JAMES RIVER WATER AUTHORITY
BOARD OF DIRECTORS
SPRING CREEK SPORTS CLUB
181 CLUBHOUSE WAY
ZION CROSSROADS, VIRGINIA
MAY 3, 2016
10:30 A.M.

Present: Goodman B. Duke (Chairman), D.D. Watson (arrived 10:31 a.m.), Joe Chesser (Treasurer), Steven M. Nichols, and Christian R. Goodwin

Absent: Mark Dunning

Others Present: Mr. Brendan Hefty, Legal Counsel (Hefty, Wiley, and Gore); Andy Wade, Louisa County Economic Development; John Robins, Louisa County Engineer; Steve Johnson, Troutman Sanders; Joe Hines, Timmons Group; Sean Ekiert, Raymond James; Joe Modica, MBP; David Ervin, MEB; David Saunders, Timmons Group; John Thornton, MEB; Pam Baughman, Louisa County Water Water Authority

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CALL TO ORDER

Chairman Duke called the meeting of the James River Water Authority (JRWA) Board of Directors to order at 10:30 a.m. Mr. Nichols led the Board in the Pledge of Allegiance.

ADOPTION OF AGENDA

On the motion of Mr. Chesser, seconded by Mr. Goodwin, which carried by a vote of 4-0, the Board approved the agenda.

READING AND APPROVAL OF MINUTES OF PRECEDING MEETINGS

On the motion of Mr. Nichols, seconded by Mr. Goodwin, which carried by a vote of 5-0 (Mr. Watson arrived at 10:31 a.m), the Board approved the minutes of the March 30, 2016, and April 5, 2016, meetings.

FINANCIAL REPORT

Mr. Nichols noted that the Authority would need to consider a formal budget for adoption at the June meeting. Mr. Hefty added that no public hearing would be necessary.

Four bills were presented for payment:

- MBP, engineering review; $585.00
- Richmond Times-Dispatch, publication; $120.00
- Hefty, Wiley and Gore; quarterly legal representation: $7,500.00
- Randolph, Boyd, Cherry, Vaughan; property acquisition guidance: $3,126.50

On the motion of Mr. Nichols, seconded by Mr. Chesser, which carried by a vote of 5-0, the bills were approved for payment.

DISCUSSION/INFORMATION ITEMS

Update – Construction Management Proposals and Review Process

Mr. Goodwin stated that proposals had been received and reviewed by a committee consisting of Wayne Stephens, Mark Dunning, John Robins, and himself. Interviews are being scheduled and the committee will bring a recommendation for consideration by the Authority at the next meeting.

ACTION ITEMS

Colonial Pipeline Encroachment Agreement

Mr. Hefty reviewed the terms of the agreement. Mr. Duke asked why the water line needed to cross the gas line. Mr. Nichols stated that it was because the line starts out east of the gas line, and needs to end up west of it, and also because the crossing on the JRWA segment and those on the Louisa segment minimize land impacts and requirements. Mr. Duke asked what happened if the pipe damaged during construction. Mr. Jack Sanford of Faulconer Construction stated that his company carries insurance for use if this type of situation occurred. Mr. Hefty stated that the agreement held the Authority responsible, but that the Authority would hold the company responsible. Mr. Sanford agreed. Mr. Duke asked what would happen if the water line were compromised at some point in the future and the gas line were damaged. Faulconer representatives stated that this was highly unlikely given the fact that the pipe would be an unbroken line in the vicinity of the gas line. A brief discussion of "casing" the line ensued, and Mr. Morris stated that this could cause corrosion issues with the gas line. Mr. Sanford reminded the Authority that Colonial's requirements were being followed to the letter.

On the motion of Mr. Chesser, seconded by Mr. Nichols, which was approved by a vote of 5-0, the Board approved the agreement as presented.

Purchase & Sale Agreement for Hammond Property

Mr. Goodwin reviewed the agreement. Mr. Nichols asked about other necessary easements, which would still need to be acquired, according to Mr. Goodwin. General discussion about the terms and any impacts to adjacent parcels ensued. Mr. Hines noted that the intent was not to impact any parcels to the east of the pump station parcel, and that a national arborist was involved to evaluate tree protection.

On the motion of Mr. Nichols, seconded by Mr. Watson, which passed by a vote of 5-0, the Board authorized the Chairman to approve and sign the agreement for parcel purchase.

Wetlands Credits Purchase Agreement

The Board decided to consider this agreement prior to the Comprehensive Agreement on the agenda. Mr. Hefty and Mr. Hines reviewed the terms of the agreement, which included the purchase of 0.1

credits with a sellback clause for unused credits. Mr. Johnson noted that the credits needed to be purchased in advance of the debt issuance.

On the motion of Mr. Goodwin, seconded by Mr. Watson, which passed by a vote of 5-0, the Board authorized the agreement and instructed the Treasurer to provide $3,600 to Byrd Creek, LLC via overnight check.

CLOSED MEETING

On the motion of Mr. Goodwin, seconded by Mr. Watson, which carried by a vote of 5-0, the Board voted to enter Closed Session at 11:02 a.m. for the purpose of discussing the following:

1. In accordance with §2.2-3711.A.29 VA Code Ann., for the purpose of discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body, specifically related to the Comprehensive Agreement.

RESUMPTION OF REGULAR SESSION

On the motion of Mr. Goodwin seconded by Mr. Watson, which carried by a vote of 5-0, the Board voted to return to regular session at 11:40 a.m.

RESOLUTION - CERTIFICATION OF CLOSED SESSION

On the motion of Mr. Goodwin, seconded by Mr. Nichols, which carried by a vote of 5-0, the Board voted to adopt the following resolution:

WHEREAS, the James River Water Authority Board of Directors has convened a Closed Meeting pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, §2.2-3712.D of the Code of Virginia requires a certification by the James River Water Authority Board of Directors that such closed meeting was conducted in conformity with the Virginia Law.

NOW, THEREFORE BE IT RESOLVED that the James River Water Authority Board of Directors does hereby certify that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law 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 was heard, discussed or considered by the James River Water Authority Board of Directors.

NAME VOTE

Joe Chesser	Yes/Aye
D.D. Watson	Yes/Aye
Mark Dunning	(absent)
Christian R. Goodwin	Yes/Aye
Steven M. Nichols	Yes/Aye
Goodman B. Duke	Yes/Aye

CLOSED MEETING

On the motion of Mr. Goodwin, seconded by Mr. Watson, which carried by a vote of 5-0, the Board voted to enter Closed Session at 11:41 a.m. for the purpose of discussing the following:

2. In accordance with §2.2-3711.A.29 VA Code Ann., for the purpose of discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body, specifically related to the Comprehensive Agreement and the Construction Manager.

RESUMPTION OF REGULAR SESSION

On the motion of Mr. Goodwin seconded by Mr. Watson, which carried by a vote of 5-0, the Board voted to return to regular session at 12:07 p.m.

RESOLUTION - CERTIFICATION OF CLOSED SESSION

On the motion of Mr. Watson, seconded by Mr. Goodwin, which carried by a vote of 5-0, the Board voted to adopt the following resolution:

WHEREAS, the James River Water Authority Board of Directors has convened a Closed Meeting pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, §2.2-3712.D of the Code of Virginia requires a certification by the James River Water Authority Board of Directors that such closed meeting was conducted in conformity with the Virginia Law.

NOW, THEREFORE BE IT RESOLVED that the James River Water Authority Board of Directors does hereby certify that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law 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 was heard, discussed or considered by the James River Water Authority Board of Directors.

NAME	VOTE
Joe Chesser	Yes/Aye
D.D. Watson	Yes/Aye

Mark Dunning	(absent)
Christian R. Goodwin	Yes/Aye
Steven M. Nichols	Yes/Aye
Goodman B. Duke	Yes/Aye

The Board took a recess and reconvened at 12:26 p.m.

Comprehensive Agreement

The Board requested clarification on the amount added to the project price due to the pump station relocation. According to Faulconer representatives, this amount is $424,574. Mr. Nichols requested clarification on the increase. Mr. Sanford and Mr. Morris responded that several factors were contributory. General discussion regarding pricing ensued.

On the motion of Mr. Watson, seconded by Mr. Chesser, which passed by a vote of 5-0, the board approved the Comprehensive Agreement for the project in the total amount of $8,494,641.10, with Fluvanna's direct cost responsibility for the new pump station parcel engineering/construction at $584,775 of that amount, leaving a shared James River Water Authority amount of $7,909,866.10. A change order of $207,500 for new pump station parcel engineering is included in the total.

OTHER ITEMS

The Board discussed the total amount which would be communicated to the Virginia Resources Authority for the purposes of issuing debt for the project. Two changes to the initially proposed costs for additional services were evaluated: an increase in the Construction Manager line (to $400,000) and in the Other Working Capital/Contingency line (to $125,000). Discussion regarding these amounts ensued.

On the motion of Mr. Nichols, seconded by Mr. Chesser, which passed by a vote of 5-0, the Board authorized bond counsel (Mr. Johnson) to convey at total debt issuance amount of $8,978,220.10 to the Virginia Resources Authority. The amount includes a reimbursement to the Authority of $828,270.60 for project costs incurred in advance of debt issuance.

Discussion regarding billing for costs not actually incurred during construction ensued. Mr. Sanford stated that Faulconer was hesitant to use such an arrangement as this may adversely affect contingencies.

ADJOURNMENT

On the motion of Mr. Watson, seconded by Mr. Goodwin, which carried by a vote of 5-0, the Board voted to adjourn the meeting at 12:58 p.m.

BY ORDER OF:

GOODMAN B. DUKE, CHAIRMAN
BOARD OF DIRECTORS
JAMES RIVER WATER AUTHORITY