

Acquisition of Founders Bridge Utility Company

APPENDIX D



Chesterfield County, Virginia
Utilities Department

P.O. Box 608 – Chesterfield, VA 23832-0009

Phone: (804) 748-1291 – Fax: (804) 751-4607 – Internet: chesterfield.gov

ROY E. COVINGTON, P.E.
Director

September 26, 2011

Mr. W. S. Shaw, P.E.
Sydnor Hydro, Inc.
P.O. Box 27186
Richmond, VA 23261-7186

Re: Powhatan Development [a.k.a. Founders Bridge, Bel Crest, Bel Bridge & Winterfield Place (commercial area)]

Dear Mr. Shaw:

In reference to our meeting on August 25, 2011, I wish to follow up on a couple of items discussed in the meeting. In our discussion, it was requested to provide you and FBUC with the current cost of purchasing additional water capacity for the above-referenced development. Also, Mr. Royall had questioned whether we had confirmed with our County Attorney's Office the county's ability to disapprove the interconnection of a well system and the water that is provided by our public water system.

In previous meetings over the past few years, the cost of additional capacity has been discussed; therefore, I would like to include some historical information and to provide Founders Bridge Utility Company, Inc. (FBUC) with today's current cost to purchase additional water capacity (irrigation purposes only) as outlined below:

1. In our June 13th, 2007 presentation meeting to FBUC, it was stated that we would be willing to sell FBUC additional water capacity at the rate of \$9.08/gal based on the following calculations:

$$\begin{array}{rclclcl} \$9.08/\text{GAL (see below)} & \times & 164,208 \text{ GAL/DAY} & & & \\ & & \text{(based on staff's} & = & & \$1,491,008.64 \\ & & \text{evaluation)} & & & \end{array}$$

Method Used to Calculate Cost/Gal

- a. 1 E.R.U. = 35 ccf per bi-monthly billing (Black & Veatch Rate Study dated 8/2005)
- b. 35 ccf x 748 gal/ccf ÷ 60 days = 436.33 gal/day/ERU
- c. \$3,970 (Capital Cost Recovery Charge as of 7/1/07) ÷ 436.33 gal/day/ERU = \$9.08/gal

Mr. W. S. Shaw, P.E.

Powhatan Development [a.k.a. Founders Bridge, Bel Crest, Bel Bridge & Winterfield Place
(commercial area)]

September 26, 2011

Page 3

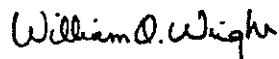
FBUC might want to implement all or some of the other action items in their Founders Bridge 2008 Water Usage Plan. The cost of capacity will increase as our capital cost recovery charges increase; therefore, please let us know if you wish to pursue this option.

4. Please keep in mind that this cost of capacity does not include any increase in wastewater capacity. If we determine that FBUC exceeds the allocation of wastewater capacity of 135,000 gpd as provided to them in the Water and Wastewater Contract dated September 7, 2000, FBUC will be in violation of the contract and subject to the terms and conditions as set forth in that contract.

I have confirmed with our County Attorney's Office that Chesterfield County does have the final say regarding allowing the interconnection of a well system and our public water system. Just to reiterate my August 2, 2011 letter to you, Chesterfield County will not allow this interconnection.

Also in our discussions, we talked about a couple of options that FBUC might want to pursue. At the conclusion of the meeting, it was understood that other options will be explored and evaluated by FBUC. If any assistance is needed to help in that evaluation, please do not hesitate to contact me at 751-4442.

Sincerely,



William O. Wright

Assistant Director of Utilities, Engineering and Development Division

Cc: Roy E. Covington, Director of Utilities,
George W. Bowles, Senior Utilities Engineer, Utilities Development Section
Carolyn Bishop, Powhatan County Administrator
Christopher Rapp, P.E., Utilities/General Services Director, County of Powhatan
Randall L. Morrissette, District Engineer, VDH – Office of Drinking Water
Russ Aaronson, Founders Bridge Utility Company, Inc.
Jesse Royall, Jr., Sydnor Hydro, Inc.

Acquisition of Founders Bridge Utility Company

APPENDIX E

Chris Rapp

From: Chris Rapp
Sent: Wednesday, June 26, 2013 4:53 PM
To: 'elmerhodge@msn.com'; Elmer Hodge
Subject: RE: Info for meeting with Buddy Sowers

Elmer,

Water allocation:

1. How much capacity does Buddy have?

50,000 gpd out of the overall 180,000 gpd provided by the GrayCo-Chesterfield contract; This 50,000 gpd is to serve the Belle Crest Development that will include 110 homes, as well as commercial development.

2. How much has he used?

Not sure, but theoretically if Belle Crest has 110 homes and each household uses 400 gpd, then it could add up to 44,000 gpd, not including irrigation.

3. How much does the rest of Founders Bridge have?

The GrayCo-Chesterfield contract provides a total 180,000 gpd water, which includes the 50,000 gpd Sowers allotment.

4. What is our Route 60 capacity?

Not to exceed 572,000 gpd per the Powhatan-Chesterfield contract.

5. How much of the Route 60 capacity are we using?

A peak day usage is about 260,000 gpd. The average usage is lower, but contract compliance is guided by the peak amount. Keep in mind the usage includes domestic, irrigation, and also water flushing to maintain quality.

Up to now water has been reserved for commercial use. Multifamily can use a lot of water.

The Powhatan-Chesterfield water contract does not restrict the water to be used solely on the Route 60 corridor. It allows it to be used in other parts of the County contingent on Chesterfield's concurrence.

Sydnor Hydrodynamics manages the water system that GrayCo owns.

The agreement between GrayCo and Chesterfield also allows for 135,000 gpd of wastewater capacity.

Christopher Rapp, P.E.
County of Powhatan
Utilities/General Services Director
3834 Old Buckingham Road, Suite A
Powhatan, Virginia 23139
804-598-5764 office
804-598-8020 fax
rappch@powhatanva.gov

"Our Government Works With And For Our Community."

-----Original Message-----

From: elmerhodge@msn.com [mailto:elmerhodge@msn.com]

Sent: Wednesday, June 26, 2013 9:47 AM

To: Chris Rapp

Subject: Info for meeting with Buddy Sowers

Chris,

David and I have a meeting with Buddy Sowers tomorrow am and I need information on our water allocation from Chesterfield.

1. How much capacity does Buddy have?
2. How much has he used?
3. How much does the rest of Founders Bridge have?
4. What is our Route 60 capacity?
5. How much of the Route 60 capacity are we using?

Buddy wants to use more of his our our capacity for new multifamily. I prefer to hold it for economic development expansion on Rt 60 or new development on Rt 711.

What are your thoughts?

Elmer

Sent from my iPad

Acquisition of Founders Bridge Utility Company

APPENDIX F

ORDINANCE O-2016-01

An Ordinance to conditionally rezone approximately 50± acres of land at the intersection of Huguenot Trail (Rt. 711) and Winterfield Road, from Residential-Utility (R-U) and Commercial (C) to Village Center Planned Development District (VC-PD)

WHEREAS, Riverton Associates have submitted a request to the Powhatan County Board of Supervisors to rezone a 50± acre property identified as, Tax Parcels 32-44A, 32-44C, 32-45B1, 32-45B2, 32-46, 32-46A, 32-58B, 32D-1-1, 32D-1-3, 32C-2-1, 32C-2-2, 32C-2-3, 32C-2-4, 32C-2-5, 32C-2-6, and 32C-2-7, from Residential-Utility (R-U) and Commercial (c) to Village Center Planned Development District (VC-PD); and

WHEREAS, §15.2-1427 and §15.2-1433 of the *Code of Virginia*, 1950, as may be amended from time to time, enable a local governing body to adopt, amend and codify ordinances or portions thereof, and

WHEREAS, §15.2-2280, §15.2-2285 and §15.2-2286 of the *Code of Virginia*, 1950, as amended, enables a local governing body to adopt and amend zoning ordinances; and

WHEREAS, the Planning Commission advertised and held a public hearing on the proposed Rezoning, on November 4, 2015 and all of those who spoke on this topic were heard; and

WHEREAS, the Planning Commission advertised and held a second public hearing on the proposed Rezoning, on December 1, 2015 and all of those who spoke on this topic were heard; and

WHEREAS, Riverton Associates has submitted a statement of proffer in conjunction with the rezoning request; and

WHEREAS, the Planning Commission voted recommended approval of the request to rezone the subject properties with proffered conditions; and

WHEREAS, public necessity, convenience, general welfare, and/or good zoning practice support approval of this rezoning and proffer condition;

WHEREAS, the Powhatan County Board of Supervisors caused to be published a notice of public hearing on this matter in the Powhatan Today on January 13, 2016 and January 20, 2016; and

WHEREAS, the full text of this amendment was available for public inspection in the Powhatan County Administrator's Office, County Administration Building, 3834 Old Buckingham Road, Powhatan, Virginia 23139; and

WHEREAS, the Powhatan County Board of Supervisors advertised a public hearing for January 25, 2016 and that meeting was rescheduled due to inclement weather to February 1, 2016,

and at the February 1, 2016 meeting the Board of Supervisors held a public hearing on this matter and all of those who spoke on this topic were heard.

NOW, THEREFORE, BE IT ORDAINED, that the Powhatan County Board of Supervisors hereby **approves** Ordinance O-2016-04 to rezone a 50[±] acre property identified as, Tax Parcels 32-44A, 32-44C, 32-45B1, 32-45B2, 32-46, 32-46A, 32-58B, 32D-1-1, 32D-1-3, 32C-2-1, 32C-2-2, 32C-2-3, 32C-2-4, 32C-2-5, 32C-2-6, and 32C-2-7, from Residential-Utility (R-U) and Commercial (c) to Village Center Planned Development District (VC-PD) with the following proffered conditions:

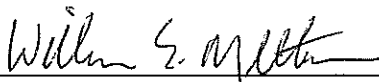
1. Textual Statement dated November 23, 2015
2. Exhibit "A" – Conceptual Master Plan prepared by RK&K dated January 15, 2016.
3. Exhibit "B" – Minimum Design Standards dated November 23, 2015
4. Exhibit "C" - Building Elevation for Single-Family Golf Villas.
5. The maximum density of commercial space in the project shall be limited to 75,000 square feet and the orientation of the commercial buildings shall generally follow the Conceptual Plan dated January 15, 2016 and submitted as part of the rezoning application. Any necessary compliance determinations with respect to the orientation of the commercial buildings shall be made by the county in its sole discretion.
6. Residential uses will include no more than 200 adult oriented premium apartment units and 22 single family detached homes. The apartments shall be constructed of materials substantially similar to those used in Winterfield Place, Phase One and the amenities provided shall include a high-quality recreation facility, clubhouse, swimming pool, outdoor recreation spaces and integrated garages. The apartment buildings shall be limited to three stories above finished grade and eave heights shall not exceed 35' above first floor elevation.
7. All commercial buildings shall be constructed in a manner that is substantially similar to the existing Winterfield Place development in terms of building size, materials, design, lighting and light fixtures, scale and walkability. Any determination as to whether a particular building complies with this proffer shall be made by the county in its sole discretion.
8. The lots developed by the extension of Founders Creek Court will be accepted into the Founders Bridge Property Owners Association. If Founders Bridge Property Owners Association is not willing to include the detached home lots on terms reasonably acceptable to the Developer, then the Developer shall create a separate Home Owner's Association for such lots on terms acceptable to the County.
9. The portion of Old Winterfield Road from Winterfield Road to the proposed cul-de-sac of lot 12 on the Conceptual Master Plan may be used as a construction entrance during the construction of the road and the 22 single-

family golf villas. Once construction is complete, the remaining section of Old Winterfield Road that is not used for this development will be scarified, seeded and the unused portion of the right of way shall be vacated per VDOT specifications and standards.

10. Development of the homes to be constructed on Founders Court Creek property shall be in general conformance with the plan entitled "Exhibit A" Conceptual Master Plan, Powhatan, Virginia", dated January 15, 2016 (see case file), prepared by RKK, ("the Conceptual Master Plan"), or as specifically approved at the time of Plan of Development.
11. Architectural standards and style for these new homes on Founders Creek Court opposite existing homes on Founders Creek Court (two existing lots, Lots 28 and 29, and one new lot prior to open space, Lot 1, shown on Founders Creek Court), will be constructed to the architectural standards of the existing homes on Founders Creek Court, e.g., two 8' garage doors instead of one 16' garage door, continue color palette for brick, trim, front door, garage door, and no dormers. These three lots will also be bound by the Founders Bridge Property Owners Association, the Founders Bridge Golf Villas Association and the Founder's Bridge ARC, and will go through the typical new home construction process. Architectural standards for the homes to be constructed on the 21 remaining lots after the open space are on the attached "Exhibit B" – Minimum Exterior Materials Standards." Architectural style of these 21 homes shall be generally consistent with the elevations attached as Exhibit 'C'. Any deviation from the home elevations on Exhibit 'C' or new elevations shall be approved by the Director of Planning.
12. The two open space areas depicted on the Conceptual Plan on Founder's Creek Court shall be dedicated free and clear to the Founders Creek Property Owners Association or the Founders Bridge Golf Villas Association.
13. Vertical construction shall not commence on the commercial units and the apartments, nor shall any land disturbance activity commence on the single family detached lots until adequate water and sewer capacity is verified by the developer and the utility service provider and approved by the county.
14. Individual wells and/or septic systems shall not be permitted for the provision of potable water or sanitary sewer.
15. Exterior materials for all structures shall be consistent with surrounding residential and commercial developments. Any question as to whether such exterior materials are consistent shall be made at the sole discretion of the county.
16. There shall be no direct residential, commercial, office or retail lot access to Winterfield Road (Rt. 714) or Huguenot Trail (Rt. 711).
17. Dedication of right of way to Powhatan County, and at no cost to Powhatan County, for the installation of a right turn lane into the project from Route 711, shall be made in conjunction with the approval and recordation of the plat for the Winterfield Place Phase II project.

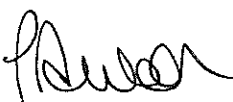
18. The developer shall maintain a 50' planted buffer between any apartment buildings and Winterfield Rd. (Rt. 714). The buffer shall be constructed as a type "B" intermittent buffer as described in the Powhatan County Zoning Ordinance.
19. The developer shall pay to Powhatan County a cash proffer for residential units in the project, as follows:
 - a. The builder of single-family detached units shall pay a proffer of \$500.00 per unit for the purpose of capital investment in fire and safety equipment for Powhatan County. The proffer shall be paid at the time that Certificate of Occupancy is requested by the builder.
 - b. Multi-family (apartment) units shall pay to Powhatan County a cash proffer of \$500.00 per unit for the purpose of capital investment in fire and safety equipment for Powhatan County. The proffer shall be paid upon receipt of Certificate of Occupancy for respective multi-family units or a multi-family building.

**APPROVED BY THE POWHATAN COUNTY BOARD OF SUPERVISORS ON
FEBRUARY 1, 2016.**



**William E. Melton, Chairman
Powhatan County Board of Supervisors**

ATTEST:



**Patricia A. Weiler, Clerk
Powhatan County Board of Supervisors**

Recorded Vote:

David T. Williams AYE
Larry J. Nordvig AYE
Angela Y. Cabell AYE
William E. Melton AYE
Carson L. Tucker AYE

O-2016-01 to conditionally rezone approximately 2.47± acres of land located at the intersection of Huguenot Trail (Rt. 711) and Winterfield Road, from Residential-Utility (R-U) and Commercial (C) to Village Center Planned Development (VC-PD) with proffered conditions



**RESOLUTION R-2016-87 WAS NOT CONSIDERED BY THE BOARD
AND WILL NOT BE CONSIDERED BY THE BOARD IN THE FUTURE**

R-2016-87

**RESOLUTION
AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE ALL
DOCUMENTS FOR ACQUISITION OF WATER AND WASTEWATER
INFRASTRUCTURE FROM GRAY LAND & DEVELOPMENT COMPANY UPON
APPROVAL OF THE COUNTY ATTORNEY**

WHEREAS, the 2010 Long-Range Comprehensive Plan adopted by the Board of Supervisors identifies the Village area of 711 for development and growth; and

WHEREAS, the Economic Development Strategic Plan developed by Bowman Consulting and Spectrum Growth Solutions (2015) highlighted the need for developing additional water source(s) to provide additional capacity for development in the 711 area; and

WHEREAS, the Water and Sewer Master Plan developed by Dewberry Engineers Inc. and adopted by the Board of Supervisors in 2015 recommends development of water and wastewater infrastructure in the 711 area; and

WHEREAS, Staff has approached Gray Land & Development Company to discuss the transfer of ownership of the infrastructure in the Founder's Bridge Utility located in Powhatan County and Gray Land & Development Company supports the transfer, and

WHEREAS, at their meeting on October 24, 2016, the Board of Supervisors deferred action on this Resolution to their November 28, 2016 meeting so as to obtain more information and study the information on the proposed acquisition; and

WHEREAS, the Board of Supervisor directed staff to hold a Citizens Meeting on the proposed acquisition and such meeting was held on Thursday November 10, 2016 at 7:00 PM in the Village Building Auditorium, and

WHEREAS, the County Administrator and the Director of Public Works staffed the meeting and over 111 customers of Founders Bridge Utility Company (FBUC) attended; and

WHEREAS, approximately one-half of the customers of FBUC who were in attendance at the Citizens Meeting did not support the proposed acquisition and approximately one-half of the customers FBUC who were in attendance at the Citizens Meeting asked that the Board of Supervisors delay their decision on the acquisition for three (3) to six (6) months, and

WHEREAS, based on this input from the customers of FBUC, the County Administrator recommends that the Board does NOT approve this resolution and if at a later date, the customers /owner of the system request the County to acquire the system, the Board consider the acquisition at that time.

**RESOLUTION R-2016-87 WAS NOT CONSIDERED BY THE BOARD
AND WILL NOT BE CONSIDERED BY THE BOARD IN THE FUTURE**

R-2016-87

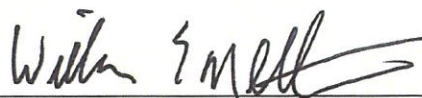
NOW, THEREFORE, BE IT RESOLVED that the County Administrator is authorized to execute all documents for acquisition of water and wastewater infrastructure in the Founder's Bridge Utility service area owned by Gray Land & Development upon approval of the County Attorney.

Chairman Melton moved that the Board declare that it is not ready to consider a purchase of the infrastructure of the Founders' Bridge Water Utility and instruct that Resolution R-2016-87 be removed from consideration by the Board.

Mr. Tucker seconded the motion.

Recorded Vote:

David T. Williams	<u>Aye</u>
Larry J. Nordvig	<u>Aye</u>
Angela Y. Cabell	<u>Aye</u>
William E. Melton	<u>Aye</u>
Carson L. Tucker	<u>Aye</u>



William E. Melton, Chairman
Powhatan County Board of Supervisors

ATTEST:



Patricia A. Weiler, Clerk
Powhatan County Board of Supervisors

Acquisition of Founders Bridge Utility Company

APPENDIX G

Water Issues Meeting Summary November 17, 2016

Members of the FB Powhatan Ad Hoc Committee met with Russ Aaronson (GrayCo), Casey Sowers (Riverton Associates), Jesse Royall (Sydnor Hydro) and 2 residents from the Bel Crest / Bridge community on Thursday afternoon at Independence Golf Club. The purpose of the meeting was to find common ground that would lead to solutions of the water capacity issues facing our communities.

Defer BOS Vote for 90 Days

One of our first goals was to get support in asking the Powhatan Board of Supervisors (BOS) to DEFER any action on the acquisition of the FBUC for 90 days. I'm pleased to report GrayCo had already contacted the Powhatan County Administrator and requested a 90-day deferral. Riverton Associates supported this action and the Ad Hoc Committee will immediately be in contact with County Administration to request the same deferral. It is the desire of all parties to ensure transparency in this proposal so every resident may have the time to understand the particulars of the transaction before the BOS takes a vote.

Non-Potable Irrigation

After the Nov. 10th Community Meeting at Independence, GrayCo, at their expense, commissioned Bowman Consulting to develop an engineering solution that would find non-potable water alternatives for irrigating the 76 FB Powhatan homes. Work began on this study the day after our Community Meeting and is progressing with feasibility, cost and impact results expected shortly.

Route 60 Waterworks Capacity

All parties support measures that would secure a relatively small portion of the 572K-gallon per day allocation that has been secured from Chesterfield County for Powhatan's Route 60 West Development. This solution has political implications and efforts are underway to contact appropriate officials from both county governments to seek their support. This would be the most effective solution, as it would eliminate the need for treated well water.

Discussion of Powhatan County's Acquisition of FBUC

Pros and Cons of the FBUC being acquired by Powhatan County were discussed. Whichever way it turns out, the Ad Hoc Committee agrees that at some point FB Powhatan residents will see an increase in water rates. Should the county acquire FBUC, the rates will need to match current Powhatan County rates even if a 2 tier structure is allowed, meaning one for FB and another for the Route 60 customers.

Should Sydnor Hydro buy FBUC, they will need at some point to request a rate increase from the State Corporation Commission (SCC) to recover their costs of doing business. Points to consider:

- When served by a public utility, water users can hold officials responsible for poor quality of water service & failure to address their concerns
- Having to stand for re-election incentivizes politicians to remain responsive to residents' concerns
- Private companies may refuse to promote water conservation and grow profits by selling more water, not less. Their first responsibility is to act in the best interest of shareholders

The committee feels the county's acquisition of the FBUC would be in the community's best interest due to long term sustainability of the system and having a public owned utility for all household and irrigation needs. Lastly, should the county acquire the FBUC, the increased cost would be known before a decision was made to move forward.

Preliminary Engineering Report (PER)

The PER has been placed on hold. The PER is a "concept" document the Virginia Dept. of Health (VDH) requires to determine if a project meets all of their standards. Even if a PER is approved, no work can begin on a project until the Final Plans have been approved by the VDH. GrayCo and Sydnor Hydro have put treated well water in the secondary vs. primary position should the above solutions not work. Nonetheless, the committee will continue aggressively pursue all options that keep treated well water out of our potable water supply.

Meeting Invitees:

Russ Aaronson
Sally Boese
Giff Breed
Dick Brown
Frank Jepson
Joe Lange
Tom Napier
Jesse Royall
Casey Sowers
Bob Videtic
John Watkins

GrayCo
Bel Bridge
Independence Golf Course
FB Golf Villas
FB Estate Villas
FB Estate Villas
FB POA
Sydnor Hydro
Riverton Associates
Bel Crest
FB Golf Villas

Acquisition of Founders Bridge Utility Company

APPENDIX H

Memorandum of Understanding
Founders Bridge Utility Company ("FBUC")

February 2, 2017

A meeting of the Ad Hoc FBUC Water Committee was held at Independence on January 25, 2017 to discuss alternatives for the establishment of a long-term solution to potable water capacity concerns within the FBUC service area. The committee was assembled by Tom Napier, President of the Founders Bridge Home Owners Association, and consists of representatives of Founders Bridge, Bel Crest and Bel Bridge homeowners, Riverton Associates, Independence Golf Course, Sydnor Hydro and FBUC. Eagle Construction is not a member of the committee but has been briefed on the items discussed by the committee. District 1 Supervisor David Williams was present to listen and learn about citizens concerns and to better understand the issues, but is not a member of the Ad Hoc Committee.

The committee has acknowledged the following points:

1. Riverton and Eagle have obtained zoning approval from Powhatan County for projects that must be supplied water and sewer service from FBUC.
2. Powhatan County requires documentation from FBUC confirming that water capacity is available to serve these projects as a condition to the issuance of permits.
3. Approximately 40,000 GPD of additional potable water supply is necessary to serve the FBUC service area at full build-out of all existing and proposed residential and commercial developments in order to prevent FBUC from exceeding the 180,000 GPD peak day capacity purchased from Chesterfield County.
4. FBUC has drilled and tested two (2) wells which confirm that sufficient groundwater supply is available to provide the needed additional capacity.
5. FBUC has engaged Bowman Consultants to prepare a Preliminary Engineering Report (PER) for submission to the Virginia Department of Health for approval of treated well water as a community waterworks water supply to supplement the capacity purchased from Chesterfield County, which would consist of two wells, an iron and manganese removal system, disinfection, and a hydropneumatic tank, as described in the PER.
6. Members of the community expressed opposition to the use of treated well water as a potable water source, resulting in FBUC withdrawing the initial submission of the PER and exploring various alternatives to supplying additional water capacity. In an effort to minimize the volume of treated well water introduced into the potable water supply provided by Chesterfield County, the PER has been modified to limit the operation of the system so that treated well water is introduced into the system only

between the hours of 10 pm and 6 am in order to provide water to the community for irrigation purposes during overnight hours, when domestic consumption is lower.

7. Powhatan County expressed interest last October in acquiring, owning and operating the FBUC water and sewer system, resulting in the presentation of a resolution for approval to the Board of Supervisors which was ultimately withdrawn from consideration before a vote was taken. At their November meeting, the Board of Supervisors heard a motion declaring it was not ready to consider the purchase of the FBUC water and sewer system and voted unanimously to remove Resolution R-2016-87 from consideration by the Board, thereby effectively removing Resolution R-2016-88 as well. The Board may consider an acquisition of the system at a future date, but not with these Resolutions.

The following alternatives to the use of treated well water have been suggested and discussed:

1. The construction of a separate irrigation system to serve the single-family residents in the Powhatan County portion of Founders Bridge subdivision, to be supplied from the Independence Golf Course irrigation ponds.

2. The construction of a storage tank and booster pump station to meet peak irrigation demand.

3. The re-introduction of the proposed acquisition by Powhatan County of ownership of the FBUC water and sewer system, and the transfer, for resale by Powhatan County within the FBUC service area, of approximately 40,000 GPD of the 572,000 GPD of peak day potable water capacity purchased by Powhatan County from Chesterfield County pursuant to an agreement dated March 6, 1997.

For the reasons discussed in the January 25th meeting, the parties agreed that alternatives 1. and 2. above are not operationally or economically feasible, and that the homeowners favor the acquisition of the system by Powhatan County and transfer of additional potable water already purchased by Powhatan County from Chesterfield County, although there is concern and uncertainty regarding the effect on the water and sewer rate structure in the event of a transfer of ownership of the system to Powhatan County. Powhatan County would require the support of the homeowners before it undertakes the steps necessary to acquire the system and request the transfer of its Chesterfield County capacity to the FBUC service area.

In order to secure a long-term solution to potable water supply within the FBUC service area, and in the short-term enable Riverton and Eagle to obtain County approval to proceed with their respective developments, the committee agreed to the following course of action:

1. FBUC will submit the revised PER to the Virginia Department of Health for approval in order to satisfy the zoning condition and enable the Riverton and Eagle projects to proceed. However, FBUC would not begin any construction until the County acquisition option is resolved. The treated well water system is a back-up plan to be implemented only if Powhatan County is not successful in acquiring the FBUC system and obtaining the consent of Chesterfield County to the transfer and re-allocation of approximately 40,000 GPD of peak day potable water capacity to the FBUC service area. The VDH approval process is estimated to take approximately 30 to 45 days from submittal.

2. The homeowners, through their representatives on the committee, will meet with Powhatan County officials to express their support for Powhatan County's ownership and operation of the system and attempt to reach an understanding with the County on proposed rates.

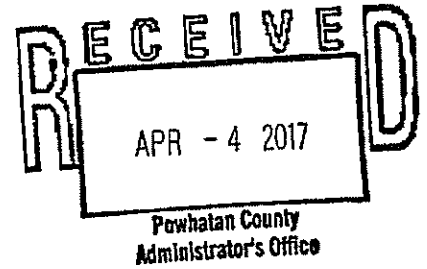
3. Sydnor will meet with Powhatan County to obtain the estimated water and sewer rate effect on the FBUC account holders that would result from Powhatan County's ownership and operation of the system, and present to the committee a comparison of Powhatan rates to the projected rates that would result from the construction of a treated well water system, with the intention that the homeowners have a clear understanding of any potential rate changes.

The parties agreed that the foregoing action items will all take place immediately and simultaneously, with the goal that within ninety (90) days from that date of this Memorandum of Understanding, either (i) Powhatan County will have obtained Chesterfield County's approval of the transfer of approximately 40,000 GPD of peak day potable water capacity to the FBUC service area and agreed to own and operate the system, or (ii) FBUC will have obtained Virginia Department of Health approval of the treated well water as a community waterworks water supply. The parties acknowledged their strong preference (subject to an understanding of the proposed rates) for the Powhatan County's ownership and operation of the system, but acknowledge that either of these two alternatives may provide Powhatan County with the evidence necessary to issue the required development permits to Riverton and Eagle.

The foregoing is intended to represent an accurate summary of the understanding of the parties in attendance at the January 25 meeting, and an acknowledgement of the intention of all parties to work diligently and in good faith to accomplish the goals summarized above.

Acquisition of Founders Bridge Utility Company

APPENDIX I



COMMONWEALTH of VIRGINIA

Marissa J. Levine, MD, MPH, FAAFP
State Health Commissioner

DEPARTMENT OF HEALTH
OFFICE OF DRINKING WATER
Culpeper Field Office

400 S. Main Street, 2nd Floor
Culpeper, VA 22701
Phone: 540-829-7340
Fax: 540-829-7337

Processing Office:

East Central Support Office
300 Turner Road
Richmond, VA 23225
Phone: (804) 674-2880
Fax: (804) 674-2815

SUBJECT: POWHATAN COUNTY
Water - Founders Bridge

March 30, 2017

Mr. Russell T. Aaronson
Founders Bridge Utility Company
5004 Monument Avenue, Suite 200
Richmond, Virginia 23230

Dear Mr. Aaronson:

A Preliminary Engineering Report prepared by Bowman Consulting Group, Ltd. for additions to the Founders Bridge waterworks located in Powhatan County, has been reviewed by this office. The report is titled "Founders Bridge Water System – Powhatan County, Virginia – Preliminary Engineering Report" and is dated February 21, 2017.

The source of water for the Founders Bridge waterworks is currently treated surface water purchased from the Chesterfield County Central Water System. The report proposes to connect two drilled wells with treatment to the existing waterworks, and to use the treated water from the wells as the primary supply of water for the waterworks from 10:00 pm – 6:00 am each night, when lawn irrigation is most likely to occur. Treatment of the well water will include disinfection, iron and manganese treatment, and corrosion control.

The Virginia Health Department, Office of Drinking Water, in accordance with 12VAC5-590-200 of the Commonwealth of Virginia *Waterworks Regulations* approves the Preliminary Engineering Report with the following comments and/or conditions:

1. The engineer shall submit data from existing installations of Ad-Edge filters that the filters can adequately remove iron and manganese at a filtration rate of 6.5 gpm/ft² at iron and manganese concentrations similar to concentrations found in the two drilled wells at Founders Bridge.
2. The inlet piping for the 10,000-gallon hydropneumatic tank shall extend to the back of the tank to reduce the potential for short-circuiting of flow within the tank.
3. The proposed additions will change the classification of the waterworks from Class 5 to Class 4.

*TO: Aaronson
4/6*

Mr. Russell T. Aaronson
March 30, 2017
Page 2

4. Plans and specifications shall be submitted to the East Central Support Office in time to permit review and approval before construction.

An approved copy of the Preliminary Engineering Report is on file in the East Central Support Office.

If we can be of additional assistance, please contact Randall L. Morrisette, District Engineer, at (804) 674-2880, Ext. 110 in the East Central Support Office.

Sincerely,



Hugh J Eggborn, PE
Engineering Field Director
Culpeper Field Office

cc: Ms. Karlyn J. Owens, PE, Bowman Consulting Group, Ltd.
Mr. Jesse L. Royall, Jr., PE, Sydnor Hydro, Inc.
Ms. Patricia A. Weiler, Powhatan County Administrator ✓
VDH, ODW - Central Office

Acquisition of Founders Bridge Utility Company

APPENDIX J

Summary of Meeting with Chesterfield County and Powhatan County

Attendees: George Hayes, Chesterfield County (Arrived at end of meeting due to conflict)
Mike Nannery, Chesterfield County
Ramona Carter, Powhatan County
Johnny Melis, Powhatan County

Date: September 26, 2019

Location: Chesterfield County Utility Department

The purpose of the meeting was to address Powhatan's request of specific conditions related to the potential of transferring 55,000 gpd of maximum day water capacity from Route 60 in Powhatan to the Founder's Bridge Utility Company (FBUC).

Discussions between Powhatan's and Chesterfield's Utilities staff on the transfer of the 55,000 gpd began over two years ago. The request to transfer 55,000 gpd of water capacity was made by Powhatan County as a condition of acquiring the FBUC because it is anticipated that with its current practices and demands, FBUC does not have enough water capacity to permit building of Winterfield Phase II without exceeding their contract with Chesterfield County. As Chesterfield County does not have additional water capacity beyond its own forecasted needs in that part of the county, additional water capacity allocation was not available and transferring existing allocations was identified as a potential option. The following discussions were held at staff levels and any modifications to existing water supply agreements would require review by our respective county attorney's office, county administration, and ultimately require both Boards approval at a public meeting.

The most recent requests by Powhatan County followed a third-party evaluation of the financial documents and the first draft water agreement that Chesterfield presented to Powhatan back in May 2019. The conditions that Powhatan requested to the proposed first draft agreement were as follows:

- 1) No changes to the rate structure or capacity charges for the Route 60 contract other than changing the water capacity to 517,000 gpd by deducting the 55,000 gpd. ERU calculation will be based on 400 gpd/ERU as per the current billing practice and not the 350 gpd that Chesterfield Utilities staff proposed.
- 2) Two contracts, keep FBUC as one contract and Route 60 as another.
- 3) Change the FBUC sewer calculation to 300 gpd rather than 350 gpd per ERU.
- 4) Powhatan is agreeable to adding the Richmond Capital cost to the 180,000 gpd water capacity of FBUC.
- 5) Powhatan is agreeable to changing the ERU calculation for the FBUC contract from 1 ERU/structure to ERU based on meter size, or use, per the respective County codes.

Chesterfield Utilities staff responded that they would prefer to have one contract with Exhibit 3 and 4 outlining the different calculations for the billing of the Route 60 water meter versus the FBUC water and wastewater service.

Chesterfield Utilities indicated that they were not willing to leave the Route 60 contract with the current terms if they transferred 55,000 gpd capacity to FBUC because of the inconsistency the current billing methodology of 1 ERU = 400 gpd and the tiered and fluctuating bi-monthly capacity cost charge.

Chesterfield Utilities staff will support leaving the Route 60 contract with the current terms only if the 55,000 gpd is not transferred.