

**James River Water Authority
Board of Directors Meeting
181 Clubhouse Way
Zion Crossroads, Virginia
June 7, 2016
10:30 A.M.**

Regular Business Meeting of the James River Water Authority Board of Directors

I. Call to Order

II. Adoption of Agenda

III. Items from the Public

IV. Approval of Minutes of Preceding Meeting

- a. May 3, 2016 – Regular Meeting

V. Financial Report

VI. Discussion/Information Items

- a. Update- Construction Management Solicitation

VII. Action Items

- a. Action – Agreement between JRWA and the County of Fluvanna
- b. Action – Colonial Encroachment Agreement
- c. Action – Resolution to Adopt the Member Agreement to Join The Virginia Association of Counties Group Self Insurance Risk Pool
- d. Action – Member Agreement for the Virginia Association of Counties Group Self Insurance Risk Pool
- e. Action- Financial Advisory Fee for Raymond James
- f. Action- Bond Counsel for Troutman Sanders

A. Consent Agenda

B. Closed Meeting

C. Adjournment

The James River Water Authority Board of Directors reserves the right to amend and/or change the Agenda the day of the meeting.

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

**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 Authority

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.

<u>NAME</u>	<u>VOTE</u>
Joe Chesser	Yes/Aye
D.D. Watson	Yes/Aye

Mark Dunning
Christian R. Goodwin
Steven M. Nichols
Goodman B. Duke

(absent)
Yes/Aye
Yes/Aye
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

DRAFT

Proposed Scope of Services for the Construction Management Team

The Construction Management (CM) Team is expected to provide services to ensure that the project will meet the expectations of the James River Water Authority (JRWA). To this end, the CM team is expected to:

1. Contract Administration – Review the contract documents and will ensure that the design build team complies with these documents.
2. Permit Review and Compliance – Become and remain familiar with the requirements of the permits for the project. Assist in obtaining any necessary permits and will ensure compliance therewith throughout construction. Keep the Project Team apprised of any issues that may result once they are identified.
3. Specification and Plan Review – Liaise with project engineers and construction vendors to oversee completion of 100% design drawings and specifications. Review these documents to ensure that they will result in a project that meets the overall needs of the JRWA in a cost effective manner. Function as necessary to consider and resolve any construction issues which arise.
4. Schedule of Values – Review the schedule of values to determine compliance with overall contract price and sufficient detail to allow for verification and approval of contractor payments.
5. Project Schedule – Review the project schedule to verify that it complies with the contract requirements and has enough detail to allow the Project Team to track the project accurately.
6. Submittals – Review and recommend approval or changes to submittals.
7. Requests for Information – Review and recommend acceptance or changes to requests for information after the A/E has submitted an answer to them.
8. Pay Application – Review and recommend approval or changes to payment applications.
9. Issue Resolution – Review and recommend solutions to issues that arise during construction.
10. Citizen Issue Resolution – Review and recommend solutions to citizen issues that arise during the project. Alert the project team of any issues as soon as they are discovered.
11. Web Site – The Design Build Team (Contractor) will create and maintain a web site to keep citizens abreast of project progress and look ahead for work on the project. The CM team will review this website weekly and suggest additions or changes to provide information to the citizens.
12. Meeting Minutes – The Design Build Team is responsible to create minutes of meetings between the Contractor and the CM team. The CM team will review the meeting minutes and recommend changes as appropriate. The CM team will create minutes for any meetings that are the responsibility of the CM team.
13. Project Meetings – Attend project meetings including the routine monthly status and pay meetings along with any specially called meetings.
14. JRWA Meetings – Attend JRWA meetings throughout the project and present a brief update of the project, compliance with the schedule, construction issues, schedule issues, and any changes that may change the project schedule.

15. Full Time Inspection – Provide inspection services for the project as required. The inspector is expected to use time on site judiciously in order to minimize cost to the JRWA while providing effective service. Expected on-site activities include: quality assurance oversight, material sampling and testing, on-site constructability reviews, coordination/liaison with regulatory personnel
16. Substantial Completion – Review and recommend approval or rejection of substantial completion for the project.
17. Punchlist – As the project nears completion, develop a punchlist of items that need to be addressed to bring the project to full completion.
18. As-Built Drawings – Review and recommend changes and approval of the as-built drawings and associated documents.
19. Operations and Preventative Maintenance Manuals – Review and recommend changes and approval of the operations and preventative maintenance manuals.
20. Commissioning – Ensure that appropriate training meetings are established to review the operations of the system for attendance of the JRWA staff. Ensure that the equipment suppliers have performed proper installation and start up procedures so that the equipment will function correctly and in accordance with the overall requirements of the entire system.

Definitions:

JRWA – James River Water Authority

CM team – Construction Management Team

Design Build Team – Faulconer Construction, MEB Construction, and Timmons Engineering

Project Team – The contacts for the JRWA which will be selected at the start of the project

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

RECITALS:

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

WHEREAS, the Authority applied for a special use permit to construct the Project on tax map number 53-A-62C in the County Fluvanna, which was rejected by the County on December 3, 2015; and

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

WHEREAS, on January 20, 2015, the County approved a special use permit for the Authority to construct the Project on tax map number 61-A-4; and

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

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

Section 1. The County agrees to make a payment to the Authority in the amount of _____ within 30 days of the Effective Date of this Agreement to pay for the additional costs incurred by the Authority associated with relocating the Project to tax map number 61-A-4.

Section 2. The Authority agrees to apply the amount received under Section 1 above towards the payment of the guaranteed maximum price as described in the Comprehensive Agreement between the Authority and Faulconer Construction Company, Inc. dated May ___, 2016 for the construction of the James River Water Authority’s Project.

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

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

JAMES RIVER WATER AUTHORITY

By: _____
Chairman

Approved as to Form

Authority Attorney

COUNTY OF FLUVANNA, VIRGINIA

By: _____
Chair, Board of Supervisors

Approved as to Form

Fluvanna County Attorney



ROW-F02
Colonial Pipeline Company
Encroachment Agreement

Colonial Pipeline Company
425 Duncan Store Rd.
Columbia, VA 23038

Encroachment No.: 903-2015 JRWP-A
Date: 09-16-2015
Encroaching Party:

James River Water Authority
James River Water Project

Attn: _____

Re: Encroachment Agreement –
Crossing #1 CPC Loc. 903, Tract No. 026, Map 5VA059, Line No. 03&04, Station
No. (03-6070+11) (04-6072+84) in Fluvanna County, state of Virginia.

Colonial Pipeline Company grants the James River Water Authority permission to install (1) 24-inch Water Line crossing encroaching upon Colonial's 32' AND 36' -inch petroleum products pipeline(s) as approved by Colonial's field representative, subject to the following conditions:

1. Notify State utilities protection center, in accordance with local, State and Federal laws. Colonial will not inspect or approve any work, until a locate notice (Dial 811) has been issued. Notify Tim Mullins by cell phone at 434-996-7115 at least two (2) working days prior to any construction, subsequent maintenance, or repair, so that Colonial may provide a representative on the site. If he cannot be reached, then notify Richard Harris at 434-391-4230.
2. No excavation or construction is permitted over Colonial's pipeline(s) or within its right of way without a Colonial representative being present. The location of the pipeline(s) shall be identified prior to the beginning of any mechanical excavation work. If the location of the pipeline(s) is not known, only hand excavation will be allowed. Based on circumstances at the encroachment site, Colonial's representative has the authority to determine the extent of hand excavation required. However, absent special permission from Colonial's Representative, no mechanized ditching or excavation shall be allowed within five (5) feet of the extremities of the pipelines. **IN ANY EVENT, ALL EXCAVATION WITHIN TWO (2) FEET OF THE PIPELINE(S) MUST BE ACCOMPLISHED BY HAND.** Where hand excavation is required, the encroaching party must

provide adequate manpower to perform that work. Subgrading, grading, and placement of fill over Colonial's pipeline(s) will require the approval of Colonial's field representative as to method and extent.

3. Full access must be maintained to the pipeline(s) at all times. Stockpiling of fill, including spoil, or topsoil over the pipeline(s), is not permitted, unless approved by the Colonial representative.
4. Underground utilities (i.e. storm drains, water lines, telephone, electric, etc.) may cross the easement, providing they maintain a minimum vertical clearance of twenty four (24) inches, except where horizontal directional drilling methods are used, then sixty (60) inches will be required over or under Colonial's pipeline(s), and cross at as near a perpendicular angle as practical. Septic drain fields and or sewage drains used for percolation are not permissible inside the pipeline easement. All utility crossings of Colonial's pipeline(s) and respective easements must be constructed of galvanized steel, ductile iron double wrapped with poly wrap, reinforced concrete, or schedule 80 PVC for the entire width of the right of way being crossed.
5. Blasting within the immediate vicinity of Colonial's right of way shall be conditionally allowed. The contractor, planning blasting within 200 feet (61 m) of a pipeline or when scaled distance values at the pipeline are less than 50, must give advance notification of proposed blasting and submit a completed blasting plan (Form 3005), to be approved by Colonial, prior to the commencement of any blasting operations. A Colonial inspector is required to be on site to observe all drilling, loading, and blasting operations. The contractor shall provide in-progress seismic readings and blasting reports. All blasting operations must meet the requirements of the Occupational Health and Safety regulations contained in CFR Title 29, Part 1926, Subpart U – Blasting and Use of Explosives.
6. Any erosion control measures required for your development including temporary diversion dikes, sediment traps, silt fences, gravel outlets, and emergency spillways that may influence or contribute to the degradation of Colonial's right of way will require the approval of Colonial's field representative as to equipment and method. Under no circumstances shall water be impounded on the pipeline(s) right of way.
7. Upon request of the encroaching party, landowner or their agents, Colonial will determine the approximate location of its pipeline(s) and right of way limits; however, in doing so, Colonial makes no warranty as to the accuracy of the locations and measurements given. Colonial also cannot provide assurance that its permanent line markers are positioned directly over its pipeline(s).
8. Original vegetation on Colonial's right of way shall not be disturbed except in areas of approved construction and approved equipment crossings. Highly visible plastic fence or other approved temporary barricade will be required at contractor's expense along Colonial's easement boundaries if Colonial's field representative deems it necessary; to ensure that contractor traffic does not travel over the pipeline(s).
9. Permanent structures are not permitted on the right of way. Manholes, junction boxes, valve boxes, fire hydrants, service meters, storm drain inlets, and utility poles are considered permanent structures. No fences or temporary structures shall be allowed in the right of way without the

express approval of Colonial's representative. Temporary structures include such items as signs, trailers, temporary power poles, etc.

10. Heavy equipment shall not be permitted to operate over the pipeline(s) unless earth padding has been provided to protect the pipeline from vibrating. Temporary equipment crossings over the pipeline(s) are permitted with six (6) vertical feet of cover over the pipeline(s) at selected locations as approved by Colonial's field representative. Depth of pipe as determined by test holes will determine amount of temporary fill required. Colored sheets of plastic shall be placed under the temporary fill at original grade so that original grade will not be disturbed when temporary fill is removed. No equipment or vehicles may be parked on the right of way. No material may be stored on the right of way.
11. The encroaching party acknowledges that Colonial's pipelines utilize impressed electrical current ("cathodic protection") for the protection of the steel. Only Colonial personnel will correct any loss of this protection caused by the encroaching party. The cost to correct this damage will be paid by the encroaching party. Further, encroaching party recognizes there may be some risk of damage to your facilities because they are in close proximity to said cathodic protection system and, therefore, any damages to encroaching party's facilities resulting from Colonial's impressed electric current shall be encroaching party's responsibility.
12. Only low growing ornamental type shrubbery with a maximum expected height of four (4) feet shall be allowed within the right of way. In addition, no pipeline marker shall be obscured from public view.
13. Relocation or removal of Colonial's pipeline markers shall not be permitted without the approval of a Colonial representative. Pipeline markers made unusable or damaged shall be repaired or replaced at the encroaching party's expense.
14. Parallel occupancy of the pipeline's easement with road right of way, or utilities is not permitted. Crossing shall be as near as a perpendicular angle to the easement as practical.
15. All proposed roadways, driveways and parking areas should maintain a minimum of four feet (4') from top of pipe to top road surface and three (3) feet minimum vertical cover in open drainage or road ditches. Colonial's Engineering may increase these minimum requirements as determined by a stress analysis of the pipe, and other variable conditions and factors. Colonial may consider concrete protection slabs, per Colonial's specifications as an option, to be installed to protect the pipeline(s).
16. Any and all pipeline(s) within the proposed road, parking, or railway area, will be excavated and visually inspected, with the possible reapplication of pipeline coatings applied, by a Colonial contractor, at the full expense of the encroaching party. Colonial requires that the pipeline coating system be evaluated for suitability of service in relation to the proposed encroachment. Should Colonial deem that the coating system is insufficient due to increased soil stresses or other factors, Colonial will, at the developer's expense, upgrade the pipeline coating to accommodate the proposed encroachment. Colonial will backfill the inspected area to its standard, and will not be held responsible for compaction. (NOTE: A Pipeline Accommodation Agreement for

reimbursement to Colonial shall be executed between Colonial and the encroaching party prior to such adjustment.)

17. Cover above the pipeline(s) shall be a minimum of four (4) feet, and in general a maximum of six (6) feet, unless approved by the Right of Way Coordinator.
18. The burning of trash, debris, etc. shall not be permitted within Colonial's right of way.
19. Should any damage occur to the herein permitted encroachment, as a result of Colonial exercising any of its rights at any time, Colonial will not be responsible for said damage; and any expense or monetary cost involved in the repair of said damages will be borne by owners of said damaged encroachment.
20. To the extent permitted by law, the encroaching party agrees to defend and hold Colonial Pipeline Company harmless from all loss, cost, or other expense, including personal property and bodily injuries, whether occurring to it or to Colonial, or the respective employees, agents and servants of either, or to third parties, which are proximately caused by or arise from the installation, maintenance, or repair of the herein permitted works, with the exception of claims due to the sole negligence of Colonial Pipeline Company. Nothing contained in this paragraph shall be construed as a waiver of the James River Water Authority's sovereign immunity.
21. This approval is granted only to the extent of and with no actual or implied diminishment of Colonial's rights and interests and without either express or implied warranty.
22. Fences shall be constructed with gates sufficiently large enough to allow Colonial's personnel and equipment the right of ingress and egress. Fence posts shall be installed at least five (5) feet to the side of any pipeline, with the approval of the field representative.
23. If the approximate location of the pipeline(s) is required, steel prod bars, shovels, and electrical sending devices may be used by Colonial's field personnel only. It should be noted that these methods are only approximate and can be misleading. The exact location of the pipeline(s) can best be found with test pitting.
24. If test pitting is required to determine the exact location, and elevation, of the pipeline(s), the Encroaching party agrees to notify the undersigned at least two (2) working days in advance, so that he may provide a Colonial field representative to be at the site. This representative must be present during the test pitting for the protection of the pipeline(s), and for the common verification of its location. All costs for this test pitting, and for the Colonial representative, will be borne by the encroaching party. Any engineering based on Colonial or other design criteria stemming from the amount or location of this test pit data is the responsibility of the encroaching party.
25. Colonial reserves the right to open, cut, excavate and dig across the proposed road, railway, sidewalks, avenues, utility lines, or any other encroachment herein granted by this agreement, and in any such event, Colonial shall not be liable for the restoration of same, or the payment of any damages to the encroaching party.

26. Excavation or grading which might result in erosion or which could render the right of way inaccessible shall not be permitted unless the encroaching party agrees to restore the area and provide protection to Colonial's pipeline(s). Any erosion control measures within the right of way including diversion dikes, sediment traps, silt fences, gravel outlets, and emergency spillways will require approval of the Colonial representative, as to equipment and method.
27. If construction on the aforementioned project is not initiated within one calendar year of the date of this letter of agreement, then Colonial Pipeline shall have the right to reconsider the conditions and privileges herein granted, and have full right to alter same, dependant upon current protocol.
28. The encroaching party agrees that all work on Colonial's right of way shall be performed in a Workmanlike manner and in compliance with all applicable government and industry standards and codes.
29. Upon failure of the encroaching party, owner or his agents to comply with any of the Terms of this Agreement and the failure is not corrected within sixty (60) days of receipt of written notice, Colonial will provide Encroaching Party with advance written notice of any intent to revoke this Agreement in its entirety, prevent same from continuing any activity in violation of the terms of this Agreement or its rights under its easements and prior agreements and make any necessary repairs or adjustments to its pipeline(s) or right of way with its own or contract forces at the expense of the party requesting the encroachment.
30. Colonial Pipeline Company will have the option of installing video surveillance camera(s) to provide continuous monitoring of its facilities.
31. Notwithstanding anything to the contrary in this Agreement, Encroaching Party is not allowed to perform the encroaching activities contemplated hereunder without first paying Colonial for any Accommodation Work necessary to be performed by Colonial to protect its pipeline(s) and rights of way from those encroaching activities. Additionally, if such Accommodation Work is required, the encroaching activities will not be initiated until said Accommodation Work is completed. Said Accommodation Work and estimate therefore should have been outlined in detail in previous correspondence to Encroaching Party. If such previous correspondence has not been received, Encroaching Party is required to request same.
32. Should your project be ongoing in close proximity to Colonial's pipeline(s) for an extended period of time, it will be necessary for a Colonial representative to be on-site for a significant duration. Accordingly, since such extended inspection time is outside the scope of Colonial's normal operations, you will be billed for that representative's time. Colonial's policy is to bill for any inspection time in excess of a total of 10 hours (cumulative for that project) and for any evening, weekend or holiday time.
33. This agreement approves only the work specified above all utility encroachments will need to be approved by the local inspector for Colonial Pipeline Company.
34. The following special conditions shall apply, and be required for this project.

Please signify acceptance of the above conditions by a proper official in the space provided below, and return to the Right of Way Coordinator's office. Colonial Pipeline will notify you to proceed with your project upon receipt of the signed original.

Sincerely,



Tim Mullins

Colonial Pipeline Representative

Encroachment No.: 2015 JRWP

ACCEPTED AND AGREED TO THIS 16th DAY OF May 2016.



(signature)

James River Water Authority

(company)

BY: Steven M. Nichols
(name, typed or printed)

TITLE: JRWA Board Member
(typed or printed)

Original: Right of Way Department

**RESOLUTION TO ADOPT THE MEMBER AGREEMENT TO JOIN
THE VIRGINIA ASSOCIATION OF COUNTIES
GROUP SELF INSURANCE RISK POOL**

WHEREAS, James River Water Authority desires to protect against liability claims and property losses and to provide for payment of claims or losses for which it may be liable; and

WHEREAS, the Virginia Association of Counties Group Self Insurance Risk Pool, aka VACoRP, has been established pursuant to Chapter 27 (§ 15.2-2700 et seq.) and Title 15.2 of the code of Virginia; and

WHEREAS, it is desirable for James River Water Authority to join the Virginia Association of Counties Group Self Insurance Risk Pool in order to provide a method of risk sharing for liability, workers' compensation and property losses;

NOW, THEREFORE, BE IT RESOLVED that the governing body of James River Water Authority hereby agrees to the member agreement entitled "Member Agreement for Virginia Association of Counties Group Self Insurance Risk Pool" which creates a group fund to pay liability and workers' compensation claims and property losses of the counties and other local agencies joining the Group, and we acknowledge we have received a copy of the pertinent Plan and supporting documents.

BE IT FURTHER RESOLVED that _____ is authorized to
(title of official)
execute the member agreement to join the Virginia Association of Counties Group Self Insurance Risk Pool and to act on behalf of James River Water Authority in any other matter relative to the Group.

This the _____ day of May, 2016.

ATTEST: _____
Clerk or Secretary

Chairman



VACORP

Prorated FY2015-16 and FY2016-17

Self Insurance Proposal for Property, Liability,
and Automobile Coverage

Proposal to: James River Water Authority



For additional information, contact:
Stephanie Heintzleman
1315 Franklin Road SW
Roanoke, VA 24016
Phone: (844) 986-2705

Presented: May 13, 2016

Package coverages, terms, conditions and exclusions are only briefly outlined. For complete provisions please refer to the coverage contract.



VACORP

We provide the most extensive coverage and service
at stable and extremely competitive pricing.

Why VACORP?

Member-Owned, Member Governed

VACORP provides coverage and risk management expertise to local government entities throughout Virginia. By pooling risks, members enjoy the benefits of comprehensive coverage, cost savings, and price stability. Unlike a commercial carrier, VACORP is governed by a Supervisory Board that is comprised of pool members that have a common interest. As a member governed organization, VACORP knows and understands its members' needs and has a proven record of quickly responding to the changes in state laws and mandates.



Services and Resources

VACORP uses its expertise to custom design services to meet the specific needs of each member, including risk management consultations and on-site trainings.

- Automatic 5% dual program credit when Workers' Compensation coverage added
- Online tools allow our members easy access to claim reporting, claims data, customized loss reports, Certificate of Insurance requests, and changes to Property, Inland Marine, and Auto schedules
- Customized risk management programs designed specifically for each member based on claims/risks
- Hot topic workshops presented in various regions across Virginia
- Contract and lease review to ensure adequate coverage requirements and indemnification language
- Pollution coverage included as part of the general liability coverage
- Property appraisals are completed on a rotating basis at no charge
- Cyber risk coverage provided at no charge
- Case Management services provided by nursing professionals In-House
- Medical Bill Review to ensure cost effective treatment for injured employees
- Nurse triage services available by trained professionals
- Live and recorded training webinars
- Defensive Driver Training with Enhanced On-Site Driving Simulator
- Onsite Law Enforcement Staff Training with continuing education credits
- OSHA Training
- Online SafePersonnel Training Courses



VACORP is pleased to provide this information. Coverage details are provided in the proposal documents. Please let us know if you need additional information.



VACORP

James River Water Authority

Contribution Summary Form

Coverage	Deductible	FY2015-2016 5/12/16 - 7/1/16 Prorated Contribution	FY2016-2017 7/1/16 – 7/1/17 Annual Contribution
General Liability: \$2,000,000 Combined Single Limit; Occurrence Form; No Annual Aggregate; Non-Audited	None	\$58	\$250
Public Officials Liability: \$1,000,000 Limit Each Wrongful Act	\$1,000	\$26	\$550
Automobile: \$1,000,000 Hired & Non-Owned Only	\$0	\$42	\$150
Crime: Blanket \$250,000 Faithful Performance; In/Out Robbery; Counterfeit; Forgery; Computer Fraud; Telephone Toll Fraud	\$250	\$95	\$675
Environmental Liability: \$1,000,000 Limit	\$25,000	Included	Included
Cyber Risk: \$500,000 Limit <i>(Additional quote options provided on page 4)</i>	None	Included	Included
Total Annual Contribution		\$221	\$1,625
Dividend Rate Credit		\$0	\$0
Dual Program Discount, if applicable		\$0	\$0
Grand Total Annual Contribution		\$221	\$1,625

In order to be eligible for VACORP membership, the following coverages must be selected: Property (where applicable), General Liability, Business Auto (where applicable), and Crime.



VACORP

James Rive Water Authority
Cyber Risk – Optional Increased Limit
(Response Required)

VACORP provides members an opportunity to increase Cyber Risk coverage. You may elect to increase Cyber Liability and/or Crisis Management, Remediation and Notification Expense. Further explanation of the coverage is outlined below.

Cyber Risk - Increased Liability Coverage Options:

Cyber Risk liability provides coverage due to network security breaches (including hacking and viruses) and online privacy matters (including identity theft).

\$1,000,000 Total Limit	\$1,000 Additional Contribution
\$2,000,000 Total Limit	\$2,000 Additional Contribution
\$3,000,000 Total Limit	\$3,000 Additional Contribution

Cyber Risk – Increased Expense Sublimit Options:

Crisis Management, Remediation and Notification Expense coverage is for public relations services, expense to determine scope of breach, and notification expense required by law, including mailings and monitoring.

\$250,000 Sublimit	\$2,500 Additional Contribution
\$500,000 Sublimit	\$3,500 Additional Contribution

Member Acceptance:

After careful consideration, we select the following optional increased limit for Cyber Risk coverage effective July 1, 2016.

Increased Liability Option:

<p>_____ \$1,000,000 Total Limit</p> <p>_____ \$2,000,000 Total Limit</p>	<p>_____ \$3,000,000 Total Limit</p> <p>_____ REJECT Higher Limits, \$500,000 limit will be sufficient</p>
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Increased Expense Sublimit Option:

<p>_____ \$250,000 Sublimit</p> <p>_____ \$500,000 Sublimit</p>	<p>_____ REJECT Higher Limits, \$75,000 sublimit will be sufficient</p>
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<p>_____</p> <p>Printed Name</p>	<p>_____</p> <p>Title</p>
<p>_____</p> <p>Signature</p>	<p>_____</p> <p>Date</p>

Please return this selection form.



General Liability

- VACORP general liability coverage provides the broadest protection for public entities in Virginia.
- VACORP coverage provides protection from claims or suits for personal injury or property damage.
- Defense costs are provided for certain excluded acts or omissions.
- Excess limits available.

Basis of Contribution

Net Operating Expense	\$177,000
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Limits

- \$2,000,000 Combined Single Limit for Bodily Injury and Property Damage - Each Occurrence
- No Annual Aggregate

Additional Coverages

- Contractual Liability for Covered Contracts
- Personal Injury and Advertising Liability
- Broad Form Property Damage Liability
- Incidental Medical Malpractice
- Limited Worldwide Liability
- Owned Watercraft under 51 Feet
- Products/Completed Operations
- Volunteers included as Covered Persons (Volunteer Fire and Rescue are excluded)
- Punitive Damages Covered in Most Cases
- Employee Benefits Liability
- Drone Liability

Sublimits

- \$500,000 Fire Damage Legal Liability – Real Property
- \$100,000 Care, Custody, and Control of Others' Property
- \$5,000 (Per Person)/\$10,000 (Per Occurrence) - Medical Payments

Deductible

None



Public Officials Liability

- Public Officials Liability provides protection against allegations of wrongful acts, such as sexual harassment and employment practices.
- Defense costs are provided for certain excluded coverages.

Limits

- \$1,000,000 Each Wrongful Act
- \$1,000,000 Annual Aggregate

Policy Form

Occurrence

Coverages

- Governing body and staff, including County Attorney considered covered persons
- Special Enforcement Officers not under the control of Sheriff considered covered persons
- Employment Practices
- Sexual Harassment
- Defense cost in addition to coverage limits

\$100,000 Defense Limit Provided for the Following Excluded Coverages:

- Fraud and Dishonesty
- Profit and Gain
- Violation of Statute
- Failure to Maintain Insurance
- Breach of Fiduciary Duty
- Breach of Contract, other than Failure to Pay
- Land Use/Eminent Domain (subject to \$10,000 Deductible)

Deductible

\$1,000 Per Occurrence



Business Automobile –Hired and Non-Owned Only

- VACORP coverage includes hired and non-owned vehicles.
- Automatic coverage for newly acquired vehicles at no additional charge
- Excess limits available

Basis of Contribution

Number of Vehicles	N/A
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Liability

Limits

- \$1,000,000 Non-Owned and Hired Auto Liability (excess over any other collectible insurance)

Physical Damage

Deductibles

- \$250 Physical Damage to Hired or Borrowed Autos (*up to \$50,000*)



Crime

- Crime provides protection from loss of money and securities, as well as, forgery and fraud.
- State-required faithful performance bonds for covered persons are included.
- Coverage is for covered crimes committed by employees and volunteers.
- Constitutional Officers are included for excess over VaRISK only, up to the Limit provided.

Limit

\$250,000 Per Occurrence

Coverage Forms

- Employee Theft
- Faithful Performance / Employee Dishonesty
- Blanket Position Bond
 - Constitutional Officers are included for excess over VaRISK only, up to the Limit provided
- Loss Inside and Outside the Premises
- Money Orders and Counterfeit Paper Currency
- Depositors Forgery
- Computer Fraud
- Telephone Toll Fraud

Deductible

\$250 Per Occurrence

Environmental Liability

- VACORP provides members with liability protection for first and third party environmental liabilities.
- Coverage for third party cleanup involving above ground pollution exposures is included.

Limit

- \$1,000,000 Each Incident and Aggregate - Per Member
- \$2,000,000 Combined Aggregate for all Members

Coverages

- Third Party Clean-up for above ground pollution exposures, such as:
 - Water & Sewer Operations
 - Transfer Stations
 - Spraying of Pesticides and Herbicides
 - Golf Courses
 - Above Ground Storage Tanks

Exclusions*

- Underground Storage Tanks
- Landfills

*VACORP will place coverage for these excluded exposures through a commercial carrier, if requested.

Deductible

- \$25,000 Per Occurrence



Cyber Risk

- VACORP members are covered for online privacy matters (including identity theft), losses due to network security breaches (including hacking and viruses), copyright infringement, and online slander or libel, among other issues.

Limits

- \$500,000 Per Occurrence and Aggregate - Per Member
- \$5,000,000 Combined Aggregate for all Members
- Increased Limit options quoted in this proposal

Coverages

Network and Information Security Liability

- Liability for unauthorized access to personal identifying information such as social security numbers, credit card numbers, etc.
- Liability for transmission of a computer virus
- Includes regulatory defense, crisis management and security breach and notification expenses

Communications and Media Liability

- Copyright/trademark infringement, invasion of privacy, plagiarism, libel and slander through electronic mail and/or web
- Includes regulatory defense and crisis management expenses

Regulatory Defense Expenses

- Defense expenses for any claim by a state or federal agency resulting from Network and Information Security Liability or Communications and Media Liability

Crisis Management Event Expenses

- Expenses for public relations services recommended as a result of Network and Information Security Liability or Communications and Media Liability
- Subject to a \$75,000 sublimit
- Increased sublimit options quoted in this proposal

Security Breach Notification Expenses

- Expenses to determine scope of breach
- Notification expenses required by law, including mailings and monitoring
- Subject to a \$75,000 sublimit
- Increased sublimit options quoted in this proposal

Deductible

None

**MEMBER AGREEMENT FOR
VIRGINIA ASSOCIATION OF COUNTIES
GROUP SELF INSURANCE RISK POOL**

THIS AGREEMENT, made and entered into this _____ day of _____, 2016, by and between all the parties who are now or may hereafter become members of the Virginia Association of Counties Group Self Insurance Risk Pool, aka VACoRP, an association of political subdivisions ("Group"), acting by and through the Member's Supervisory Board (the "Board"), and the political subdivision which has executed this agreement, and all other political subdivisions as hereafter defined which are now, or hereafter apply to become, and upon admission will become, members of the Group and administered by the Group (individually, the "member" and collectively "members").

WITNESSETH:

WHEREAS, the members of the Group have agreed to provide for joint and cooperative action to self insure and to pool their separate risks and liabilities as authorized by the Code of Virginia; and

WHEREAS, each member is a political subdivision within the definition of Section 15.2-2701 of the Code of Virginia; and

WHEREAS, pursuant to the terms of this agreement the members have organized and formed the Virginia Association of Counties Group Self Insurance Risk Pool as a joint fund to provide the necessary anticipated financing for comprehensive general liability, personal injury and advertising injury liability, automobile liability, uninsured motorist liability, automobile physical damage, employee benefits liability, property, inland marine, and crime coverage; and

WHEREAS, the Board is authorized to direct the affairs of said pool and Group; and

WHEREAS, each member of the pool is required to execute an agreement whereby each member will covenant and agree to pay contributions and assessments, based upon appropriate classifications and rates, into a designated fund out of which expenses of the pool and lawful and proper claims and awards are to be paid, and further, that there will be no disbursements out of this fund by way of dividends or distribution of accumulated reserves to the respective members, except at the discretion of the Board as provided herein and the Group's by-laws; and

WHEREAS, each member of the Group has elected to become a party to this agreement, to comply with the conditions set forth herein and establish self-insurance pool consistent with the provisions of Chapter 27 of Title 15.2 of the Code of Virginia (the "Act") and regulations promulgated thereunder, and to execute such other instruments and take such other action as may be required to form and continue such pool;

NOW, THEREFORE, for and in consideration of the mutual covenants, promises and obligations herein contained, which are given by the Group and each member to each other member and so accepted by each member and the Group, the parties hereto covenant and agree as follows:

1. Membership

Each member hereby agrees that the Group may admit as members of the pool only acceptable political subdivisions in the Commonwealth of Virginia or agencies thereof as defined in the Act. Subject to the provisions of the Act, and rules adopted thereunder relating to the approval of members and the Group's bylaws, the Board shall be sole judge as to whether or not an applicant shall be admitted to membership. Each member agrees that a member may, at the sole discretion of the Board, be terminated from membership in the pool at any time after 90 days notice in writing has been given to such member, except that a member may be terminated at any date after 30 days written notice to such member for non-payment of contributions or assessments. Except as otherwise expressly provided, no liability shall accrue to the pool or to the remaining members for any liability of any terminated member arising subsequent to the date of termination specified in said notice and such terminated member shall be separately and solely responsible for any liability arising thereafter.

2. Membership Withdrawal

Each member represents that its present intention is to remain in the Pool for at least three years, subject to appropriations of necessary funds by its governing body. A member may withdraw from the Pool at the end of any fiscal year upon 90 days written notice to the Board; provided, however, any member which for any reason does not remain in the Pool for at least three consecutive years shall not be entitled to receive any refunds of paid contributions or assessments nor, unless otherwise determined by the Board, any share in surplus assets of the fund. After a member has been in the Pool for three consecutive years, it may withdraw upon required notice and may be entitled to share in any surplus assets of the fund; upon such termination however, the member will not receive any refunds of paid contributions or assessments.

3. Supervisory Board: Creation, Powers, and Duties

- a. The local governments that are signatories hereto do hereby establish Virginia Association of Counties Group Self Insurance Risk Pool, hereafter called the "Pool" as a joint Risk Pool to operate a fund for Liability and Property risk sharing, hereafter referred to as the "Fund". The Pool and the Fund shall be governed by a Supervisory Board composed of nine elected or appointed officials of local governments, their Boards, commissions, agencies or authorities who are members of the Pool and who shall be elected by the governing bodies or their duly authorized representative of the members of the Pool.

There are nine initial members on the effective date of this Agreement. David L. Ash, Frank A. Pleva, and R. Bryan David shall serve terms ending December 31, 2018; Peggy R. Wiley, R. Cellell Dalton, and David C. Jeck shall serve terms ending December 31, 2016; and John R. Riley, Jr., Richard C. Flora, and Brian C. Ratliff shall serve terms ending December 31, 2017. Henceforth, terms of members of the Supervisory Board shall be for three years. A member of the Supervisory Board shall continue to hold office until his successor is selected. Any vacancy shall be filled for the unexpired portion of the term by appointment by the remaining members of the Board.

A member of the Supervisory Board who ceases to be an elected official or employee of local government or an entity of a local government, or whose local government entity ceases to be a member of the Group shall be deemed to vacate his seat on the Board.

- b. The Supervisory Board annually shall select a chairman from among its membership to preside for the ensuing year. A majority of the membership of the Board shall constitute a quorum thereof and any question may be decided by a majority vote. The Supervisory Board:

1. Shall have general control and supervision over the affairs of the Pool and the Fund;
2. Is authorized to establish, operate and enforce administrative rules, regulations and bylaws as between the individual members of the Pool and the Pool;
3. Shall establish terms and conditions of coverage within the Pool, including underwriting criteria and exclusions of coverage;
4. Shall ensure that all claims are paid promptly;
5. Shall take all necessary precautions to safeguard the assets of the Pool;
6. Shall maintain minutes of its meeting which minutes shall delineate the areas of authority delegated by the Supervisory Board to the Administrator and to the service Agent;
7. Shall have sole responsibility to determine whether applicants for membership shall be admitted to the Pool and whether existing members shall be suspended or expelled, subject to the following limitations:
 - a. Only governmental units, institutions, agencies, boards or commissions or authorities created by local governments in the Commonwealth of Virginia shall be eligible for membership; and
 - b. A member may be suspended or expelled only after receiving sufficient notice pursuant to paragraph 1, of this agreement. The Supervisory Board may promulgate rules and regulations, as needed, regarding admission, suspension or expulsion of members.
8. Shall at least annually have an actuary certify the members' contributions;
9. Shall approve and monitor all loss control programs;
10. Shall execute service agreement(s) designating service agent(s) for the Pool and shall agree upon the terms of service fees to be paid to the service agent(s) and shall have sole responsibility to assess the performance of the service agent(s), to review, negotiate and give final approval to any service agreement(s) between the Pool and any service agent(s), and to have final selection of any service agent;
11. Shall have authority to negotiate, execute and monitor any other contracts and agreements necessary to effectuate this Member Agreement; and
12. Shall bear sole responsibility for any dispositions out of the Fund by way of dividends or distribution, if any, of accumulated reserves to the members of the Pool.

4. Administrator; Duties of Administrator

- a. Each member authorizes the Board to enter into an agreement with the Administrator who shall be empowered to accept service of process on behalf of the Group and authorized to act and bind the Group and its members in all transactions relating to or arising out of the operation of the Pool. The Administrator shall receive such fee for its services as shall be agreed upon by the Board. The Board, in its discretion, may at any time revoke the powers of the Administrator and substitute another in the Place thereof.

The Administrator is hereby appointed by each member as agent for the Group, to act directly or through a service contract with a service agent in its behalf and to execute all contracts and reports, waivers, agreements, and excess insurance or reinsurance contracts, to make or arrange for payment of claims, and all other rules and all applicable regulations as now provided or as hereafter promulgated by the Virginia State Corporation Commission (the "Commission").

- b. VACo Services, Inc. is hereby designated as the initial Administrator of the Group and its Fund. The Administrator shall supervise the service agent(s). The Administrator shall deposit to the account of the Pool at any bank or banks designated by the Supervisory Board, all contributions as collected, and such monies shall be disbursed only as provided by the rules, regulations and by-laws of the Supervisory Board and the service agreement(s) with the service agent(s). The Administrator shall receive a fee which shall be negotiated from time to time by the Supervisory Board and which shall be set forth in the Agreement between the Pool and the Administrator.

5. Service Agents; Duties of Service Agents

- a. The members authorize appointment by the Board of one or more service agents for the Pool and their members, individually and collectively, subject to such agent's continued approval as a service agent by the Commission, if required. Services, which may be procured by such contracts, shall include claims administration, actuarial and accounting services, and such other matters as the Board shall deem appropriate or required for operation of the Group. The service agent may calculate all annual contributions due from the members, pay all approved items of expense as directed by the Board, service claims under the Pool against members as directed by the Board, give a monthly account of all monies so handled, and undertake all other duties set forth in the agreement employing the service agent. For handling the administrative and servicing functions of the Pool, the service agent shall receive such fee as shall be agreed upon by the Board which shall be in consideration of all services and expenses contracted for with the Pool which services and expenses may include counseling with the Board as to safety procedures, claims handling and investigations, and arranging for reinsurance or excess insurance coverage. The service agent's books and records shall be open to inspection by the Board or its agents or designees at all reasonable times. The Board may negotiate and secure contracts with alternate or additional servicing agents, with the approval of the Commission, if required. The service agent shall be VACo Insurance Programs.

- b. The service agent(s), under the supervision of the Supervisory Board and the Administrator shall be generally responsible for claims administration, program development and loss control on behalf of the members. The service agent(s) shall assist the Supervisory Board in determining all contributions due the Fund, prepare for payment all approved items of expense and claims, and give a monthly accounting of all monies and claims so handled. The responsibilities and duties of the service agent(s) shall be more particularly defined and described in the service agreement(s) executed with the service agent(s).
- c. For performing the servicing functions of the Pool, the service agent(s) shall receive a fee, which shall be negotiated with and approved by the Supervisory Board. Such fees may be renegotiated from time to time as mutually agreed upon by the service agent(s) and the Supervisory Board. The service agent(s) books and records as they relate to the Pool and the Fund shall be open to inspection by the Supervisory Board and the Administrator or their agents at all reasonable times.

6. Deposit of Funds

The Board or its designee shall deposit to the account of the Pool, at any bank or banks designated by the Board, all contributions as and when collected and all other funds received from or for the Pool, and said monies shall be disbursed on as provided by (1) the rules, regulations, by-laws of the Group, and the resolutions of the Board; (2) the agreement between the Board and the service agent; and (3) this agreement.

7. Investment of Funds

The Board shall have the authority to invest the funds of the Pool as permitted by State law, the Group's by-laws and the Commission's regulations.

8. Bylaws, Rules and Regulations

Each member of the Pool agrees to abide by the rules and regulations of the Pool and the Group and the constitution and bylaws of the Group as shall be amended or modified from time to time. In the event of any amendment, the member shall be notified promptly thereof.

9. Coverage

The Pool will provide loss protection to members as provided in the coverage forms and as amended by the Board from time to time. In the event of any amendment, the member shall be notified promptly thereof.

To the extent permitted by any applicable coverage certificate, the Pool will allow coverage, by endorsement, for "additional insureds" to the extent of any and all vicarious liability but not for independent negligent acts or omissions of the additional insured.

10. Reinsurance and Excess Insurance

- a. The Board is authorized to obtain and maintain specific or aggregate reinsurance or excess insurance in such amounts and which such retentions as in its discretion are advisable, if available at cost and on terms deemed by the Board to be reasonable under the circumstances. Such reinsurance or excess insurance coverage, if any, shall be as set forth in the Group's financial plan as adopted by the Board. Such coverage may be increased or decreased in the discretion of the Board.
- b. The Board is also authorized and empowered to obtain and maintain other insurance, letters of credit or commitment for loans from insurance or financial institutions which in the judgement of the Board will furnish additional security and resources for payment of claims covered by the Pool in excess of the contributions made by members.

11. Proof of Coverage

At the request of a member, the Pool shall provide without unreasonable delay, to any person designated by the member, proof of coverages provided by the Pool, including any insurance or reinsurance, applicable deductible levels and the maximum liability which the pool will retain.

12. Limit of Liability

The members agree that, for the payment of any claim against the Pool or the performance of any obligation of the Pool hereunder, resort shall be had solely to the assets and property of the Pool and no member, officer or Board member of the Pool or the Group and neither the Administrator nor its designees shall be liable thereof. A member of the Pool shall have no liability to the Pool, to other members of the Pool, or to any claimant against the Pool itself or another member of the Pool, except for payment of annual contributions under this agreement, reimbursement of deductible amounts, if any, and assessments as provided pursuant to section 15 hereof and the by-laws of the Group.

13. Payment of Claims

All claims against members, if approved by the service agent and as directed by the Board, shall be paid as follows:

- a. To the extent of (I) the applicable Pool's funds for each Pool year. (ii) plus any other Pool assets and reserves available and authorized by the Board therefor, and (iii) subject to the applicable limits of coverage retained by the Pool of each member;
- b. Covered claims in excess of the Pool's coverage limits for each Pool years shall be paid from the reinsurance or excess insurance coverage, if any, in effect for the Pool;
- c. All deductible amounts, retention amounts, and the amounts of any claims in excess of amounts available therefor under the provision of paragraphs a. and b.

of this section 13 shall be the sole obligation of, and shall be paid by, the member liable therefor.

14. Reimbursable Deductible

Each member agrees that upon the payment of any applicable deductible amount by the Pool for or on behalf of a member, that such member shall reimburse the Pool therefore within 30 days of written notice from the Pool. After the specified time, interest thereon will accrue at the rate of the highest yield on the Pool's most recent investment at that time. If the reimbursable deductible has to be collected by suit, the member agrees to pay the Pool's reasonable attorney's fees and all costs incurred in the suit.

15. Contributions and Assessments

Each member agrees to pay contributions to the Pool computed in accordance with a rating plan based on reasonable assumption and certified by an actuary, approved by the Board, and as amended from time to time. If practicable, the Board will notify the member at least 180 days prior to the Pool year of the amount of the contribution for that Pool year. If less than 120 days notice is provided, the period for withdrawal as provided in section 2 shall be reduced on a pro-rata basis.

Each member agrees that the annual contributions shall be payable in full in advance of coverage unless the Board in its discretion shall determine otherwise. Such contributions are deemed earned by the Pool when received and are not subject to refund unless otherwise determined by the Board.

Whenever the Supervisory Board and the State Corporation Commission determine that the fund account is actuarially insufficient, when considering pool assets and reserves to cover known claims, both reported and unreported, the Board shall make an assessment of the members of the Pool. Such assessment shall be paid within 90 days.

In the event of the pool's deficit, the Board may adopt, following any required approval by the commission, a plan it deems equitable for the elimination of such deficit, including but not limited to the assessment of any members in the proportion which the contribution of each bears to the total contributions of all members in the year in which such deficit occurs. A member is obligated to pay any assessment which applies to the pool year in which it was a member. Such assessment may be made after the end of the Pool's fiscal year and after the member has discontinued membership in the Pool. If the assessment has to be collected by suit, the member agrees to pay the Pool's reasonable attorney's fees and all costs incurred in the suit.

Each member agrees to execute necessary authorization forms permitting the Pool or their designees to obtain information and data required in determining the experience or other rating modification of such member.

16. Reporting of Claims or Losses

All claims and accidents, or occurrences, with the potential of producing claims against a member or the Pool, irrespective of any retention or deductible, shall be promptly reported to the Board or its service agent together with such information thereon as shall be requested by the Board or service agent. All property losses by the member with the potential of being reimbursed or paid by the Pool shall also be promptly reported in like manner to the Board or its service agent. The claims and loss reports shall be in accordance with the procedures established from time to time by the Board or its service agent.

17. Defending and Handling Claims

Except as limited in the coverage forms (and regardless of the amount of any deductible), the Pool shall be responsible for investigating, handling, negotiating and defending all claims against a member which are within the purview of this agreement even though such allegations or demands are wholly groundless, false, or fraudulent. Further, with respect to such claims, the Pool shall pay all costs reasonably incurred for investigating, negotiating or defending such claims together with all interest accruing after the entry of judgement.

The Pool shall supervise and control all legal counsel on behalf of the Pool necessary for the prosecution or defense of any litigation. All legal counsel shall relay all settlement offers to the Pool or its designee and the Pool's decision regarding such offers shall be binding. A member may upon notice in writing, decline to accept settlement of a claim involving it, but in such event shall become obligated for any payment of sums above the settlement amount if a higher payout, including attorneys fees, is ultimately required.

Each member agrees to fully cooperate in the investigation and defense of any claims by supplying any information and assistance deemed by the Board, the service agent, or counsel, to be needed or helpful to handle such action. If a personal appearance by an official or employee of a member is necessary in any dispute, the expense of such appearance shall be paid by the member.

18. Subrogation/Recoveries

Each member agrees that in the event of the payment of any loss by the Pool under this agreement, the Pool shall be subrogated to the extent of such payment to all the rights of the member against any person or other entity legally responsible for damages for said loss, and in such event, the member hereby agrees to render all reasonable assistance, other than pecuniary, to effect recovery.

Legal and other expenses related to such recoveries shall be deducted from the amount recovered and paid to the entity which originally paid such expenses. After such recovery expenses are deducted, recoveries shall be distributed to the parties in an order inverse to that in which their respective liabilities accrued.

19. Inspection of Member's Facilities and Records

The Board, the Administrator, the service agent, and any of their agents, servants, employees or attorneys, shall be permitted at all reasonable times to inspect the member's facilities and shall be permitted at all reasonable times and within five years after the final termination of the membership to examine member's books, vouchers, contracts, documents, budgets and records of any and every kind which relate to the activities of the Pool.

20. Risk Management

The Board or its designee may, but is not obligated to, provide risk management services to members, designed to assist members in following a plan of managing risk of loss and loss control which may result in reduced losses and costs. Each member agrees to initiate and maintain a safety program and agrees to follow the general recommendations of the Board and the service agent in this respect. Safety to property and the public shall have the highest priority. However, each member shall remain solely responsible for all decisions concerning its safety program and practices and may not rely upon evaluations and recommendations made by the Pool, the Board, the service agent, the administrator, or their representatives in making final decisions concerning its safety program and practices. Notwithstanding the foregoing, each member agrees for the duration of its membership in the Pool to adopt and follow such minimum risk management programs and procedures as shall be adopted, and amended from time to time, by the Board.

21. Expenditure of Pool Funds

Funds from all sources coming into the hands of the Board during any one fiscal year of the Pool shall be set aside for the Pool and shall be used only for the following purposes:

- a. Payment of fees for service agents as provided in section 5 hereof.
- b. Payment of a fee to the Administrator as determined by the Board.
- c. Payment of lawful assessments, if any, as required by any lawful authority.
- d. Payment of the cost of all bonds including errors and omissions coverage for all officers and employees, and fidelity coverage for the Group and its employees and the Administrator.
- e. Payment of all legal fees, actuarial fees, accounting fees, or other miscellaneous expenses relating to the Board or the Pool.
- f. Payment of the costs of any insurance policy, excess insurance policy, reinsurance treaty, loan commitment, letter of credit or similar agreement entered into directly by the Group or on behalf of the members, as deemed advisable by the Board.
- g. As provided within this agreement and pursuant to the terms of the member's coverage, payment of claims, including, without limitation, settlements, awards, judgements, legal fees, investigation costs in all contested cases, appeal bonds, and establishment of reserves necessary to provide for all of the same.

- h. Subject to the commission's regulations, as applicable, following the conclusion of each 12 month's operation of the Pool ("annual period"), distribution to the extent not otherwise prohibited by law to members in such manner as the Board in its discretion shall deem appropriate and equitable, such discretion being applicable to but not limited to, denying or limiting any distribution to members who have had their membership terminated or are not in good standing, and making distribution only to members with a loss ratio not in excess of a level designated by the Board, of any excess monies remaining after payment of items a. through g. inclusive above; provided, however, that no such distributions shall be made earlier than 12 months after the end of each annual period; provided further, that undistributed excess funds from previous annual periods may be distributed at any time if not required for reserves and if approved by the Board.
- i. A percentage of any surplus may be allocated to a restricted surplus account to be used at the discretion of the Board, subject to any required approvals by the Commission.
- j. Prior to the receipt of such funds and with prior notice to members, the Board may designate certain funds for inclusion in a capitalization account to be used for other Pool years at the discretion of the Board. Such fund may be combined with the restricted surplus account, if any.

22. Fiscal Year/Continuation of Agreement

The Group and the pool shall operate on a fiscal year from 12:01 a.m. July first to midnight of June thirtieth of the next calendar year. Application for continuing membership, when approved in writing from the members of their designee, upon payment of all sums due by the member, shall constitute a continuation of this agreement for each succeeding fiscal period unless cancelled by the Board, or unless the member shall have resigned or withdrawn from aid Group by written notice as provided in Section 2 hereof.

23. Sovereign Immunity

Nothing in this agreement shall be construed to waive or limit in any way a member's sovereign immunity.

24. Miscellaneous

- a. The Group, the member which is a party hereto, and each other member, whether now or to become a member, agree to be bound by all the terms and conditions of this agreement
- b. If any provision of this agreement is held invalid, such invalidity shall not affect other provisions of this agreement which can be given effect without the invalid provision, and to that end the provisions of this agreement are severable.

IN WITNESS WHEREOF, this agreement is executed on behalf of the member named herein and by the Group on behalf of the members collectively, each by a duly authorized representative.

By: _____
Authorized Representative

Name: _____
James River Water Authority
Member Organization Name

VIRGINIA ASSOCIATION OF COUNTIES
GROUP SELF INSURANCE RISK POOL (VACoRP)

By: _____
Authorized Representative

RAYMOND JAMES®

May 27, 2016

James River Water Authority
c/o County of Fluvanna
Attn: Mr. Steven M. Nichols, County Administrator
132 Main Street, P.O. Box 540
Palmyra, Virginia 22963

RE: Financial Advisory Fees

Dear Steve:

It has been my pleasure to assist the James River Water Authority with the successful financing of its raw water intake, pump station and pipeline project. I have enclosed an Invoice for Financial Advisory Fees and Expenses relating to the advisory services completed for the period July 1, 2014 through May 26, 2016. Detailed below are the hours of service provided by various professionals of Raymond James.

<u>Professional</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Billing</u>
Sean Ekiert	Managing Director	\$300.00	144.75	\$43,425.00
Dianne Klaiss	Senior Vice President	250.00	7.50	1,875.00
Melissa Weicker	Vice President	250.00	7.50	1,875.00
Dan Mahoney	Analyst	150.00	10.00	<u>1,500.00</u>
	Total Hourly Billings			48,675.00
	Out-of-Pocket Expenses			830.98
	Total Due			\$49,505.98

Please be sure to follow the payment instructions as provided on the invoice. If possible, payment by wire is the preferred method.

If you have any questions about the enclosed invoice or any of the information contained here, please let me know.

Sincerely,



Sean E. Ekiert
Managing Director

Enclosure

Invoice Number **120537345749**

RAYMOND JAMES®

Invoice

**James River Water Authority c/o County of
Fluvanna**

Invoice Date: 05/26/2016

Steven M .Nichols
County Administrator
132 Main Street
PO Box 540
Palmyra, VA 22963

For questions, email:
PFBilling@RaymondJames.com

Summary

Description	Amount
Outstanding Balance	0.00 USD
Current Period Fees	49,505.98 USD
Total	49,505.98 USD

Current Period Fees

Description	Amount
Consulting Fee	48,675.00 USD
Reimbursable Expense	830.98 USD
Total	49,505.98 USD

Comments

Financial Advisory Services provided in connection with the successful financing of its raw water intake, pump station and pipeline project. Includes FA fees and reimbursable expenses for the period July 1, 2014 to May 26, 2016.

Methods of Payment

Wire/ACH (Preferred)

The Bank of New York Mellon
One Wall Street
New York, NY 10286
ABA #0210-00018
For Credit To: Raymond James & Associates, Inc.-PF RMB Acct
Acct #8901264938 Deal Code: VA7759

Check - Send To

Raymond James & Associates, Inc.
Attn: Treasury / PF - RMB
P.O. Box 23604
St. Petersburg, FL 33742

Invoice Number **120537345749**

RMB Account Number: 1205311846

RAYMOND JAMES®



James River Water Authority c/o County of Fluvanna
Steven M .Nichols
County Administrator
132 Main Street
PO Box 540
Palmyra, VA 22963

Public Finance Invoice

Please return this portion and include the invoice number on your check.

Amount Due: 49,505.98 USD

James River Water Authority c/o County of
Fluvanna
Steven M .Nichols
County Administrator
132 Main Street
PO Box 540
Palmyra, VA 22963

Raymond James & Associates
Attn: Treasury / PF - RMB
P.O. Box 23604
St. Petersburg, FL 33742

Invoice #: 120537345749
Account #: 8901264938
Division : PF (Public Finance)

IN ACCOUNT WITH

TROUTMAN SANDERS LLP
A T T O R N E Y S A T L A W
A LIMITED LIABILITY PARTNERSHIP

TROUTMAN SANDERS BUILDING
1001 HAXALL POINT
RICHMOND, VIRGINIA 23219
www.troutmansanders.com
TELEPHONE: 804-697-1200
FACSIMILE: 804-697-1339

804-697-1228
BILLING INQUIRIES
FACSIMILE: 804-697-1339

Mr. Steven M. Nichols
Fiscal Agent Representative
James River Water Authority
132 Main Street
Palmyra, Virginia 22963

May 25, 2016
File #: 247844.000001

\$7,965,000
James River Water Authority
Revenue Bond
Series 2016

FEES: Fee for legal services performed as Bond Counsel to James River Water Authority in connection with the issuance of the Authority's Revenue Bond, Series 2016, including (1) discussions with financial advisor regarding structure of financing, use of VRA as source of financing, desirability of master trust indenture versus financing agreement format and related issues; (2) reviewed reimbursement resolution previously adopted; (3) reviewed several drafts of service agreement, provided comments regarding same and addressed service contract doctrine issues with respect to same; (4) reviewed interjurisdictional agreement; (5) reviewed various materials relating to interim agreement with engineer; (6) reviewed application and other materials submitted to VRA (on three occasions); (7) reviewed VRA term sheets (for multiple VRA pools); (8) participated in due diligence calls with VRA and its counsel (on three occasions) and communications with VRA's counsel regarding private use concerns and related matters; (9) drafted support agreement resolutions and support agreements for each of member jurisdictions and coordinated delivery of same; (10) drafted bond resolution (three times), bond form and all closing documents, certificates and opinions; (11) reviewed drafts of local bond sale and financing agreement (for several VRA pools); (12) attended numerous meetings of the Authority; (13) coordinated circuit court clerk filings; (14) coordinated insurance matters; (15) resolved issues with consulting engineer regarding his certifications; (16) analyzed tax issues relating to use of proceeds; (17) numerous calls and emails with working group regarding documents, schedule, logistics, issues, information needed, permits, project delays and numerous related matters; (18) coordinated signatures on documents; and (19) handled preclosing and closing of issue..... \$70,000.00

EXPENSES:500.00

TOTAL AMOUNT DUE:\$70,500.00

Wiring Instructions:

Destination Bank:	Wells Fargo Bank, N.A., Atlanta, Georgia 30363
WIRE/ABA #	121000248
To Credit:	Troutman Sanders LLP Operating Account
Account Number:	2052700305792
Notify:	Anna Henderson (404) 885-3717
Reference:	Stephen L. Johnson
Client Number:	James River Water Authority / Revenue Bonds / 247844.000001