U.S. City Average (Current Series) for the sixty months ended on the previous October 1 for the Additional Term, such inflation adjustment not to exceed seventy-five dollars (\$75). If the Board grants an extension of a License beyond the Additional Term, the fee for such License extension shall also be adjusted for inflation based on the All Items Consumer Price Index for All Urban Consumers for the U.S. City Average (Current Series). License fees are payable immediately upon the issuance of a License or its renewal, as applicable.

6. Conservation. Each Licensee must agree to abide by irrigation and other water use restrictions imposed by the Participating Jurisdiction in which they live.

7. Health, Environmental, or Other Restrictions Required by Law or Governmental Entity. Each Licensee must agree to abide by all local, state, and federal laws and regulations now or hereafter in effect and applicable to his Direct Irrigation Withdrawal or System and that ARWA may, as Licensors, impose upon him or her, as Licensee, any health, environmental, or other restrictions required under local, state, or federal law or as may be required by any local, state, or federal governmental entities that regulate or provide assistance to ARWA, including restrictions imposed as a requirement to obtaining permits to construct improvements or enlargements of ARWA's water treatment and/or storage capacity. Each

Licensee shall agree to not cause or permit the use, generation, storage, release, or disposal in, on, or about Lake Chesdin of any substances, materials, or wastes in violation of local, state, or federal law.

8. Current Parcel Ownership Required; Limitation on Number and Transferability of Licenses. Licenses may be granted only to the current owners of the parcels of land fronting Lake Chesdin shown on the map attached as Exhibit A hereto and made a part hereof (each a "Parcel"). Licenses shall be limited to one per Parcel, regardless of whether a Parcel owner subdivides or intends to subdivide his Parcel. Each Licensee may, with the prior written consent of ARWA, transfer his License to a single successor owner of his Parcel, but may not transfer, assign, divide, allocate, or distribute duplicates of his License among the successor owners of any subdivided portions of his Parcel, and any attempt on the part of a Licensee to do so may result in the immediate termination of the License by the Board, acting in its sole discretion.

9. System Limitations. Each Licensee's System shall originate from a single withdrawal point from Lake Chesdin, which has been identified by Licensee as part of his Application, and use a single pump or other intake device. Systems shall not: (i) have a pump capacity greater than 20 gallons per minute, (ii) have pumps or other intake devices located beyond the end of the Licensee's dock, pier, or bulkhead, or, in the absence of a dock, pier, or bulkhead, thirty (30) feet from the normal pool limit, and (iii) be used to pump or intake water for storage (i.e., all water removed from Lake Chesdin by Systems must be immediately applied to irrigation). Each Licensee may replace failing equipment that is part of his System with functioning equipment that is the same or, if the same equipment is not available, the functional equivalent of the failing equipment, but may not extend, expand, or otherwise improve his System or increase its ability to make Direct Irrigation Withdrawals.

10. Right to Enter, Inspect, and Remediate. Each Licensee shall grant ARWA and any of its duly authorized agents or representatives the rights (i) to enter, at reasonable times and under reasonable circumstances, his Parcel for the purposes of obtaining information about or conducting a survey or inspection of his System and its operation to ensure compliance with any laws, regulations, rules, permits, standards, or policies of ARWA and any applicable local, state, or federal government or governmental entity and (ii) to the extent permitted by law, to remove, dismantle, or otherwise remediate a noncompliant System or portion thereof after written notice of noncompliance has been given by ARWA to the Licensee, unless the Licensee has caused the System to become compliant, as determined by ARWA, within thirty (30) days after the notice was given.

11. Indemnity. Each Licensee shall defend, indemnify, and save harmless ARWA and its agents, employees, contractors, representatives, affiliates, and other related entities (the "Indemnitees" or an "Indemnitee") from and against any loss, claims, expenses (including reasonable attorney's fees), or damage incurred or suffered by an Indemnitee, by reasons directly or indirectly arising out of, caused (in whole or in part) by, or in any way connected with the Licensee's Direct Irrigation Withdrawal. ARWA shall have no responsibility, liability, or obligation with respect to any property of the Licensee at, in, or on Lake Chesdin, it being acknowledged and understood by the Licensee that the safety, security, and effects of any such property are the sole responsibility and risk of the Licensee.

12. Licensee Shall Have No Other Privileges or Any Right or Interest in ARWA Property. Each Licensee must agree that (i) the License shall be only a license to make Direct Irrigation Withdrawals in accordance with this Policy and the terms of the License Agreement, and shall not be construed as granting any other privileges or any right or interest in Lake Chesdin or other ARWA property, (ii) he does not have and shall not claim at any time any right or interest of any kind or nature whatsoever in Lake Chesdin or other ARWA property by virtue of the License Agreement or the License, and (iii) the License is personal to the Licensee, and except as may be provided pursuant to paragraph 8 of this Policy, the privileges appurtenant thereto shall not inure to the successors and/or assigns of the Licensee.

13. Amendment of Policy and Termination of License. (a) Each Licensee shall agree that the Board may, in its sole discretion, at any time or from time to time, unilaterally amend this Policy and, as a result, the License, to the extent it is inconsistent with the amended Policy. The Board shall provide written notice of the amendment of this Policy and the License to each Licensee within thirty (30) days of its adoption by the Board.

(b) Any License, License Agreement, and the privileges created and conferred thereby on a Licensee are terminable at will by either the Board or the Licensee. Termination of the License, License Agreement, and the privileges shall occur immediately upon providing written notice to the other party. Upon termination, the Licensee shall proceed with diligence to remove his System at his sole expense.

(c) Notwithstanding the foregoing, before the Board amends this Policy or terminates any License, the Board shall make a finding that such amendment or termination furthers the public purposes for which ARWA was created, including without limitation the conservation, protection, and beneficial utilization of the surface water in Lake Chesdin to ensure the public welfare, safety, and health of the inhabitants of the Participating Jurisdictions who rely upon Lake Chesdin as a source of drinking water and enabling ARWA to obtain permits for additional water sources reasonably required to serve such inhabitants.

(d) If an amendment of the Policy results in the termination of a License and the privileges granted thereby, or if a License is directly terminated by the Board, the Board shall cause a pro rata portion of the License fee based on the months remaining in the Initial Term or Additional Term, as the case may be, to be returned to the affected Licensee.

14. Future Direct Irrigation Withdrawals. The Board approved a moratorium on new Direct Irrigation Withdrawals, effective December 20, 2007. The moratorium shall be lifted from November 20, 2008 until January 20, 2009, and from June 23, 2011, until September 21, 2011, after which time the moratorium shall continue in full force and effect.

15. Unlicensed Direct Irrigation Withdrawals. All Direct Irrigation Withdrawals for which a License has not been granted, or for which a License has been terminated, shall cease, and all such Systems utilized for unlicensed Direct Irrigation Withdrawals shall be removed from Lake Chesdin at the sole expense of the owner.

16. Other Water Withdrawals Prohibited. Except as otherwise provided by this Policy, unless expressly approved by the Board, all other withdrawals from Lake Chesdin are prohibited.

17. Enforcement. The Executive Director is hereby authorized to engage counsel to undertake appropriate legal action on ARWA's behalf to enforce this Policy or the terms of any License approved by the Board.

18. Golf Course Irrigation. ARWA has previously approved Direct Irrigation Withdrawals from Lake Chesdin for golf course irrigation at Lake Chesdin Golf Club. The Executive Director shall review the agreement with Lake Chesdin Golfers' Club LLC and make recommendations to the Board for amending the conditions upon which that entity may continue to withdraw water from Lake Chesdin consistent with this Policy.

19. Conflict with Other Policies. This Policy supersedes all prior policies pertaining to Direct Irrigation Withdrawals, if any.

20. Reports of Unauthorized Withdrawals. Anyone observing unauthorized withdrawals from Lake Chesdin can report it to ARWA's Executive Director at:

Appomattox River Water Authority
Executive Director
21300 Chesdin Road
Petersburg, Virginia 23803
Phone: (804) 590-1145

21. Effective Date. This Policy shall take effect immediately.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "**Agreement**") is made as of January 1, 2009, by and between the **APPOMATTOX RIVER WATER AUTHORITY**, a public body politic and corporate of the Commonwealth of Virginia (the "**Authority**"), and _____, a resident of _____ County who resides at _____, Virginia 23____ (the "**Licensee**").

RECITALS

WHEREAS, the Authority is a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to the Virginia Water and Waste Authorities Act, Title 15.2, Chapter 51 of the Code of Virginia of 1950, as amended, by the Cities of Colonial Heights and Petersburg and the Counties of Chesterfield, Dinwiddie and Prince George (the "**Participating Jurisdictions**");

WHEREAS, the Authority is the owner and manager of Lake Chesdin ("**Lake Chesdin**"), a 3,100-acre reservoir located on the Appomattox River on the Chesterfield-Dinwiddie County line that provides a drinking water supply for the Participating Jurisdictions;

WHEREAS, the Authority faces significant increases in demand for drinking water for all purposes throughout the Authority's service area;

WHEREAS, it has come to the attention of the Authority that a number of persons residing near Lake Chesdin, including Licensee, have installed pumps, intake devices, and other equipment and taken other measures for the purpose of withdrawing water directly from Lake Chesdin for the purpose of lawn and garden irrigation ("**Direct Irrigation Withdrawals**");

WHEREAS, none of the Direct Irrigation Withdrawals or pumps, intake devices, or other equipment for making Direct Irrigation Withdrawals ("**Systems**") have been approved previously by the Authority's Board of Directors (the "**Board**");

WHEREAS, the Board adopted a policy pertaining to Direct Irrigation Withdrawals and the licensing thereof at its meeting held on November 20, 2008 (the "**Policy**");

WHEREAS, the Licensee desires to continue to make Direct Irrigation Withdrawals in accordance with the Policy, as it may be amended from time to time, and upon the terms of this Agreement as set forth below, for the purposes stated herein;

WHEREAS, the Authority desires to grant to Licensee, and the Licensee hereby accepts from the Authority, a license to make Direct Irrigation Withdrawals in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are

hereby acknowledged, the Recitals are hereby incorporated herein and the Authority and the Licensee represent, warrant, covenant, and agree as follows:

AGREEMENT

1. **License.** The Authority hereby grants to the Licensee a non-exclusive, revocable license to make Direct Irrigation Withdrawals in accordance with the terms hereof (the "**License**").

2. **Term of License.** The term of this Agreement shall be five (5) years, commencing on January 1, 2009 and ending on December 31, 2013 (the "Initial Term"), unless sooner terminated as provided herein. On or prior to December 31, 2013, the Licensee may exercise his option to renew the term of the License for one additional five (5) year term commencing on January 1, 2014 (the "Additional Term"), by prior written notice to the Authority. The Board may consider granting extensions of Licenses beyond the Additional Term, but the granting of any extension shall be at the Board's sole discretion. If the Board receives any request for a License extension beyond the Additional Term, the Board shall conduct a public hearing on the Policy before granting or denying any such request.

3. **License Fee.** The fees for the License shall be three hundred dollars (\$300) for the Initial Term and the sum of \$300 plus an inflation adjustment to be based on the All Items Consumer Price Index for All Urban Consumers for the U.S. City Average (Current Series) for the sixty months ended on the previous October 1 for the Additional Term, such inflation adjustment not to exceed seventy-five dollars (\$75). If the Board grants an extension of the License beyond the Additional Term, the fee for such License extension shall also be adjusted for inflation based on the All Items Consumer Price Index for All Urban Consumers for the U.S. City Average (Current Series). License fees are payable immediately upon the issuance of a License or its renewal, as applicable.

4. **Conservation.** The Licensee agrees to abide by irrigation and other water use restrictions imposed by the Participating Jurisdiction in which he lives.

5. **Health, Environmental, or Other Restrictions Required by Law or Governmental Entity.** The Licensee agrees to abide by all local, state, and federal laws and regulations now or hereafter in effect and applicable to his Direct Irrigation Withdrawal or System and that the Authority may, as Licensor, impose upon him or her, as Licensee, any health, environmental, or other restrictions required under local, state, or federal law or as may be required by any local, state, or federal governmental entities that regulate or provide assistance to the Authority, including restrictions imposed as a requirement to obtaining permits to construct improvements or enlargements of the Authority's water treatment and/or storage capacity. The Licensee shall not cause or permit the use, generation, storage, release, or disposal in, on, or about Lake Chesdin of any substances, materials, or wastes in violation of local, state, or federal law.

6. **Current Parcel Ownership Required; Limitation on Number and Transferability of Licenses.** The Licensee represents that he is a current owner of a parcel of land fronting Lake Chesdin shown on the map attached as Exhibit A hereto and made a part hereof (the "Parcel"). The Licensee acknowledges and agrees that he is limited to one License for the Parcel, regardless of whether he subdivides or intends to subdivide the Parcel. The Licensee may, with the prior written consent of the Authority, transfer his License to a single successor owner of the Parcel, but may not transfer, assign, divide, allocate, or distribute duplicates of the License among the successor owners of any subdivided portions of the Parcel, and any attempt on the part of the Licensee to do so may result in the immediate termination of the License by the Board, acting in its sole discretion.

7. **System Limitations.** The Licensee's System shall originate from a single withdrawal point from Lake Chesdin, which has been identified by Licensee as part of the application for the License, and use a single pump or other intake device. Licensee's System shall not: (i) have a pump capacity greater than 20 gallons per minute, (ii) have a pumps or other intake device located beyond the end of the Licensee's dock, pier, or bulkhead, or, in the absence of a dock, pier, or bulkhead, thirty (30) feet from the normal pool limit, and (iii) be used to pump or intake water for storage (i.e., all water removed from Lake Chesdin by the System must be immediately applied to irrigation). Licensee may replace failing equipment that is part of his System with functioning equipment that is the same or, if the same equipment is not available, the functional equivalent of the failing equipment, but may not extend, expand, or otherwise improve his System or increase its ability to make Direct Irrigation Withdrawals.

8. **Right to Enter, Inspect, and Remediate.** The Licensee grants the Authority and any of its duly authorized agents or representatives the rights (i) to enter, at reasonable times and under reasonable circumstances, his Parcel for the purposes of obtaining information about or conducting a survey or inspection of his System and its operation to ensure compliance with any laws, regulations, rules, permits, standards, or policies of the Authority and any applicable local, state, or federal government or governmental entity and (ii) to the extent permitted by law, to remove, dismantle, or otherwise remediate a noncompliant System or portion thereof after written notice of noncompliance has been given by the Authority to the Licensee, unless the Licensee has caused the System to become compliant, as determined by the Authority, within thirty (30) days after the notice was given.

9. **Licensee Has No Other Privileges or Any Right or Interest in Authority Property.** This Agreement grants to the Licensee only a license to make Direct Irrigation Withdrawals in accordance with its terms, and this Agreement shall not be construed as granting any other privileges or any right or interest in Lake Chesdin or other Authority property. The Licensee does not have and shall not claim at any time any right or interest of any kind or nature whatsoever in Lake Chesdin or other Authority property by virtue of this Agreement, the License, or the Licensee's use hereunder or thereunder. The License granted pursuant to this Agreement is personal to the Licensee, and except as may be provided pursuant to paragraph 6 of this Agreement, the privileges appurtenant thereto shall not inure to the successors and/or assigns of the Licensee.

10. Required Licenses, Permits, and Approvals Sole Responsibility of Licensee.

The Licensee hereby represents and warrants that he is solely responsible for obtaining, and has obtained, all licenses, permits, and approvals from the appropriate governmental or other entities that are required or necessary for complying with the governmental or other entities' codes, rules, regulations, or standards applicable to the Licensee's Direct Irrigation Withdrawal or System. The Licensee shall maintain all such required or necessary licenses, permits, and approvals during the term of this Agreement, and the Authority shall not be responsible for obtaining or maintaining any such licenses, permits, or approvals.

11. Indemnity. The Licensee shall defend, indemnify, and save harmless the Authority, its agents, employees, contractors, representatives, affiliates, and related entities (the "**Indemnitees**" or an "**Indemnitee**") from and against any loss, claims, expenses (including reasonable attorney's fees), or damage incurred or suffered by an Indemnitee, by reasons directly or indirectly arising out of, caused (in whole or in part) by, or in any way connected with the Licensee's Direct Irrigation Withdrawal and use of Lake Chesdin. The Authority shall have no responsibility, liability, or obligation with respect to any property of the Licensee at, in, or on Lake Chesdin, it being acknowledged and understood by the Licensee that the safety, security, and effects of any such property are the sole responsibility and risk of the Licensee.

12. Amendment of Policy and Termination of License. The Board may, in its sole discretion, at any time or from time to time, unilaterally amend the Policy and, as a result, this Agreement, to the extent it is inconsistent with the amended Policy. The Board shall provide written notice of the amendment of the Policy and the License to the Licensee within thirty (30) days of its adoption by the Board.

This Agreement and the privileges created and conferred on the Licensee are terminable at will by either the Board or the Licensee. Termination of the License, this Agreement, and the privileges granted by this Agreement shall occur immediately upon providing written notice to the other party. Upon termination hereof, the Licensee shall proceed with diligence to remove his System at his sole expense.

Notwithstanding the foregoing, before the Board amends the Policy or terminates the License, the Board shall make a finding that such amendment or termination furthers the public purposes for which the Authority was created, including without limitation the conservation, protection, and beneficial utilization of the surface water in Lake Chesdin to ensure the public welfare, safety, and health of the inhabitants of the Participating Jurisdictions who rely upon Lake Chesdin as a source of drinking water and enabling the Authority to obtain permits for additional water sources reasonably required to serve such inhabitants.

If an amendment of the Policy results in the termination of the License and the privileges granted thereby, or if the License is directly terminated by the Board, the Board shall cause a pro rata portion of the License fee based on the months remaining in the Initial Term or Additional Term, as the case may be, to be returned to Licensee.

13. Ownership of System. Any and all equipment comprising the System placed in or about Lake Chesdin or on property owned by the Authority is, and shall remain, the property of the Licensee. The Licensee is exclusively responsible for the

maintenance of all equipment utilized for Direct Irrigation Withdrawal or the effects of any defects thereof.

14. Notices. All notices in connection with this Agreement shall be sent by certified U.S. Mail, return receipt requested, addressed to the parties as follows:

If to the Authority: Appomattox River Water Authority
Executive Director
21300 Chesdin Road
Petersburg, Virginia 23803
Phone: (804) 590-1145

If to the Licensee: _____

_____, Virginia 23____
Phone: (804) _____

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to conflicts of law principles thereof.

16. Entire Agreement. This Agreement contains the full and final Agreement between the parties to this Agreement with respect to the subject matter of this Agreement. This Agreement supersedes all prior negotiations, representations, and agreements, written or oral, regarding the subject matter hereof, and the parties hereto shall not be bound by any terms, conditions, statements, warranties, or representations, oral or written, not contained in this Agreement. The headings of the several sections of this Agreement are for convenience only and do not comprise a part of this Agreement.

17. Enforcement and Attorney's Fees. The Authority shall have the right to bring legal and/or equitable actions to enforce the terms of this Agreement. Upon a finding by a court that there has been a breach of this Agreement, the prevailing party may recover all damages, costs, reasonable attorney's fees, and/or injunctive relief as the court deems appropriate in any such dispute arising out of or relating to this Agreement.

18. No Partnership. Nothing contained in this Agreement shall be deemed or construed to create any other relationship between the Authority and the Licensee other than the licensor-licensee relationship described herein.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date first above written.

APPOMATTOX RIVER WATER AUTHORITY

Executive Director

_____, **Licensee**

[Signature]

- **Failure of ARWA Filter Number 28**

- **Status Reports: Ongoing Projects, Operational, and Financial**

Following are status reports concerning the Ongoing Projects, Operations, and Financials for the ARWA.

MEMORANDUM

TO: APPOMATTOX RIVER WATER AUTHORITY BOARD OF DIRECTORS

FROM: ROBERT C. WICHSER, EXECUTIVE DIRECTOR
JAMES C. GORDON, ASSISTANT EXECUTIVE DIRECTOR

SUBJECT: STATUS REPORT – ON-GOING PROJECTS

DATE: AUGUST 16, 2018

The following projects are underway. This report includes sections on Capital projects and large replacement projects.

In-Plant Capital Projects:

- Construction is ongoing, predominantly at Raw Water Pump Station No. 1.
- Temporary power has been installed and ductbank construction is ongoing.
- Sitework for the new switchgear building has also started.
- Shop drawings are being processed on a number of equipment items.
- Second construction meeting was held at the Authority on July 25, 2018 and the next meeting is scheduled for August 29, 2018.

MEMORANDUM

TO: APPOMATTOX RIVER WATER AUTHORITY BOARD OF DIRECTORS

FROM: ROBERT C. WICHSER, EXECUTIVE DIRECTOR
JAMES C. GORDON, ASST. EXECUTIVE DIRECTOR

SUBJECT: OPERATING AND FINANCIAL STATUS REPORT

DATE: AUGUST 16, 2018

Operating Status Report

General:

- The next scheduled Board of Directors Meeting is **Thursday September 13, 2018** at the South Central Wastewater Authority at 2:00 pm.
- Work continues on transitioning to the COV 457 program. The funds are currently available to staff and complete balance transfer should take place in early October.
- The Authority's accountants were onsite the week of July 30th to perform pre-audit work and true-up verification.
- The Auditors are scheduled to be onsite the week of August 13th.
- Respirator training and fit testing for impacted staff was performed
- Work continues with our consultants to develop the Groundwater Monitoring Plan for submittal to DEQ

Operations:

- Finished water met all permit requirements for the month of June and July. Copies of the VDH monitoring reports are available if anyone would like to see them.
- New in-line monitors in FWPS2 have been tested and signals will be switched over. This is for preparation of work in FWPS1 where the monitors are currently located.
- Staff is coordinating with K.L. Shane and Roberts Filter to have work performed on Filter 28 underdrain.

Maintenance:

- Working to address condensation issues in our MCC rooms.
- Working with our contractors to address all pump issues in RWPS2 and FWPS2.
- Works continues on replacing the transmission ARVs.

Instrumentation/IT:

- Investigating pump sensor issues.
- Completed work in coordination with Chesterfield to allow communications with three more of their tank elevations and add them to our SCADA screens.

Laboratory:

- Outfall, groundwater, and WET sampling were performed the week August 6th.

- Staff trained with Golder for proper sampling techniques during these sampling events.

Financial Status Report:

Following is the Executive Summary of the Monthly Financial Statement that includes the YTD Budget Performance and the Financial Statement for July 2018.

Appomattox River Water Authority-Balance Sheet
For Month Ending July 31, 2018

Assets

Current Assets

Petty Cash	\$	400
SunTrust Operating Fund	\$	183,385
SunTrust Replacement Fund	\$	-
Total Unrestricted Cash	\$	183,785

Water Revenue	\$	7,289,519
Reserve Account	\$	2,602,136
Replacement Account	\$	670,850
Debt Service Reserve	\$	1,069,333
Bond Principal/Interest	\$	820,490
Bond Construction	\$	12,976,918
Total Restricted Cash	\$	25,429,246

Total Checking/Savings **\$ 25,613,031**

Accounts Receivable	\$	-
Other Current Assets	\$	4,409
Inventory	\$	131,470

Total Current Assets **\$ 25,748,911**

Fixed Assets

Land and Land Rights	\$	1,000,685
Water System	\$	85,240,934
Equipment	\$	994,809
Hydro	\$	1,873
Construction in Progress	\$	58,725
Accumulated Amortization	\$	(32,780)
Accumulated Depreciation	\$	(44,469,352)
Total Fixed Assets	\$	43,025,324

Other Assets

Pension	\$	322,971
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Total Assets **\$ 69,097,205**

Liabilities & Equity

Current Liabilities

Accounts Payable	\$	43,788
Retainage Payable	\$	-
Accrued Interest	\$	120,374

Total Current Liabilities **\$ 164,161**

Long Term Liabilities

Pension	\$	326,043
Bonds Payable-2010	\$	7,820,000
Bonds Payable-2012	\$	2,597,000
Bonds Payable-2017	\$	13,500,000
Accrued Leave Payable	\$	170,612
Post Employment Benefit	\$	63,300

Total Long-Term Liabilities **\$ 24,476,955**

Total Liabilities **\$ 24,641,117**

Equity

Retained Earnings	\$	(1,694,752)
Reserve for Operations	\$	3,068,942
Reserve for Water Revenue	\$	7,626,208
Reserve for Replacements	\$	500,000
Reserve for Bond Interest	\$	120,374
Reserve for Debt Service	\$	1,066,426
Reserve for Bond Principal	\$	598,000
Reserve for Reserve	\$	1,852,301
Fixed Assets, Net of Debt	\$	32,010,323

Net Income	\$	(691,733)
Total Equity	\$	44,456,089

Total Liabilities & Equity **\$ 69,097,205**

Appomattox River Water Authority
YTD Income Statement for the period ending July 31, 2018

Water Rate Center

Revenues and Expenses Summary

Budget	Budget	Actual	YTD Budget	Variance
FY 18/19	Year-to-Date	Year-to-Date	vs. Actual	Percentage

Operating Budget vs. Actual

Revenues

Water Sales	\$ 10,163,119	\$ -	\$ -	\$ -	#DIV/0!
Misc. Revenue	\$ 30,000	\$ 2,500	\$ 200	\$ (2,300)	-92.00%
Total Operating Revenues	\$ 10,193,119	\$ 2,500	\$ 200	\$ (2,300)	-92.00%

Expenses

Personnel Cost	\$ 2,378,100	\$ 198,175	\$ 193,609	\$ (4,566)	-2.30%
Contractual/Professional Services	\$ 937,500	\$ 75,958	\$ 82,986	\$ 7,028	9.25%
Utilities	\$ 824,000	\$ 68,667	\$ 69,478	\$ 811	1.18%
Communication/Postal/Freight	\$ 39,200	\$ 3,267	\$ 2,987	\$ (280)	-8.57%
Office/Lab/Purification Supplies	\$ 101,000	\$ 8,417	\$ 11,876	\$ 3,459	41.10%
Insurance	\$ 90,000	\$ 90,000	\$ 88,441	\$ (1,534)	-1.70%
Lease/Rental Equipment	\$ 20,000	\$ 1,667	\$ 856	\$ (1,311)	-78.65%
Travel/Training/Dues	\$ 51,400	\$ 4,283	\$ 449	\$ (3,334)	-77.84%
Safety/Uniforms	\$ 26,000	\$ 2,167	\$ 1,388	\$ (805)	-37.13%
Chemicals	\$ 2,300,000	\$ 191,667	\$ 188,882	\$ 51,215	26.72%
Repair/Maintenance Parts & Supplies	\$ 330,000	\$ 27,500	\$ 21,662	\$ (6,338)	-23.05%
Total Operating Expenses	\$ 7,097,200	\$ 671,767	\$ 715,112	\$ 44,346	6.60%
Operating Suplus/(Deficit)	\$ 3,095,919	\$ (669,267)	\$ (715,912)	\$ (46,646)	6.97%

Replacement Outlay Budget vs. Actual

Machinery & Motors	\$ 160,000	\$ 1,333	\$ -	\$ (13,333)	-100.00%
Instrumentation	\$ -	\$ -	\$ -	\$ -	#DIV/0!
SCADA	\$ 65,000	\$ 5,417	\$ -	\$ (5,417)	-100.00%
Computer Equipment	\$ 10,000	\$ 833	\$ -	\$ (833)	-100.00%
Furniture/Fixtures	\$ 6,000	\$ 500	\$ -	\$ (500)	-100.00%
Motor Vehicles	\$ 28,000	\$ 2,333	\$ -	\$ (2,333)	-100.00%
Special Studies	\$ 30,000	\$ 33,333	\$ -	\$ (33,333)	-100.00%
Valve Replacement	\$ 4,000	\$ 4,167	\$ -	\$ (4,167)	-100.00%
Concrete	\$ 5,000	\$ 2,083	\$ -	\$ (2,083)	-100.00%
In-Plant Capital Upgrade	\$ -	\$ -	\$ 7,500	\$ 7,500	#DIV/0!
Chedin East Flow Meter	\$ 40,000	\$ 3,333	\$ -	\$ (3,333)	-100.00%
Replacement-Other	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Total Capital Outlay	\$ 784,000	\$ 65,333	\$ 7,500	\$ (57,833)	-88.52%

Debt Service Budget vs. Actual

Interest Income	\$ -	\$ -	\$ 31,680	\$ 31,680	#DIV/0!
Interest Jurisdictions (Income)	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Interest Expense	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Principal Payments	\$ 2,142,225	\$ -	\$ -	\$ -	#DIV/0!

6. Items from Counsel

- **Resolution Authorizing the Executive Director to Provide Emergency Services to Non-Participating Jurisdictions in the Event of a Local Water Emergency**

Following is a revised Emergency Aid Resolution for the ARWA.

**RESOLUTION OF THE APPOMATTOX RIVER WATER AUTHORITY
AUTHORIZING THE PROVISION OF POTABLE WATER TO NON-PARTICIPATING
JURISDICTIONS AND INVESTOR-OWNED UTILITIES IN THE EVENT OF A
LOCAL WATER EMERGENCY**

A. The Appomattox River Water Authority ("ARWA") is a public body politic and corporate created in 1960 upon agreement of the governing bodies of the County of Chesterfield, Virginia ("Chesterfield County"), the City of Colonial Heights, Virginia ("Colonial Heights"), the County of Dinwiddie, Virginia ("Dinwiddie County"), the City of Petersburg, Virginia ("Petersburg"), and the County of Prince George, Virginia ("Prince George County", and together with Chesterfield County, Colonial Heights, Dinwiddie County and Petersburg, the "Participating Jurisdictions"), and in accordance with the Virginia Water and Waste Authorities Act, Virginia Code § 15.2-5100, et seq. (the "Act"), for the purpose of serving the water supply needs of the Participating Jurisdictions.

B. The Board of ARWA (the "Board") selects the Executive Director to serve as the chief executive officer of ARWA and be responsible for the day-to-day operations of ARWA.

C. The Board has determined that it is in the best interests of ARWA and the Participating Jurisdictions for ARWA, pursuant to the terms and conditions of this Resolution, to allow the Executive Director certain limited authority to provide potable water to any city, town, county, or authority in the Commonwealth of Virginia that is not a Participating Jurisdiction (a "Non-Participating Jurisdiction") or an investor-owned utility (an "Investor-Owned Utility") in the event of a Local Water Emergency as defined herein.

D. For purposes of this Resolution, a "Local Water Emergency" is defined as any natural disaster, chemical spill, construction accident, act of terrorism, vandalism, failure of water system equipment, or cross connection that causes a local water system or water supply to become contaminated, results in a water supply shortage, or interrupts the connection between the water system and customers; provided, however, that a water shortage caused by a lack of rainfall or other normally occurring weather conditions shall not be a Local Water Emergency.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE
APPOMATTOX RIVER WATER AUTHORITY THAT:**

1. Limited Authorization to the Executive Director. The Board hereby authorizes the Executive Director to provide potable water from the ARWA water treatment plant to a Non-Participating Jurisdiction or Investor-Owned Utility experiencing a Local Water Emergency. The Board hereby determines that the duration of the Executive Director's authority to provide potable water as described herein shall run from the beginning of the Local Water Emergency to the next regular, emergency, or special meeting of the Board, at which meeting the Board will determine whether and on what terms such provision of potable water will continue. Within 24 hours of the commencement of such provision of potable water to a Non-Participating Jurisdiction or Investor-Owned Utility the Executive Director shall notify the Board member or an alternate of each Participating Jurisdiction of the Local Water Emergency.

2. Rate Requirement. A Non-Participating Jurisdiction or Investor-Owned Utility receiving potable water pursuant to this Resolution shall be charged for the water at a rate equal to the then-current highest budgeted rate per 1000 gallons (including the operation and maintenance, debt service, replacement and reserve funding components) charged to any Participating Jurisdiction under the existing Service Agreements between the Participating Jurisdictions and ARWA (the "Existing Agreements"). Additionally, the Non-Participating Jurisdiction or Investor-Owned Utility shall be charged the actual cost of delivery of the water to such jurisdiction or entity.

3. Priority of Existing Agreements. The limited authority prescribed to the Executive Director described herein shall not inhibit ARWA's ability to fulfill its obligations under any Existing Agreements.

4. No Interference with Other Emergency Programs. Neither the authority provided under this Resolution nor the limitations imposed thereon shall interfere with ARWA's ability to provide or receive assistance under the Virginia Water/Wastewater Agency Response Network, the Virginia Statewide Mutual Aid Program, or the Emergency Management Assistance Compact.

5. Finding. The Board hereby finds that the authorization of the provision of potable water to a Non-Participating Jurisdiction or an Investor-Owned Utility experiencing a Local Water Emergency under the terms and conditions of this Resolution will promote the health, safety, welfare, morals and prosperity of the residents served by ARWA and ARWA's ability to serve the water supply needs of the Participating Jurisdictions and further the other governmental purposes for which ARWA was created, in part because the Board would expect reciprocal assistance should ARWA or one or more of its Participating Jurisdictions experience a Local Water Emergency.

6. Effective Date. This Resolution shall take effect immediately.

7. Other Items from Board Members/Staff Not on Agenda:

8. Closed Session

9. Adjourn