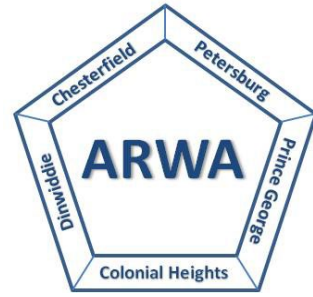


Appomattox River Water Authority



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

APPOMATTOX RIVER WATER AUTHORITY

Board of Directors Meeting

DATE: September 18, 2025

TIME: 2:00 pm

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

AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes: Minutes of the Board Meeting held on July 17, 2025 (Exhibit A, pages 2 to 5)
3. Public Comment (Exhibit B, page 6)
4. Executive Director's Report:
 - Alternative Analysis – Phase II (Exhibit C, pages 7 to 13)
 - Brasfield Dam Deed of Easement Extension to Kruger (Exhibit D, pages 14 to 20)
 - Status Report (Exhibit E, pages 21 to 25)
 - Financials (Exhibit F, pages 26 to 40)
5. Items from Counsel
6. Closed Meeting
7. Other items from Board Members/Staff Not on Agenda
8. Adjourn

EXHIBIT A

BOARD OF DIRECTORS MEETING

Appomattox River Water Authority

July 17, 2025, at 2:00 p.m.

**Location: Appomattox River Water Authority
21300 Chesdin Rd. South Chesterfield, VA 23803**

MEMBERS PRESENT:

Doug Smith, Chairman (Colonial Heights)
Kevin Massengill, Vice Chairman (Dinwiddie)
Joseph Casey (Chesterfield)
March Altman (Petersburg)
Jeff Stoke, (Prince George)

STAFF PRESENT:

Robert B. Wilson, Executive Director, (ARWA & SCWWA)
James C. Gordon, Asst. Executive Director (ARWA & SCWWA)
Jesse Bausch (Sands Anderson PC)
Melissa Wilkins, Business Manager/FOIA (ARWA & SCWWA)
Tiffanee Rondini, Administrative Assistant (ARWA & SCWWA)

ALTERNATES PRESENT:

Eddie Pearson (Alternate, Dinwiddie)
Frank Haltom, Secretary/Treasurer (Alternate, Prince George)
George Hayes (Alternate, Chesterfield)

ABSENT:

Todd Flippen (Alternate, Colonial Heights)
Jerry Byerly (Alternate Petersburg)
Matt Rembold (Alternate, Chesterfield)

The ARWA meeting was called to order by Mr. Smith, Chairman, at 3:08 p.m.

1. Call to Order/Roll Call

The roll was called:

Participating members at the table were:

Doug Smith	Present
Kevin Massengill	Present
Joseph Casey	Present
Frank Haltom	Present
March Altman	Present

Mr. Smith formally welcomed Jesse Bausch from Sands Anderson PC.

2. Approval of Minutes: Minutes of the Regular Meeting of the Board on May 15, 2025

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

RESOLVED, that the Minutes of the Regular Meeting of the Board on May 15, 2025, are hereby approved:

For: 5 Against: 0 Abstain: 0

3. Public Comment

There were no public comments.

4. Executive Director's Report:

- **License Agreement with Chesterfield County for ground well installation**

Mr. Wilson stated that the Authority is installing two additional groundwater monitoring wells as part of the Site Characterization Plan to determine the potential influence of the lagoons on groundwater in the area. The wells will be located on Chesterfield County property for the John Radcliffe Conservation Area. Both Chesterfield County Real Property and Parks and Recreation have reviewed the locations and do not object to

the well installations. A License Agreement is required between Chesterfield County and the Authority. The License Agreement was prepared by Chesterfield County Real Property and reviewed and approved to form by counsel.

Staff requests that the Board approve the License Agreement and authorize the chairman to execute the required document.

Upon a motion made by Mr. Altman and seconded by Dr. Casey, the following resolution was adopted:

RESOLVED, that the Board approves the License Agreement and authorizes the chairman to execute the required document:

For: 5 Against: 0 Abstain: 0

Roll Call Vote:

Participating members at the table were:

Doug Smith	Aye
Kevin Massengill	Aye
Joseph Casey	Aye
Frank Haltom	Aye
March Altman	Aye

• **Brasfield Dam Deed of Easement Extension to Kruger**

Mr. Wilson stated that on September 16, 1992, the Board approved an agreement with STS Hydropower Ltd. for the construction of a 3.0-megawatt hydroelectric project at the Brasfield Dam. Kruger took over the operation of the hydro facility from STS Hydropower Ltd. in 2003. In 2007, Kruger approached the Authority and requested an extension to the Deed of Easement. The Deed of Easement is the lease document that allows the production of power at the dam. At the March 17, 2016, Board meeting, the Board acted and extended the Deed of Easement with Appomattox River Associates, L.P., with the facility being operated by Kruger through the remainder of the term, January 31, 2032, that coincided with the FERC license expiration. The approval of the Deed of Easement extension through the term of the FERC permit generated the “First Amendment to the Deed of Easement.” The First Amendment formally extended the Deed of Easement through January 31, 2032.

Kruger stated they would like to continue producing power at the dam for another 40 to 50 years. The FERC license renewal process takes five to five and a half years, and Kruger indicated they would like to submit the Notice of Intent and Pre-Application Document by July 2026. To meet this schedule, they would like an answer as soon as possible, but no later than November of this year.

Representatives from Kruger have offered to provide a tour of the hydro facility to Board members.

With the ever-changing landscape and the lengthy Deed of Easement extension request (40-50 years), staff recommended that the Board consider allowing the Deed of Easement to expire. The period from 2026 to 2027 could be used to evaluate the potential for continuing or discontinuing hydro power generation at the dam by the Authority. Staff is requesting that the Board provide direction on how staff should proceed.

Mr. Smith asked if extending the Deed of Easement agreement with Kruger can cause any limitations or hinder the consideration of exploring raising the dam or for off-site water storage in the future. Mr. Wilson stated that there is language in the agreement that states that the Authority cannot perform specific processes to inhibit them from producing power. That could come into play in the future, no matter which alternative is chosen. Dr. Casey stated that if it is of interest to ARWA, it may be beneficial to analyze the business model of what it may take to run a hydroelectric facility to generate on-site power and avoid complicated long-term agreements. Mr. Smith agreed with Dr. Casey and stated that it would be helpful to have a high-level summary to consider the cost of running a hydro facility and replacing the equipment to aid the Board in deciding on which path to take. Mr. Massengill stated that he did not believe granting the extension would be in the Authority’s best interest and suggested considering either letting the FERC license expire or investigating the Authority’s own FERC license agreement as the best options.

Dr. Casey stated that if this is likely to be a new asset to the Authority, arranging a tour of the facility would be beneficial. Mr. Smith asked if that could be done before the September meeting. Mr. Wilson responded

Yes, staff will work to set that up. Mr. Smith stated this was a nice discussion topic, and it looks like we want to do the tour before the next meeting. Mr. Smith asked that any additional information that was discussed be put together so the Board can determine which action to take at one of the upcoming meetings in September or November, and the Board can give the direction requested by staff.

- **Status Report**

Mr. Wilson reviewed the status report included in the Board Package.

- **Financials**

Ms. Wilkins reported on the financials.

5. Items from Counsel

There were no items from counsel.

6. Closed Session

There were no closed sessions.

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

Mr. Smith stated that he is sorry to see Director of Public Works Engineer Todd Flippen leave as he has headed on to another opportunity. The City is contracting with the Berkley Group for interim director services. We are fortunate to have Stephen King, a retired county administrator from Rockingham County with a public works and engineering background, who is filling in for us as interim Public Works Engineer. Mr. King is on our email system, so certainly reach out to him for any coordination on public works or engineering items that may be worked on with Colonial Heights.

Mr. Wilson stated that the Chesterfield police boat has been deployed on the lake from 12 p.m. to 8 p.m. Thursday through Sunday. Their emphasis is on presence and education. They are doing verbal warnings, written warnings, and summons. There have been several offenses for failure to obey no-wake zones. Furthermore, the police have towed some boats as a public service. They want to be able to leave the boat in the lake, so we met with Deck Tech and the Chesterfield Police Department to identify the requirements to extend the Authority’s boat house to accommodate that request. There will be plenty of surplus funds at the end of the year, and we would like to move forward with that accommodation.

Staff requests that the Board approve the use of surplus funds not to exceed \$150,000 to expand the current boat house for housing Chesterfield Police's boat and jet skis on the lake.

Upon a motion made by Mr. Altman and seconded by Dr. Casey, the following resolution was adopted:

RESOLVED, that the Board approves the use of surplus funds not to exceed the amount of \$150,000 to expand the current boat house for housing Chesterfield Police boat and jet skis on the lake:

For: 5 Against: 0 Abstain: 0

Roll Call Vote:

Participating members at the table were:

Doug Smith	Aye
Kevin Massengill	Aye
Joseph Casey	Aye
Frank Haltom	Aye
March Altman	Aye

Mr. Massengill stated that Jordan and Barbara Williams owned and operated Whippernock Marina for 52 years together, and sadly, Mr. Williams passed away on July 16, 2025. A great friend to Lake Chesdin on both the Chesterfield and Dinwiddie sides,

and impacted quite a few people in this region. Visitation is July 22nd, 6 to 8 p.m. at JT Morris in Dinwiddie. Ms. Wilkins stated that the Authority plans to send an arrangement with condolences from the Board and the Authority.

8. Adjourn

Mr. Smith stated that if there is no other business, he would entertain a motion to adjourn.

Upon a motion by Mr. Massengill and seconded by Mr. Altman, the meeting was adjourned at 3:58 p.m.

MINUTES APPROVED BY:

Frank Haltom/Secretary/Treasurer



APPOMATTOX RIVER WATER AUTHORITY
21300 Chesdin Road
Petersburg, VA 23803



SOUTH CENTRAL WASTEWATER AUTHORITY
900 Magazine Road
Petersburg, VA 23803

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.

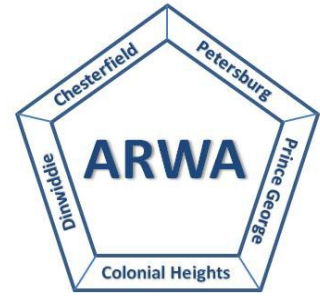
When two or more individuals are present from the same group, it is recommended that the group designate a spokesperson to present its comments to the Board and the designated speaker can ask other members of the group to be recognized by raising their hand or standing. Each spokesperson for a group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

Appomattox River Water Authority



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EXHIBIT C

TO: Appomattox River Water Authority Board of Directors

FROM: Robert B. Wilson, Executive Director
James C. Gordon, Assistant Executive Director

DATE: September 18, 2025

SUBJECT: Alternative Analysis Phase II

At the January 16th meeting, Mr. Jeff McBride of Black & Veatch presented the results of Phase I of the Alternative Analysis. Phase I included a review of the seven previous alternatives:

- Brasfield Dam Raise – 18”
- Brasfield Dam Raise – 24”
- Brasfield Dam Raise – 36”
- Offsite Storage Reservoir (OSR)
- Relocate the SCWWA Effluent discharge
- Dredge Lake Chesdin

The report went onto discuss each alternative, provide the safe yield increase, storage volume increase, and an opinion of probable cost for each improvement.

During the discussion of the Phase I results there was a question if the 36” dam raise should be considered. In developing the scope for Phase II it was determined that deleting the 36” dam raise had an effect on the overall cost, therefore, we left the 36” dam raise in Phase II.

Phase II is a deep dive into the details that builds on the results of Phase I. The tasks associated with Phase II include:

- Model Conversion and Supply Resiliency Analysis
- Feasibility Analysis for Additional Off-Site Storage Reservoir Sites
- Raw Water Adequacy Analysis for JPA
- Hydrologic Model for Resiliency Analysis for OSC sites 47, 52 & 54.
- Analysis of Climate Change Impact

The deliverables will be a formal technical memorandum summarizing the findings for the tasks listed above and a presentation to the Board. The estimated time to accomplish these tasks is twelve months and will cost approximately \$500K. The intent is to have the analytical support for selection of an alternative that meets all the resiliency and baseline criteria established by the Board for management of the lake and supplementing the raw water supply for the plant.

A more detailed outline for the Scope of Services is included as Attachment C-1.

Funds for this effort are already appropriated in the VWP line item.

Board Action Requested:

Staff requests the Board approve Phase II of the Alternative Analysis as presented in Attachment C-1 in the amount of \$496,750.00 and authorize the executive director to execute the necessary documents.

ATTACHMENT A
SCOPE OF SERVICES

Scope Amendment 1 for Raw Water Supply Alternatives Analysis

for

Appomattox River Water Authority

This amendment for additional scope of services relative to Appomattox River Water Authority purchase order 14636 dated 2/7/2024. The additional scope of services for this amendment is describe in the below tasks:

Task 5 – Model Conversion and Supply Resiliency Analysis

1. Review, identify and align baseline assumptions for inputs between BV Model and OASIS model and update OASIS model if needed to incorporate additional baseline data.
2. Review updated demand projections provided by ARWA and incorporate demand projections into OASIS model.
3. Coordination and discussion ARWA to determine the desired Resiliency criteria to be analyzed. The baseline criteria assumed to be analyzed are tied to lake level and drought conditions as follows:
 - a. Frequency of Lake Chesdin draw down >2'
 - b. Frequency of Lake Chesdin draw down >4'
 - c. Frequency of Lake Chesdin draw down >3.5' for 45 continuous days
 - d. Frequency of triggering Drought Management Stages 1, 2 and 3
 - e. Additional Metrics/Drought Triggers as result of Drought Exercise by Western Hydrologics (under separate contract).
4. Create four new OASIS model runs for base no-change scenario (no improvements implemented): Base conditions (current demand, current facilities and current operating rules), plus one for each future demand year (assumed to be 2030, 2045 and 2060). For each run, summary statistics will be provided as they relate to the metrics.
 - a. Note: It is assumed that current VWP minimum release protocol will be used for all alternative analyses.
5. Create six new OASIS runs to incorporate analysis of the desired resiliency criteria for the six (6) alternatives as follows:

Brasfield Dam Raise – 18”
 Brasfield Dam Raise – 24”
 Brasfield Dam Raise – 36”
 Offsite Storage Reservoir
 Relocate SCWWA Effluent
 Dredge Chesdin Lake Reservoir

Perform resiliency analysis for each alternative for present day and projections for years 2030, 2045, and 2060 to determine anticipated impact of each alternative on the resiliency criteria.

6. Review results of resiliency criteria analysis and utilize engineering judgment to convert results into rating criteria for inclusion in overall rating criteria analysis to be included in final technical memo.
7. Workshop - Conduct a hybrid meeting (video conference/in-person) with ARWA staff to review findings of Task 5

Task 6 – Feasibility Analysis for Additional Off-Site Storage Reservoir (OSR) Sites

1. Review of previous report(s) prepared by other consultants regarding the three (3) most advantageous OSRs previously identified as sites 47, 52 and 54 identified in *Safe yield Investigations of Pumped Storage Site Nos. 47, 52 and 54* by Gannett Fleming July 2002.
2. Use analysis of existing publicly available topographic information to confirm and update the stage/area/storage curves for OSR sites 47, 52 and 54.
3. Coordination with ARWA and DEQ, and including virtual meeting with DEQ, to make assumptions regarding Minimum In-stream Flow (MIF) and flowby requirements for new scalping pumping stations for filling OSR sites 47, 52 and 54.
4. Utilize updated stage/area/storage curves and MIF assumptions to create new OASIS runs for analysis of OSR sites 47, 52 and 54 in order to Calculate estimated increase in system Safe Yield for each of the three OSR sites 47, 52 and 54. Safe Yield calculations shall be provided for Theoretical, Operational and Regulatory Safe Yield.
5. Utilize conceptual design/dimensions of reservoir, dam, pump station(s) and pipeline(s) identified in previous reports to prepare a conceptual budgetary cost estimate of dam, pump station(s) and pipeline(s) for each of the three (3) OSR sites 47, 52 and 54.

6. Identify major potential challenges/obstacles for each OSR sites 47, 52 and 54, including environmental, economic or regulatory challenges.
7. Provide outline of regulatory permitting process including list of major permits/approvals that will be required and approximate anticipated timeline for securing each of the three OSR sites 47, 52 and 54.
8. Workshop - Conduct a hybrid meeting (video conference/in-person) with ARWA staff to review findings of Task 6

Task 7 – Raw Water Adequacy Analysis for JPA

1. Obtain from ARWA and review latest demand projections for each member.
2. Obtain from ARWA and review available data on any other sources of raw water supply for each member if applicable, as well as latest raw water allocations for each member.
3. Perform Supply vs. Demand analysis for each member and region as a whole based on the data provided to be used in the future Joint Permit Application (JPA).
 - a. Analysis shall be based upon reported (Theoretical) Safe Yield, no additional modeling of these systems is included in this scope.
4. Workshop - Conduct a hybrid meeting (video conference/in-person) with ARWA staff to review findings of Task 7

Task 8 – Modify Hydrologic Model for Resiliency Analysis for OSR sites 47, 52 & 54

1. Create three additional OASIS model runs (one for each demand year projection) for each the following OSR sites (nine new runs in total):

site 47
site 52
site 54

Perform analysis for each site for present day and projections for years 2030, 2045, and 2060 to provide summary statistics based on resiliency criteria.

2. Provide recommended rating criteria for each OSR sites 47, 52 and 54.
3. Workshop - Conduct a hybrid meeting (video conference/in-person) with ARWA

staff to review findings of Task 8

Task 9 – Analysis of Climate Change Impact

1. Collaboration with DEQ's VaHydro model to produce alternate inflow data series based on climate change pathway scenarios. Utilize the modified inflow data set, which encompasses a climate change scenario, and run through OASIS model to better understand impacts to system reliability for the supply alternatives modeled above. Consultation with DEQ will be needed to reach agreement on most applicable climate change scenario factoring in planning horizon.
 - a. It is recognized that the baseline (non-climate change) inflows will differ between rainfall-runoff model and gage-based estimates, so this difference will be noted. Also, the 10th percentile outcome from the climate change models may result in a very large reduction to inflow, and may be too conservative, leading to an over conservative estimate of supply source requirements. These conditions will be discussed in technical memorandum and workshop with ARWA.
2. Workshop - Conduct a hybrid meeting (video conference/in-person) with ARWA staff to review findings of Task 9 including the analysis of the parameters examined and a high-level look on how the frequency of droughts may change from climate change projections.

Task 10 – Expanded Technical Memorandum

3. Develop technical memorandum to incorporate the findings of Tasks 5 through 9.
4. Workshop - Conduct a hybrid meeting (video conference/in-person) with ARWA staff to review the draft of the technical memorandum.

Deliverables

1. Technical Memorandum
2. Presentation to the Board

Schedule

This proposal is based on a 12 month duration after receiving a notice to proceed.

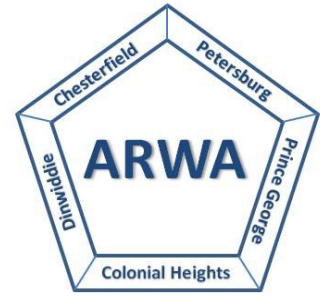
Fee

For the services related to Tasks 5 through 10 as described above, the Owner agrees to pay the Black & Veatch \$496,750 on a lump sum basis.

Supplemental Services

1. Any work requested by Owner that is not included in one of the items listed in any other phase will be classified as supplemental services.
2. Supplemental services shall include, but are not limited to:
 - a. Development of demand projection for each member and region
 - b. For cost estimates identified in Task 6, a detailed review/analysis/optimization of previous dam and pump station designs is not included in this task.
 - c. For cost estimates identified in Task 6, cost estimation for relocation/impacts to roadways that may be impacted by the reservoir inundation.
 - d. For cost estimates identified in Task 6, an in-depth study and/or field investigation of wetland areas is not included. Cost for wetland mitigation will be based on approximate areas previously identified.
 - e. For cost estimates identified in Task 6, cost estimation of land acquisition.

Appomattox River Water Authority



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

EXHIBIT D

TO: Appomattox River Water Authority Board of Directors

FROM: Robert B. Wilson, Executive Director
James C. Gordon, Assistant Executive Director

DATE: September 18, 2025

SUBJECT: Brasfield Dam Deed of Easement Extension to Kruger

At the July 17th meeting staff updated the Board on the Deed of Easement for the hydro power generation facility on the Brasfield Dam. The Deed of Easement and FERC license expire on January 31, 2032. KEI Power Management, Inc. (Kruger), who currently operates the hydro facility, is requesting to enter into a new Deed of Easement for forty years. To facilitate a new FERC license, Kruger would need to submit the Notice of Intent (NOI) and Pre-Application Document (PAD) by July 2026. For Kruger to make these submittals by July 2026 they need notification from the Authority that the Authority is willing to enter into a new Deed of Easement for forty years as soon as possible but no later than January 1, 2026. A copy of the Amendment to the Deed of Easement is included as Attachment D-1 for reference.

At the July meeting, members asked staff to schedule a tour of the hydro facility to assist with making their decision. Staff scheduled staggered tours for August 19th and all primary members toured the hydro facility. Some of the key discussions captured during the tours included:

- If the dam was raised and hydro was still producing power, would FERC require any dam improvements?

Through the review process, there would be additional flow, modeling and potential structural improvements that would be reviewed by FERC. In addition, if hydro was no longer on the dam producing power and the regulatory oversight was transferred to DCR and dam height was raised, it is likely the same reviews would be performed on the state level since the Brasfield Dam is classified as a high hazard dam.

- Mr. Loon of Kruger commented that the FERC license renewal process is estimated to take five years and cost approximately \$1.0 million.

- Mr. Loon stated the useful life of a generator is approximately 40 years and could be longer if properly maintained. The current generator is thirty-two years old.
- Mr. Loon indicated if they continue to produce power, they will need to upgrade their controls.
- Mr. Loon was asked what the annual income was for the facility. He indicated that this facility produces about 1.0 million kilowatt hours annually for around \$0.5 million in revenues.
- The current income from hydro for the Authority is 12% of annual sales. The average annual income for the Authority over the last five years is \$42,500. In January 2026, the income to the Authority increases to 15% of annual sales through 2032.
- The level of power production is directly related to weather. The more rain the drainage area receives, the more hydro can operate, i.e., water flowing over the dam.
- If the Deed of Easement expires, the Authority will be responsible for operating the fish elevator.
- If the Deed of Easement expires, the Authority would be responsible for annual inspections and future upgrades as a result of changing regulatory requirements.

Staff requested counsel review the original Deed of Easement and the Amendment to the Deed of Easement to determine the termination requirements if the Authority allowed the Deed of Easement to expire. From review of the documents, counsel determined that if the Authority allows the Deed of Easement to expire, then the hydro facilities are to be removed and the area and dam restored to its original state at the expiration of the Deed of Easement, January 31, 2032. The Authority does have the ability to negotiate with Kruger for the transfer of the FERC license by either paying the original construction cost or 5% of gross revenues for ten years. There is always the possibility of further negotiations for termination.

With the everchanging regulatory landscape, the Deed of Easement agreement extension request for forty years, Phase II of the Alternative Analysis for supplementing the raw water supply just beginning, and the possibility to provide green power generation for part of the plant through hydro power in the future, staff recommends the Board consider allowing the Deed of Easement and FERC license to expire January 31, 2032.

Board Action Requested:

Staff requests the Board provide direction so that staff can formally respond to KEI Power Management, Inc.'s request for a new Deed of Easement.

16 000001088

When Recorded Return To: Suzanne Long, McGuireWoods LLP, 800 E. Canal Street,
Richmond, VA 23219

Tax ID#: 7-2C

FIRST AMENDMENT TO AMENDED AND RESTATED DEED OF EASEMENT

THIS FIRST AMENDMENT TO AMENDED AND RESTATED DEED OF EASEMENT (this "**First Amendment**") is made as of the 1st day of January, 2016 (the "**Effective Date**"), by and among **APPOMATTOX RIVER WATER AUTHORITY**, a public instrumentality and body corporate and politic existing under the laws of the Commonwealth of Virginia (the "**Authority**") [index as Grantor], and **APPOMATTOX RIVER ASSOCIATES, L.P.**, a Delaware limited partnership (the "**Partnership**") [index as Grantee], and is exempt from recording taxes pursuant to Section 58.1-809 of the Virginia Code of 1950, as amended. The Partnership and the Authority are referred to collectively herein as the "**Parties**."

RECITALS

A. Reference is made to that certain Amended and Restated Deed of Easement with an effective date of July 19, 1993, recorded in Book 2379, page 435, on September 23, 1993 in the Office of the Clerk of Chesterfield County, Virginia, and in Book 338 page 245, on September 23, 1993 in the Office of the Clerk of Dinwiddie County, Virginia (the "**Original Agreement**") among the Authority, STS Hydropower, Ltd., a Michigan Corporation ("**STS**"), and the Partnership.

B. Pursuant to Section 10.3A of the Original Agreement and by assignment dated December 10, 2003 (and consented to by the Authority by a Consent Acknowledgement dated June 19, 2003) (the "**STS Assignment**"), STS assigned all of its rights, title, and interests but not its obligations under the Original Agreement to Grantee.

C. The Parties desire to acknowledge and agree to the assignment and assumption of STS's obligations under the Original Agreement by Grantee and to amend the Original Agreement upon the terms, conditions, covenants and agreements set forth in this First Amendment.

AGREEMENT

In consideration of the mutual promises and undertakings of the Parties, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Partnership and the Authority agree as follows:

1. **INCORPORATION OF RECITALS.** The recitals set forth above are incorporated as if fully restated herein.

2. **DEFINITIONS.** All capitalized terms used in this First Amendment shall have the meanings ascribed thereto in the Original Agreement, unless otherwise defined herein.

3. AMENDMENTS TO SECTION 2. The following subsections are affixed to the end of Section 2:

"2.3. **Renewal Term.** The Parties acknowledge that, pursuant to Section 2.1 above, no transfer of the Utility Project has occurred. Therefore, the period of time between January 1, 2016 and the expiration of the initial term of the FERC License, which is January 31, 2032, shall be known as the "Renewal Term"."

"2.4. **Relicensing.** The Parties understand that under existing FERC regulations, the process to apply for a successor license to the FERC license will commence on January 31, 2027 with the obligation to file a Pre Application document five years ahead of the scheduled expiration of the FERC License. Beginning January 1, 2026, if the Authority desires the Partnership to pursue a new FERC license in its own name at its own cost and expense, then the Parties will commence good faith efforts to negotiate and finalize a mutually acceptable extension of the term of the Original Agreement, or replacement of the Original Agreement (in either case, a "New Arrangement") which will provide the Partnership with sufficient rights to act as a FERC licensee under the terms of a new FERC license for the Utility Project. Absent execution of a New Arrangement by September 31, 2016, the Partnership will have no obligation to pursue a new FERC license for the Utility Project.

4. AMENDMENTS TO EXHIBIT D. Section 1 of Exhibit D is hereby replaced with the following:

"1. **Rent Amount.** For the term of this Agreement Kruger shall pay to the Authority as Basic Rent an annual amount equal to a percent of the total electric sales revenues received by Kruger for sales of Project electricity to any party other than the Authority ("Annual Sales").

Through the tenth anniversary of the January 1 following the Project's commercial operation date, the Basic Rent shall equal five percent (5%) of Annual Sales. Thereafter, until the start of the Renewal term, Basic Rent shall equal ten percent (10%) of annual sales.

For the first ten (10) years of the Renewal Term the Basic Rent shall equal twelve percent (12%) of Annual Sales. Thereafter, through the end of the Renewal Term, Basic Rent shall equal fifteen percent (15%) of annual sales."

5. ADDITIONAL CONSIDERATION FOR AMENDMENT. The Parties acknowledge that in connection with the execution and delivery of this First Amendment, in order to induce the Authority to enter into this First Amendment, the Partnership has made a lump sum payment to the Authority of \$16,000.

6. ASSIGNMENT AND ASSUMPTION OF OBLIGATIONS OF STS UNDER ORIGINAL AGREEMENT. The Parties hereby agree and acknowledge that the obligations of

STS under the Original Agreement were assigned to and assumed by the Partnership in connection with the STS Assignment.

7. FULL FORCE AND EFFECT. Except as specifically modified hereby, all of the terms, covenants and conditions of the Original Agreement shall remain in full force and effect.

8. MISCELLANEOUS.

8.1 Entire Agreement. The provisions of this First Amendment and the Original Agreement, as amended hereby, constitute the entire understanding and agreement between the Parties regarding the subject matter hereof and may not be altered or amended except by an instrument in writing signed by the Parties. The Parties each acknowledge and agree that no representation, warranty or inducement has been made to it regarding the rights set forth in this First Amendment which is not expressly set forth in this First Amendment.

8.2 Counterparts. This First Amendment may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

8.3 No Partnership. Nothing contained in this First Amendment shall be construed to create any association, trust, partnership, employment, or joint venture or impose a trust or partnership, duty, obligation or liability or, except as specifically provided herein, agency relationship or with regard to any Party. None of the Parties hereto shall have the right to bind or obligate the other in any way or manner unless expressly stated herein or in the Original Agreement.

8.4 Governing Law. The terms and provisions of this Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia.

8.5 Amendments. This First Amendment shall not be modified, amended or terminated except by an instrument in writing executed by or on behalf of the Parties.

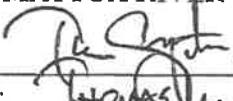
8.6 Partial Invalidity. If any term or provision of this First Amendment, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this First Amendment or the application of such term or provisions to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision of this First Amendment shall be valid and enforceable to the fullest extent permitted by law.

8.7 Recordation. The Parties agree that this First Amendment shall be recorded at the request of any Party, at Grantee's sole cost and expense.

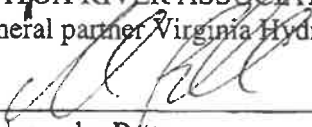
[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


WITNESS THE FOLLOWING SIGNATURES.

APPOMATTOX RIVER WATER AUTHORITY:

By: 
Name: Thomas J. Harris
Title: Chair, ARWA Board
Date: 3/31/16

APPOMATTOX RIVER ASSOCIATES, L.P.:
By its general partner Virginia Hydro Partners, L.L.C.

By: 
Name: Alexandre Patte
Title: Chief Financial Officer
Date: March 18, 2016

By: 
Name: Jean Roy
Title: Senior Vice-President and Chief Operating Officer
Date: March 18, 2016

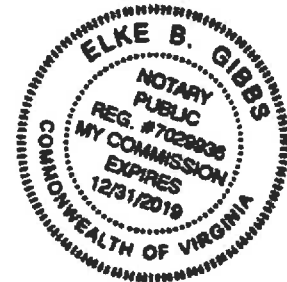
- 4 -

COMMONWEALTH OF VIRGINIA AT LARGE
CITY OF Colonial Heights, to wit:

The foregoing instrument was acknowledged before me in my jurisdiction aforesaid on this 31st day of MARCH, 2016, by Thomas L. Matthews in his capacity as _____ of APPOMATTOX RIVER WATER AUTHORITY, as GRANTOR..

My commission expires 12-31-19.

Elke B. Gibbs
Notary Public



PROVINCE OF QUEBEC
CITY OF MONTREAL, to wit:

The foregoing instrument was acknowledged before me in my jurisdiction aforesaid on this 18th day of March, 2016, by Alexandre Patte in his capacity as Chief Financial Officer and by Jean Roy in his capacity as Senior Vice President and Chief Operating Officer of Virginia Hydro Partners, L.L.C., general partner of APPOMATTOX RIVER ASSOCIATES, L.P., as GRANTEE.

My commission expires July 25, 2018.

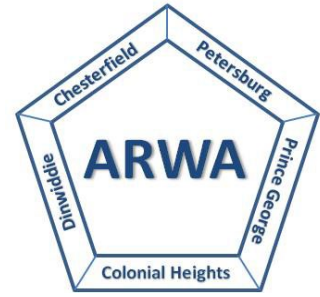
Despina Mavroukis
Notary Public, for the Province of Quebec
And outside the Province of Quebec



INSTRUMENT #160001068
RECORDED IN THE CLERK'S OFFICE OF
CLERK OF THE CIRCUIT COURT
APRIL 18 2016 AT 10:11 AM
J. BARRETT CHAPPELL, JR., CLERK
RECORDED BY: PNC

-5-

Appomattox River Water Authority



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

EXHIBIT E

TO: Appomattox River Water Authority Board of Directors

FROM: Robert B. Wilson, Executive Director
James C. Gordon, Assistant Executive Director

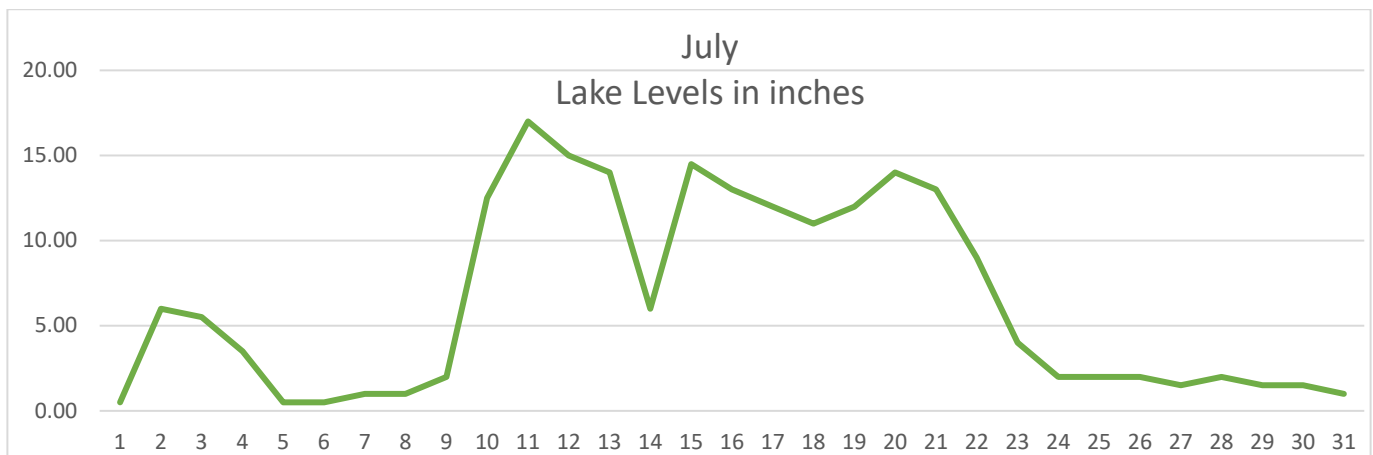
DATE: September 18, 2025

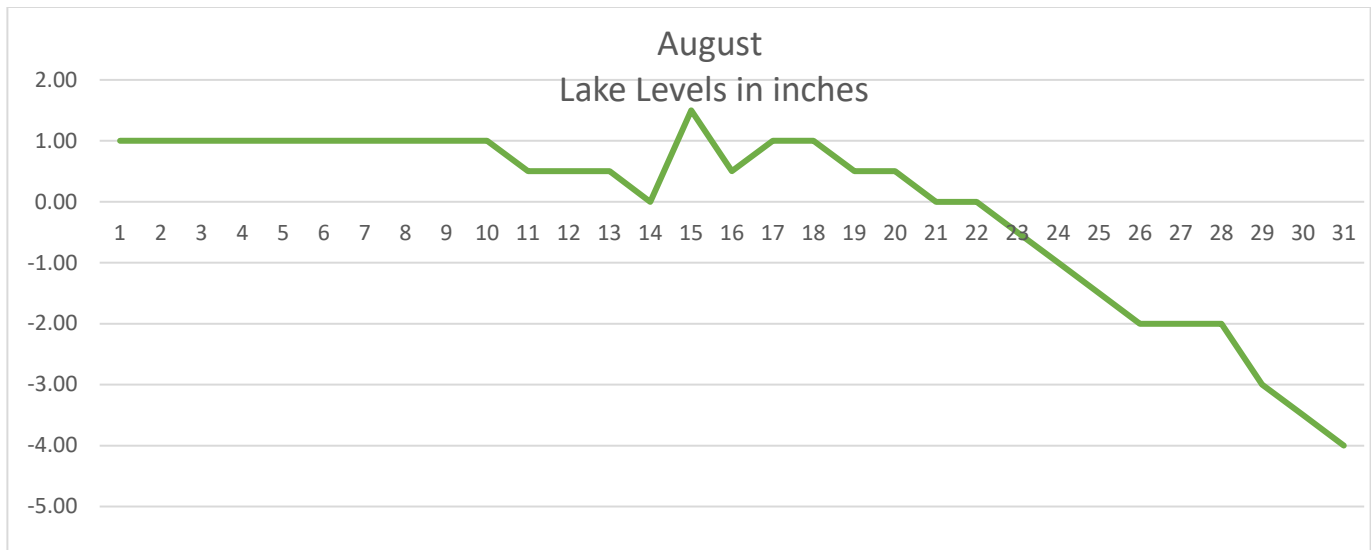
SUBJECT: Status Report

➤ General

- The next meeting which is considered the annual meeting is scheduled for November 20th at 2:00 p.m. at the Appomattox River Water Authority.
- The executive director and assistant executive director attended the Richmond Regional meeting to discuss water in the region. Attendees included the City of Richmond, Chesterfield County, Henrico County and Hanover County.
- The executive director attended the Regional Water Roundtable with Senator Warner in Hopewell. Representatives from Chesterfield County and Prince George County attended also.

➤ Lake Level Update





➤ Operations/IT

- Jay Vick completed his Class 3 licensure.
- Cleaned sedimentation basins.
- Calibrated sedimentation basin and filter NTU monitors.
- Working on filter drop tests.
- Working with contractor to transfer liquid lime and assist with mixer modifications.
- Testing operators on manual operation of plant.
- Working with other departments to determine necessary resources if all automation lost.
- Added MHI in ammonia pump room.
- Added pressure signal to Prince George Meter vault and brought signal back to SCADA.
- Upgraded Clarivac 8 control PLC.
- Upgraded Shepherd Stadium PLC and pressure meter.
- Worked with contractor to complete airburst improvements for raw water pump station #2 underwater screens.
- The average daily finished water consumption for July was 37.29 mgd and the total raw water withdrawn from the lake was 1.278 BG. The average daily finished water consumption for August was 41.87 mgd and the total raw water withdrawn from the lake was 1.433 BG.

➤ Maintenance

- Repaired sodium hypochlorite leak in hypochlorite chemical feed room.
- Replaced missing lake speed limit and QR code sign at the Dinwiddie Boat Launch that was taken. This is an ongoing issue.
- Installed “No Parking” signs at the Dinwiddie Boat Launch to try to keep vehicles from parking next to shoreline in exclusionary zone.
- Assisted contractor with replacing HVAC in administration area.
- Replaced outside basin lights for basins 7-12 with new led lighting.

- Replaced tension mechanism on Clarivac #4.
 - Escorted lab personnel on lake for lake studies.
 - Inspected and PM'd flocculators.
 - Repaired broken shaft on the mud drain for basin #5.
 - Repairing check valve for Pump #23 in raw water pump station #2.
 - Working with electrician to relocate conduit on Clearwell #2 to accommodate new roof system.
 - Relocating sampling pumps for Clearwell #2 to accommodate new roof system.
 - Performing maintenance on transmission easement.
- SIIT – Systems Integration/Instrumentation Technology support group (technical support)
- Assisted contractor with electrical and HVAC for new server building.
 - Continued monitoring for cybersecurity.
 - Drafting sections for cybersecurity for EAP per AWIA.
 - Building server racks in new server building next to warehouse.
- Laboratory
- Monthly eDMR submitted to DEQ for July and August – no exceedances or issues.
 - Monthly CMDP (Compliance Monitoring Data Portal) (bacti and chemistry) submitted to VDH.
 - Monthly Water Quality Reports distributed.
 - Monthly State Health Department submitted.
 - Daily support to operations for QA/QC and compliance sampling.
 - Whole Effluent Toxicity (WET) results showed no toxicity.
 - Working with operations on algae monitoring for lake. The timely rain events have kept us from treating algae to date.
 - Groundwater monitoring completed for Q3.
 - Pulled groundwater samples from newly installed wells around lagoons.
- Liquid Lime System
- Contractor installed new 10" shaft extension and floor raised 7" with grout in bottom of lime storage tank #2.
 - Transferred contents from tank #1 to tank #2.
 - Contractor installing scaffolding in tank #1 to install new 10" shaft extension.
- Hydrilla
- Nothing to report.

- 60" sluice gate isolation
 - Asked trust engineer to provide a proposal for a PER.
- VPDES renewal for waste lagoons
 - Consultant continues to work on Site Characterization Plan.
 - Two new observation wells installed.
- Regional State Water Plan
 - Redacted information in State Water Plan before submittal to the Middle James 3 RPU.
 - Submittal is due the end of September.
- Filter Rehabilitation
 - PER has been submitted and reviewed.
 - No action required at this time.
 - Will discuss financial recommendation with member directors during the budget process.
- Elevated Tank Design
 - Met with Chesterfield County Planning and other departments via Teams on the proposed site plan.
 - No major comments from the meeting.
- Replace membrane roof on Clearwell #2
 - Contractor mechanically stripping paint off Clearwell #2.
 - Contract electrician relocating conduits to allow for installation of roofing system.
 - Contractor beginning to install roofing system in northwest corner.
- New Server Building
 - SIIT staff building server rack and moving servers from under Rapid Mix Building.
- EAP Update (AWIA requirement)
 - Staff reviewed final edits.
 - EAP certification was submitted to EPA on September 12th.
- Lake Modeling (New Project)

- Staff is working with Western Hydrologics to update the lake model.
- Western Hydrologics is also putting together a drought exercise that we are planning for October. We will be inviting all of the member directors.

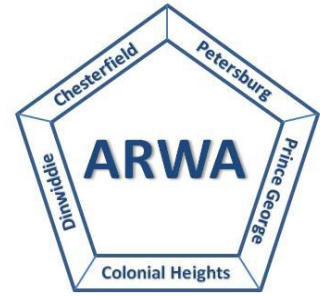
➤ Docks

Date	Address	Locality	Construction	Type
1/2/2025	15618 Chesdin Landing Terrace	Chesterfield	New	Dock
9/2/2025	2817 Oxford Drive	Dinwiddie	New	Dock
9/3/2025	21300 Chesdin Road	Chesterfield	Addition	Dock

➤ Lake Patrols

- Staff will provide a summary of the warnings and citations issued by the Chesterfield Marine Patrol at the meeting.

Appomattox River Water Authority



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

EXHIBIT F

TO: Appomattox River Water Authority Board of Directors

FROM: Robert B. Wilson, Executive Director
James C. Gordon, Assistant Executive Director
Melissa B. Wilkins, Business Manager

DATE: September 18, 2025

SUBJECT: Equipment Repair & Replacement Fund Investment

The Authority, with the assistance of legal counsel and Davenport, evaluated its investment options in 2022. Since 2022 ARWA has invested funds for the Debt Service Reserve Fund (DSRF) and Equipment Repair & Replacement Fund (ERRF) per the guidelines outlined by the Board. Currently, the Authority holds the following investments in the DSRF and ERRF:

- DSRF: In October 2023, the Authority purchased a \$2.0 million U.S. Treasury Note that matures on October 15, 2026, at an interest rate of 4.73%.
- ERRF: In September 2024, the Authority purchased a \$2.5 million U.S. Treasury Note that matures on August 31, 2025, at an interest rate of 4.28%.

The ERRF matured on August 31, 2025. Staff held two meetings with Davenport, one in July and one in August, to discuss investment options. A copy of the Davenport supporting information is included as Attachment F-1.

Based on the current rates as of August 14, 2025, additional trustee fees imposed by US Bank if the LGIP is selected, and delays in the booking of earned interest, staff instructed US Bank to reinvest the ERRF in the First American Fund.

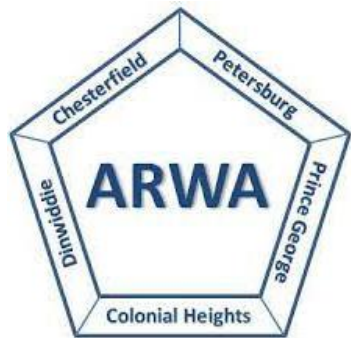
At the time of closing, the ERRF was reinvested at a rate of 4.177425%.

Board Action Requested:

The item is provided for informational purposes only. No Board action is requested.

Equipment Repair & Replacement Fund Investment

Appomattox River Water Authority



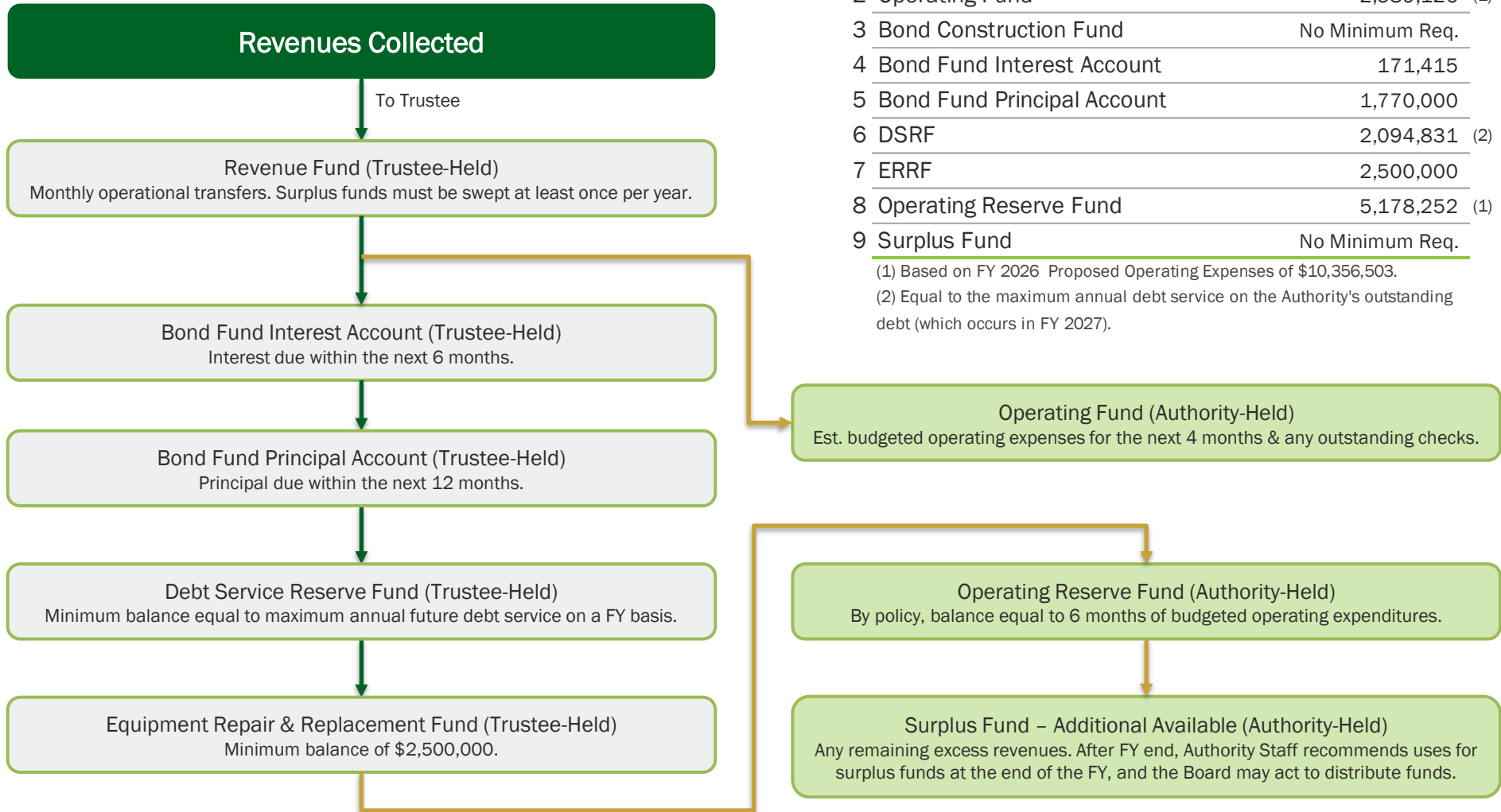
August 15, 2025

- The Authority, with the assistance of legal counsel and Davenport, evaluated its investment options in 2022 and have since invested funds in the Debt Service Reserve Fund (DSRF) and Equipment Repair & Replacement Fund (ERRF) on multiple occasions. Currently, the Authority holds the following investments in the DSRF and ERRF:
 - **DSRF:** In October 2023, the Authority purchased a \$2.0 million U.S. Treasury Note that matures on October 15, 2026, at an interest rate of 4.73%.
 - **ERRF:** In September 2024, the Authority purchased a \$2.5 million U.S. Treasury Note that matures on August 31, 2025, at an interest rate of 4.28%.

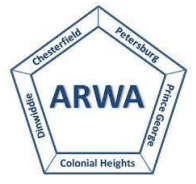
- The Authority may want to consider its options for reinvestment of the funds in the ERRF that will become available upon maturity of the existing U.S. Treasury Note on August 31, 2025.

- Funds held in the Equipment Repair & Replacement Fund (ERRF) may be invested in any of the vehicles below:
 - U.S. Treasury indebtedness;
 - Commonwealth of Virginia indebtedness;
 - Alternative money market instruments (i.e., LGIP);
 - Any other investment permitted by the Investment of Public Funds Act, Chapter 45 of Title 2.2 of the Code of Virginia;
 - Obligations of Federal Agencies; and
 - Prime Quality Commercial Paper (as established in §2.2-4502 of the Code of Virginia).

Overview of Funds



Equipment Repair and Replacement Fund | Overview



- Per the Section 609 of the Master Trust Agreement and the Authority's updated Financial Policies and Procedures, the ERRF is to be used in the following order of priority:
 - To pay Operating Expenses if the Operating Fund is insufficient;
 - To make transfers to the Bond Fund as needed to pay debt service;
 - To make transfers to the DSRF to restore its minimum balance; and
 - To pay reasonable and necessary expenses with respect to the system for major repairs and replacements, system reconstruction or the construction of additions to, or extensions of, the system.

- Although the Master Trust Agreement authorizes a wider range of uses, the Authority intends to reserve the ERRF to address catastrophic events.
 - If funds are used for such events, the Authority's Financial Policies and Procedures require that the balance be restored to \$2.5 million over a period of not more than five years.
 - Because the ERRF is only intended to be used in cases of emergency, the Authority may want to consider maintaining a certain level of liquidity.

Equipment Repair and Replacement Fund | Investment Options

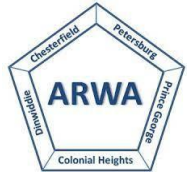


- The table below reflects the estimated annual earnings* on the full or partial balances in the ERRF.
 - Upon maturity of the existing investment in the ERRF on 8/31/2025, the balance of the ERRF will automatically be invested in U.S. Bank’s First American Funds money market.
 - The Authority could consider investing a portion of the ERRF in Treasury securities with a “laddered” approach while maintaining liquidity in the remaining portion with LGIP or another money market instrument.
 - U.S. Bank has indicated previously that an annual fee of \$1,200 would be charged should the ERRF be invested in LGIP.

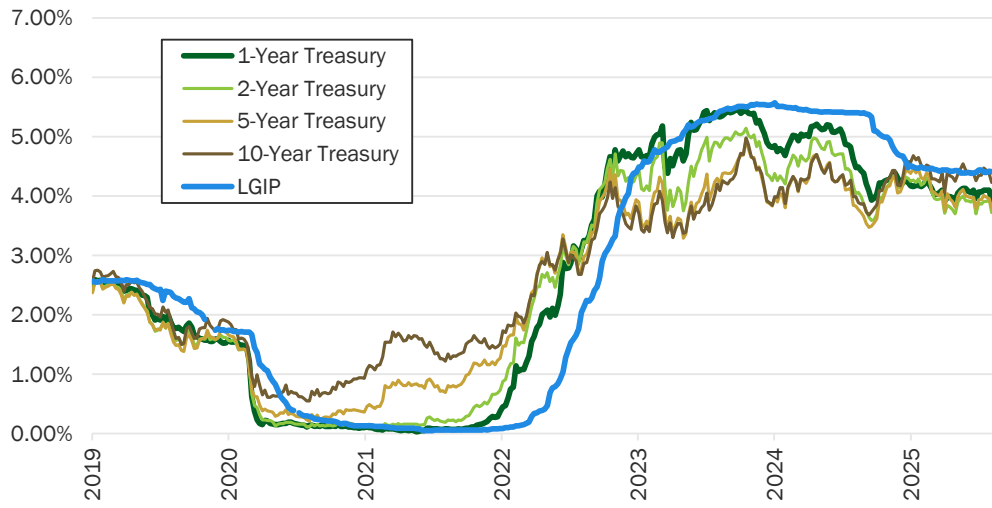
	A Investment Type	B Current Rate as of 8/14/2025	C D E F Estimated Annual Earnings Based on \$ Amount Invested			
			\$250,000	\$500,000	\$1,000,000	\$2,500,000
1	First American Funds	4.16%	\$10,400	\$20,800	\$41,600	\$104,000
2	LGIP					
3	Annual Earnings	4.41%	\$11,025	\$22,050	\$44,100	\$110,250
4	Less: U.S. Bank Fee		(\$1,200)	(\$1,200)	(\$1,200)	(\$1,200)
5	Net Annual Earnings		\$9,825	\$20,850	\$42,900	\$109,050
6	Treasuries					
7	1-Year	3.91%	\$9,775	\$19,550	\$39,100	\$97,750
8	2-Year	3.74%	\$9,350	\$18,700	\$37,400	\$93,500
9	3-Year	3.70%	\$9,250	\$18,500	\$37,000	\$92,500
10	5-Year	3.82%	\$9,550	\$19,100	\$38,200	\$95,500
11	7-Year	4.03%	\$10,075	\$20,150	\$40,300	\$100,750
12	10-Year	4.29%	\$10,725	\$21,450	\$42,900	\$107,250

*Estimated annual earnings subject to change based upon actual purchase price and terms of investments.

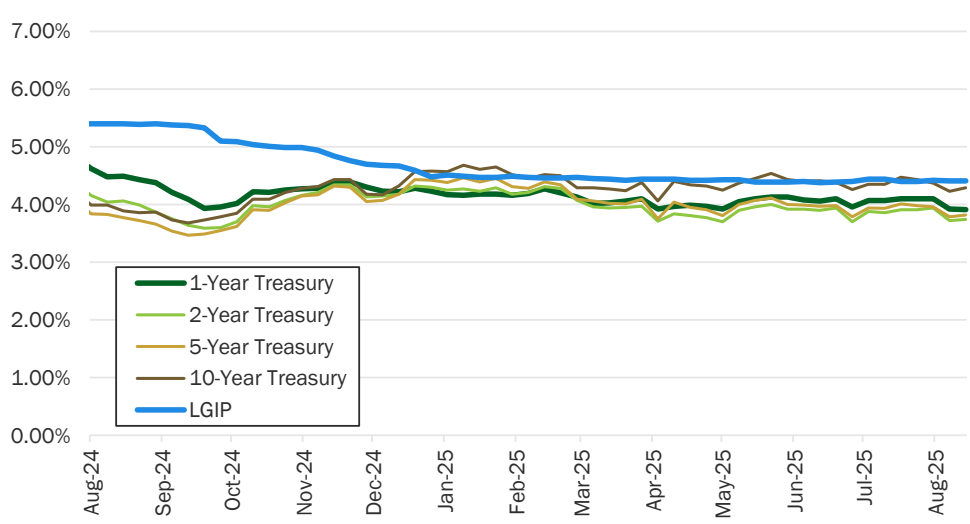
Interest Rate Environment and Recommendation



Current Interest Rates (2019 to Present)



Historical Interest Rates (8/1/2024 to Present)



Recommendation

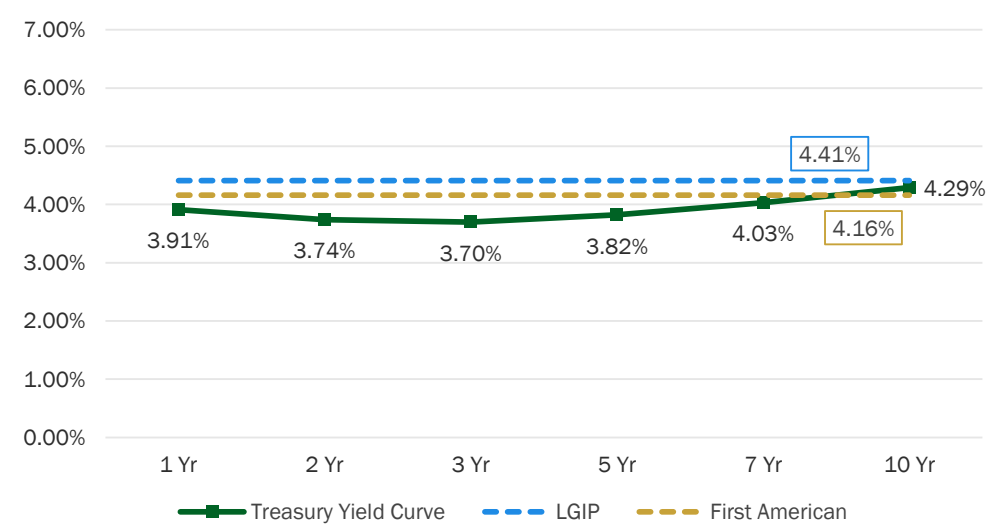
To be discussed. 2024 Recommendation shown here for reference.

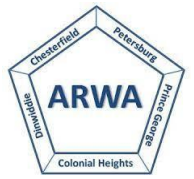
[Staff recommends moving forward with the purchase of a U.S. Treasury Note with a maturity of approximately one (1) year, which accomplishes the following:

- Locks in an interest rate on the ERRF for one (1) year.
- Allows for the Authority to revisit the investment of the ERRF next year.]

Note: as provided in the Authority's bond documents, certain investment purchase parameters must be met to avoid any potential mark-to-market funding requirements.

Current Interest Rates (as of 8/15/2025)





2024 ERRF Investment Details

Appomattox River Water Authority

Equipment Repair and Replacement Fund (ERRF) Investment

U.S Treasury Note Purchase: Trade Date of 9/3/2024; Settlement Date of 9/3/2024

A	B
Key Assumptions	Details
1 Minimum Required Balance	\$2,500,000.00
2 Balance as of 9/3/2024 (Prior to Treasury Purchase) ^(1,2)	2,584,257.22
3 Investment Details	
4 Par Amount	\$2,500,000.00
5 Investment Type	U.S. Treasury Note
6 CUSIP	91282CHV6
7 Settlement Date	9/3/2024
8 Interest Frequency	Semi-Annual
9 Coupon Payment Dates	2/28, 8/31
10 Next Interest Payment Date	2/28/2025
11 Maturity	8/31/2025
12 Years	0.99
13 Coupon	5.00%
14 Yield ⁽²⁾	4.28%
15 Price ⁽²⁾	100.691440
16 Investment Purchase	
17 Purchase Price (Line 4 x Line 15 / 100)	\$2,517,286.00
18 Accrued Interest through 9/3/2024	1,035.91
19 Total Cost	2,518,321.91
20 Current Balance (As of 9/3/2024) ^(1,2)	2,584,257.22
21 Remaining Liquidity Balance After Purchase ⁽³⁾	\$65,935.31

(1) Held in First American Funds following the maturity of the prior investment on 8/31/2024.

(2) Provided by U.S. Bank.

(3) The minimum required ERRF balance is met by the Treasury purchased on 9/3/2024. Any excess amounts may be transferred out of the ERRF. As described in Section 608 of the Authority's Amended and Restated Agreement of Trust, the amounts in the ERRF may be used to pay operating expenses if the Operating Fund is insufficient, pay debt service as needed, restore the DSRF to its minimum balance, pay for capital projects, or transfer to one of the Authority-held reserves if not required for one of the uses above.

Note: the Investment Direction Form and Trade Confirmation are included on the following pages.

Municipal Advisor Disclosure



The enclosed information relates to an existing or potential municipal advisor engagement.

The U.S. Securities and Exchange Commission (the “SEC”) has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC (“Davenport”) has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons.

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This material has been prepared for information purposes only and is not a solicitation of any offer to buy or sell any security/instrument or to participate in any trading strategy. Any such offer would be made only after a prospective participant had completed its own independent investigation of the securities, instruments or transactions and received all information it required to make its own investment decision, including, where applicable, a review of any offering circular or memorandum describing such security or instrument. That information would contain material information not contained herein and to which prospective participants are referred. This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein may change. We make no representation or warranty with respect to the completeness of this material. Davenport has no obligation to continue to publish information on the securities/instruments mentioned herein. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any securities/instruments transaction.

The securities/instruments discussed in this material may not be suitable for all investors or issuers. Recipients should seek independent financial advice prior to making any investment decision based on this material. This material does not provide individually tailored investment advice or offer tax, regulatory, accounting or legal advice. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the transaction. You should consider this material as only a single factor in making an investment decision.

The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport.

Version 01.01.25 | GC | BW | MB | TC |

Appomattox River Water Authority-Balance Sheet

For Month Ending June 30, 2025

Preliminary

Assets

Current Assets

Petty Cash	\$	400
SunTrust Operating Fund	\$	2,347,329
SunTrust Replacement Fund	\$	-
Total Unrestricted Cash	\$	2,347,729

Water Revenue	\$	3,686,978
LGIP-O&M Reserve	\$	6,311,395
LGIP-Revenue Surplus	\$	1,654,717
ERRF (Equipment Repair/Replacement)	\$	2,543,580
Debt Service Reserve	\$	2,098,816
Bond Principal/Interest	\$	1,979,592
Total Restricted Cash	\$	18,275,077

Total Checking/Savings \$ **20,622,807**

Accounts Receivable	\$	3,141,017
Other Current Assets	\$	143,500
Inventory	\$	1,128,009

Total Current Assets \$ **25,035,332**

Fixed Assets

Right to Use Lease Assets	\$	14,630
Accum amort-right of use lease	\$	(2,134)
Land and Land Rights	\$	1,044,167
Water System	\$	100,620,240
Equipment	\$	1,804,208
Hydro	\$	34,873
Furniture & Equipment	\$	32,910
Building Improvements	\$	572,581
Software	\$	22,250
Construction in Progress	\$	3,138,028
Accumulated Amortization	\$	(34,873)
Accumulated Depreciation	\$	(61,563,161)
Total Fixed Assets	\$	45,683,720

Other Assets

Def Outflow-OPEB GLI	\$	31,791
Def Out Res-Post ER Pension Costs	\$	-
Deferred Outflow-OPEB GLI	\$	-
Def Out Res-Net Dif Pension Inv	\$	-
Def Out Res-OPEB Experience	\$	12,848
Def Out Res-OPEB Assumptions	\$	1,772
Def Out Res-OPEB Subsequent	\$	-
Def Outfl-diff b/w exp & act e	\$	77,192
Total Other Assets	\$	123,603

Appomattox River Water Authority-Balance Sheet

For Month Ending June 30, 2025

Total Assets		\$ 70,842,656
Liabilities & Equity		
Current Liabilities		
	Accounts Payable	\$ 311,579
	Retainage Payable	\$ 118,792
	Accrued Interest Payable	\$ 85,707
	Accrued Interest-GASB 87	\$ 57
	Lease Liability-current portion	\$ 3,572
Total Current Liabilities		\$ 519,707
Long Term Liabilities		
	Def Inf Res-Net Dif Pension Inv	\$ 67,085
	Def Inf Res-Pen Chg Assumptions	\$ -
	Def Inf Res-Pens Dif Proj/Act E	\$ 214,265
	Net Pension Liability	\$ (2,134,004)
	Def Infl-OPEB Chg of Assumptions	\$ 7,958
	Deferred Inflow-OPEB GLI	\$ 19,689
	Deferred Inflow-Expect & Actual	\$ 28,456
	Bonds Payable-2010	\$ -
	Bonds Payable-2012	\$ 865,000
	Bonds Payable-2017	\$ 7,830,000
	Bonds Payable-2019 Refunding Bond Payment	\$ 4,485,000
	Bonds Payable-2019 Def Amt on Refunding	\$ (58,302)
	Lease Liability-non-current	\$ 8,984
	Accrued Leave Payable	\$ 336,392
	Post Employment Benefit	\$ 42,111
	OPEB Liability-GLI	\$ 93,667
Total Long-Term Liabilities		\$ 11,806,302
Total Liabilities		\$ 12,326,009
Equity		
	Retained Earnings	\$ 3,315,815
	Reserve for Water Revenue	\$ 16,498,969
	Reserve for Operations	\$ -
	Reserve for Suplus	\$ -
	Reserve for Replacements	\$ 2,500,000
	Reserve for Bond Interest	\$ 106,942
	Reserve for Debt Service	\$ 2,094,831
	Reserve for Bond Principal	\$ -
	Reserve for Reserve	\$ -
	Fixed Assets, Net of Debt	\$ 31,970,278
	Net Income	\$ 2,029,813
Total Equity		\$ 58,516,647
Total Liabilities & Equity		\$ 70,842,656

Appomattox River Water Authority
YTD Income Statement for the period ending June 30, 2025

Water Rate Center

Revenues and Expenses Summary

Budget	Budget	Actual	YTD Budget	Variance
FY 24/25	Year-to-Date	Year-to-Date	vs. Actual	Percentage

Operating Budget vs. Actual

Preliminary

Revenues

Board Approved True-Up-Prior FY	\$ -	\$ -	\$ (341,103)	\$ (341,103)	#DIV/0!
Water Sales	\$ 12,653,236	\$ 12,653,236	\$ 13,441,620	\$ 788,383	6.23%
Rent/Misc. Income	\$ 30,000	\$ 30,000	\$ 23,918	\$ (6,082)	-20.27%
Total Operating Revenues	\$ 12,683,236	\$ 12,683,236	\$ 13,124,434	\$ 441,198	3.48%

Expenses

Personnel Cost	\$ 3,169,203	\$ 3,169,203	\$ 2,525,581	\$ (643,622)	-20.31%
Contractual/Professional Services	\$ 1,277,700	\$ 1,277,700	\$ 978,253	\$ (299,447)	-23.44%
Utilities	\$ 1,128,100	\$ 1,128,100	\$ 1,270,790	\$ 142,690	12.65%
Communication/Postal/Freight	\$ 46,500	\$ 46,500	\$ 53,900	\$ 7,400	15.91%
Office/Lab/Janitorial Supplies	\$ 113,000	\$ 113,000	\$ 109,975	\$ (3,025)	-2.68%
Insurance	\$ 130,000	\$ 130,000	\$ 130,867	\$ 867	0.67%
Lease/Rental Equipment	\$ 20,000	\$ 20,000	\$ 14,521	\$ (5,479)	-27.39%
Travel/Training/Dues	\$ 71,000	\$ 71,000	\$ 62,927	\$ (8,073)	-11.37%
Safety/Uniforms	\$ 40,000	\$ 40,000	\$ 33,158	\$ (6,842)	-17.11%
Chemicals	\$ 3,500,000	\$ 3,500,000	\$ 3,085,741	\$ (414,259)	-11.84%
Repair/Maintenance Parts & Supplies	\$ 358,000	\$ 358,000	\$ 471,356	\$ 113,356	31.66%
Total Operating Expenses	\$ 9,853,503	\$ 9,853,503	\$ 8,737,070	\$ (1,116,433)	-11.33%
Operating Results Suplus/(Deficit)	\$ 2,829,733	\$ 2,829,733	\$ 4,387,364	\$ 1,557,631	55.05%

\$ 8,737,070.41
\$ -

Replacement Outlay Budget vs. Actual

Machinery & Motors-Process	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)	-100.00%
Instrumentation	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)	-100.00%
IFIX Upgrade	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Computer Equipment	\$ 20,250	\$ 20,250	\$ -	\$ (20,250)	-100.00%
Furniture/Fixtures	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Motor Vehicles	\$ 12,000	\$ 12,000	\$ -	\$ (12,000)	-100.00%
Maintenance Equipment	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Phone/Gate System	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Elevated Tank-Engineering Report	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Clearwell Roof	\$ 300,000	\$ 300,000	\$ -	\$ (300,000)	-100.00%
Air Release Vault	\$ 110,000	\$ 110,000	\$ -	\$ (110,000)	-100.00%
Total Capital Outlay	\$ 742,250	\$ 742,250	\$ -	\$ (742,250)	-100.00%

BOD Designated Surplus Fund

Liquid Lime System	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Facility Improvements-Offices	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Raw Water Supply-Alt Analysis	\$ -	\$ -	\$ 160,000	\$ 160,000	#DIV/0!
Risk & Resilience Analysis	\$ -	\$ -	\$ 66,704	\$ 66,704	#DIV/0!
Operator 10	\$ -	\$ -	\$ -	\$ -	#DIV/0!
New Server Building	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Filter Inspections	\$ -	\$ -	\$ 44,474	\$ -	#DIV/0!

Debt Service Budget vs. Actual

Interest Income	\$ -	\$ -	\$ 835,936	\$ 835,936	#DIV/0!
Other (Income)	\$ -	\$ -	\$ 22	\$ 22	#DIV/0!
Sell of Asset	\$ -	\$ -	\$ 6,200	\$ 6,200	#DIV/0!
Interest Expense	\$ 364,483	\$ 364,483	\$ 358,447	\$ (6,036)	-1.66%
Int on Purchase of US Treas	\$ -	\$ -	\$ (46,250)	\$ (46,250)	#DIV/0!
Bond Issuance Cost	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Principal Payments	\$ 1,723,000	\$ 1,723,000	\$ -	\$ (1,723,000)	-100.00%
Leases-GASB 87 Interest	\$ -	\$ -	\$ 222	\$ 222	#DIV/0!

Other Expenses Deprec/Amort

Depreciation Expense	\$ -	\$ -	\$ 2,596,710	\$ 2,596,710	#DIV/0!
Amortizatin Expense-ROU Asset	\$ -	\$ -	\$ 5,415	\$ 5,415	#DIV/0!

**Appomattox River Water Authority
Executive Review
Cash And Debt Highlights
As of July 31, 2025**

Highlights: ARWA Cash Positions		30-Jun-25	31-Jul-25	Change	Explanation
Unrestricted Cash & Investments:					
Petty Cash	\$	400.00	\$ 400.00	\$ -	see explanation (a) below
SunTrust Operating Account	\$	2,347,329.37	\$ 4,141,127.16	\$ 1,793,797.79	see explanation (b) below
Restricted Cash and Investments:					
Water Revenue	\$	3,686,977.56	\$ 3,970,879.39	\$ 283,901.83	see explanation (d) below
LGIP-O&M Reserve	\$	6,311,395.04	\$ 6,335,039.22	\$ 23,644.18	see explanation (e) below
LGIP-Revenue Surplus	\$	1,654,716.83	\$ 1,635,784.67	\$ (18,932.16)	see explanation (f) below
ERRF (Equipment Repair/Replacement)	\$	2,543,579.90	\$ 2,553,234.78	\$ 9,654.88	see explanation (g) below
Debt Service Reserve	\$	2,098,816.01	\$ 2,092,833.87	\$ (5,982.14)	see explanation (h) below
2012 Bond Principal/Interest	\$	300,449.48	\$ 301,480.28	\$ 1,030.80	
2017 Bond Principal/Interest	\$	1,017,506.90	\$ 1,020,997.81	\$ 3,490.91	
2019 Bond Principal/Interest	\$	661,635.76	\$ 663,905.73	\$ 2,269.97	
Total Cash and Investments	\$	20,622,806.85	\$ 22,715,682.91	\$ 2,092,876.06	

Highlights: ARWA Outstanding Bonds		30-Jun-25	31-Jul-25	Change
2012 Bond	\$	85,000.00	\$ 85,000.00	\$ -
2017 Bond	\$	7,830,000.00	\$ 7,830,000.00	\$ -
2019 Bond	\$	4,485,000.00	\$ 4,485,000.00	\$ -
2019 Bond-Def Amt on Refund	\$	(58,301.79)	\$ (58,301.79)	\$ -
Total Bonds Outstanding	\$	12,341,698.21	\$ 12,341,698.21	\$ -

Explanation of Unrestricted and Restricted Cash positions:

- a. On-Hand Petty Cash for incidental expenses
- b. Financial Policy: Based on next four months of O&M expense
- d. Financial Policy: Held by Trustee for all operating water revenues
- e. Financial Policy: 50% of current FY O&M Budget
- f. Board Approval: Surplus Revenue approved for specific projects.
- g. Financial Policy: Must maintain a minimum of \$2.5M
- h. Financial Policy: Held by Trustee, funded at such amount as may be necessary.

2012	Principal	Interest	Total	2017	Principal	Interest	Total	2019	Principal	Interest	Total
Year Ended June 30				Year Ended June 30				Year Ended June 30			
2013	\$ -	\$ 93,906.15	\$ 93,906.15								
2014	\$ 193,000.00	\$ 109,321.50	\$ 302,321.50								
2015	\$ 199,000.00	\$ 103,245.50	\$ 302,245.50								
2016	\$ 205,000.00	\$ 96,983.50	\$ 301,983.50								
2017	\$ 211,000.00	\$ 90,535.50	\$ 301,535.50								
2018	\$ 218,000.00	\$ 83,886.00	\$ 301,886.00	2018		\$ 94,350.00	\$ 94,350.00				
2019	\$ 225,000.00	\$ 77,019.50	\$ 302,019.50	2019	\$ 750,000.00	\$ 330,225.00	\$ 1,080,225.00				
2020	\$ 232,000.00	\$ 69,936.00	\$ 301,936.00	2020	\$ 769,000.00	\$ 311,115.98	\$ 1,080,115.98	2020	\$ -	\$ 75,205.83	\$ 75,205.83
2021	\$ 239,000.00	\$ 62,635.50	\$ 301,635.50	2021	\$ 789,000.00	\$ 291,516.34	\$ 1,080,516.34	2021	\$ 90,000.00	\$ 167,283.25	\$ 257,283.25
2022	\$ 247,000.00	\$ 55,102.50	\$ 302,102.50	2022	\$ 809,000.00	\$ 271,413.50	\$ 1,080,413.50	2022	\$ 545,000.00	\$ 160,940.03	\$ 705,940.03
2023	\$ 255,000.00	\$ 47,321.50	\$ 302,321.50	2023	\$ 830,000.00	\$ 250,794.88	\$ 1,080,794.88	2023	\$ 555,000.00	\$ 149,759.83	\$ 704,759.83
2024	\$ 263,000.00	\$ 39,292.50	\$ 302,292.50	2024	\$ 851,000.00	\$ 229,647.90	\$ 1,080,647.90	2024	\$ 565,000.00	\$ 138,011.18	\$ 703,011.18
2025	\$ 271,000.00	\$ 31,015.50	\$ 302,015.50	2025	\$ 872,000.00	\$ 207,972.56	\$ 1,079,972.56	2025	\$ 580,000.00	\$ 125,495.06	\$ 705,495.06
2026	\$ 280,000.00	\$ 22,475.00	\$ 302,475.00	2026	\$ 895,000.00	\$ 185,743.70	\$ 1,080,743.70	2026	\$ 595,000.00	\$ 111,887.68	\$ 706,887.68
2027	\$ 288,000.00	\$ 13,671.00	\$ 301,671.00	2027	\$ 918,000.00	\$ 162,936.16	\$ 1,080,936.16	2027	\$ 615,000.00	\$ 97,223.93	\$ 712,223.93
2028	\$ 297,000.00	\$ 4,603.50	\$ 301,603.50	2028	\$ 941,000.00	\$ 139,549.94	\$ 1,080,549.94	2028	\$ 620,000.00	\$ 81,701.76	\$ 701,701.76
				2029	\$ 965,000.00	\$ 115,572.46	\$ 1,080,572.46	2029	\$ 640,000.00	\$ 65,204.26	\$ 705,204.26
	\$ 3,623,000.00	\$ 1,000,950.65	\$ 4,623,950.65	2030	\$ 989,000.00	\$ 90,991.14	\$ 1,079,991.14	2030	\$ 655,000.00	\$ 47,762.13	\$ 702,762.13
Maintenance Projects				2031	\$ 1,015,000.00	\$ 65,780.82	\$ 1,080,780.82	2031	\$ 670,000.00	\$ 29,438.75	\$ 699,438.75
charged to members based on Allocations				2032	\$ 1,040,000.00	\$ 39,928.92	\$ 1,079,928.92	2032	\$ 690,000.00	\$ 10,021.25	\$ 700,021.25
				2033	\$ 1,067,000.00	\$ 13,422.86	\$ 1,080,422.86				
					\$ 13,500,000.00	\$ 2,800,962.16	\$ 16,300,962.16		\$ 6,820,000.00	\$ 1,259,934.94	\$ 8,079,934.94
				Maintenance Projects				***This was both an expansion and maintenance project***			
				charged to members based on Allocations				***Charged as follows: (45.62%-expansion, 54.38%-allocation)***			

2022	\$	1,601,000.00	\$	487,456.03	\$	2,088,456.03
2023	\$	1,640,000.00	\$	447,876.21	\$	2,087,876.21
2024	\$	1,679,000.00	\$	406,951.58	\$	2,085,951.58
2025	\$	1,723,000.00	\$	364,483.12	\$	2,087,483.12
2026	\$	1,770,000.00	\$	320,106.38	\$	2,090,106.38
2027	\$	1,821,000.00	\$	273,831.09	\$	2,094,831.09
2028	\$	1,858,000.00	\$	225,855.20	\$	2,083,855.20
2029	\$	1,605,000.00	\$	180,776.72	\$	1,785,776.72
2030	\$	1,644,000.00	\$	138,753.27	\$	1,782,753.27
2031	\$	1,685,000.00	\$	95,219.57	\$	1,780,219.57
2032	\$	1,730,000.00	\$	49,950.17	\$	1,779,950.17
2033	\$	1,067,000.00	\$	13,422.86	\$	1,080,422.86