

AT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE JAMES CITY SERVICE AUTHORITY, JAMES CITY COUNTY, VIRGINIA, HELD ON THE 18TH DAY OF JULY, NINETEEN HUNDRED NINETY-FOUR, AT 9:18 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. ROLL CALL

David L. Sisk, Chairman
Robert A. Magoon, Jr., Vice Chairman
Perry M. DePue
Jack D. Edwards
Stewart U. Taylor

David B. Norman, Secretary
John E. McDonald, Treasurer
Frank M. Morton, III, County Attorney
Larry M. Foster, General Manager

B. MINUTES - June 20, 1994

Mr. Sisk asked if there were corrections or additions to the minutes.

Mr. Sisk made a motion to approve the minutes.

The motion passed by unanimous voice vote.

C. BOARD CONSIDERATIONS

1. Stonehouse, Inc., Water Allocation Agreement

Mr. Larry M. Foster, General Manager, stated that the Master Plan for the Planned Unit Development by Stonehouse, Inc. included two golf courses which would need available water for irrigation. He further stated that the agreement would provide for allocation of water from Stonehouse Well 7A for potable and non-potable uses if Ware Creek Reservoir were constructed, and Richardson's Mill Pond no longer available as a water source for irrigation for the Stonehouse development.

Mr. DePue made a motion to approve the resolution.

On a roll call, the vote was: AYE: Edwards, DePue, Taylor, Sisk (4). NAY: (0) ABSTAIN: Magoon (1).

RESOLUTION

STONEHOUSE WATER ALLOCATION AGREEMENT

WHEREAS, Stonehouse, Inc., has reviewed all approvals for a Planned Unit Development which will be developed in James City County that includes two golf courses that require adequate irrigation; and

WHEREAS, Stonehouse intends to use Richardson's Mill Pond as the water source for irrigation of the golf courses; and

WHEREAS, if the Ware Creek Reservoir is constructed, Richardson's Mill Pond will be inundated and no longer available for irrigation to Stonehouse; and

WHEREAS, Stonehouse has two Wells (7 and 7A) that are available as a potable water source for the development and adequate water is available in Well 7A (non-potable) to support the irrigation requirements of the golf courses.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, approve the attached agreement establishing the terms for the uses of Well 7A to support the irrigation of a golf course in the event Ware Creek is constructed and Richardson's Mill Pond is no longer available as a irrigation water source.

2. Formal Acceptance of Water and Sewer Systems

Mr. Foster stated that adoption of the resolution would formally accept the dedication of certain water and sewer systems constructed by developers during Fiscal Year 1994.

Mr. Edwards made a motion to approve the resolution.

The motion passed by unanimous voice vote.

RESOLUTION

ACCEPTANCE OF FORMALLY DEDICATED

WATER AND SEWER SYSTEMS

WHEREAS, certain water and sewer systems have been constructed by developers and dedicated to the James City Service Authority; and

WHEREAS, these water and sewer systems have been constructed in accordance with technical requirements of the James City Service Authority.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, does formally accept the dedication of water and sewer systems listed below, as of June 30, 1994:

Sewer Fund

Berkeley's Green, Section 7	\$ 279,114.50
Ford's Colony, Section 13, C, D, & E	198,007.25
Governor's Land, W&S Ext.	39,672.75
Page Landing, Section 2, Phase 2	47,732.50
Powhatan Crossing, Section 3	70,429.75
Powhatan Plantation, Sections 1-7	135,546.50
Whiting Subdivision, Section 1	<u>7,886.25</u>
Total:	<u>\$ 778,389.50</u>

Water Fund

Berkeley's Green, Section 7	\$ 82,685.00
Ford's Colony, Section 13, C, D, & E	196,273.45
Governor's Land, W&S Ext.	73,549.00
Page Landing, Section 2, Phase 2	38,883.00
Powhatan Crossing, Section 3	47,660.00
Powhatan Plantation, Sections 1-7	95,419.90
Whiting Subdivision, Section 1	<u>19,895.00</u>
 Total:	 <u>\$ 554,365.35</u>
 Total Dedications	 <u>\$1,332,754.85</u>

3. Bid Award - Rehabilitation of Lift Station 4-7

Mr. Foster stated that the wastewater Pump Station (4-7) located on Route 5 east of the Five Forks area would be rehabilitated in Fiscal Year 1995. He further stated that bids were received with Shoreline Contractor submitting the low bid.

Staff recommended approval of the bid award.

Mr. Magoon made a motion to approve the resolution.

The motion passed by unanimous voice vote.

RESOLUTION

BID AWARD - REHABILITATION LIFT STATION 4-7

WHEREAS, the James City Service Authority owns and operates a wastewater Lift Station (4-7) which is located on Route 5 east of the Five Forks area; and

WHEREAS, the project was competitively bid with Shoreline Contractors submitting the low bid of \$158,600; and

WHEREAS, adequate funds are available in the JCSA budget to cover the costs of the project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of James City Service Authority, James City County, Virginia, hereby awards the rehabilitation of Lift Station 4-7 to Shoreline Contractors for a cost of \$158,600.

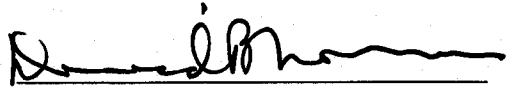
D. BOARD REQUESTS AND DIRECTIVES - None

Mr. Taylor made a motion to adjourn.

The motion passed by unanimous voice vote.

The Board adjourned at 9:26 p.m.

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David B. Norman
Secretary to the Board

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WATER ALLOCATION AGREEMENT

This WATER ALLOCATION AGREEMENT is made this 13th day of July, 1994 between the JAMES CITY SERVICE AUTHORITY ("JCSA") and STONEHOUSE INC., a Virginia corporation ("Stonehouse").

RECITALS

A. Stonehouse is the owner of certain real property containing approximately 5,750 acres located in western James City County, zoned PUD-R and PUD-C, with proffers, under the James City County (the "County") Zoning Ordinance and shown and set out on the Master Plan approved by the County pursuant to the PUD provisions of the Zoning Ordinance (the "Property").

B. Stonehouse has constructed ten groundwater withdrawal wells known as Stonehouse Wells 2, 3, 3A, 5, 7, 7A, 8, 9, 10 and 11, SWCB #'s EV0024001 through EV00240010 (the "Wells") on property owned by Stonehouse. Stonehouse has obtained a Certificate of Groundwater Right, No. EV0024000, from the State Water Control Board ("SWCB") allowing the withdrawal of up to 184,096,600 gallons of ground water per month from the Wells. Wells 2, 3A and 7A are screened in the Potomac Aquifer. The other Wells are screened in the Chickahominy-Piney Point Aquifer. Well 2 is located and will serve development in New Kent County. The other Wells are located on the Property.

C. Stonehouse has applied to the Department of Environmental Quality for a permit to withdraw an average of 720,000 gallons per day ("gpd") from Wells 7 and 7A to serve Development Area One of Stonehouse.

D. The PUD provisions of the County Zoning Ordinance require that the Stonehouse development be served by public water for domestic drinking water needs. Accordingly, Stonehouse intends to construct a potable water system utilizing Wells 7 and 7A to serve Development Area One of Stonehouse in accordance with applicable JCSA regulations. Stonehouse will expand the potable water system utilizing some or all of the Wells as necessary to serve development in Stonehouse, unless other sources of water are made available to it. At present the water from Well 7A is not potable unless blended with the water from the other Wells and the potable water system constructed by Stonehouse is expected to utilize blending. Stonehouse is required to dedicate the system to JCSA by the County Zoning Ordinance.

E. The approved Stonehouse Master Plan calls for a golf course to be located in Development Area One of Stonehouse. While Stonehouse is willing to commit to use surface water from Richardson's Mill Pond to irrigate the golf course, Stonehouse must ensure that if it is prevented from utilizing surface water from Richardson's Mill Pond to irrigate the golf course by the construction of the Ware Creek Reservoir, then it is allocated an adequate supply of water from the Reservoir or from Well 7A to irrigate the golf course to be constructed in Development Area One of Stonehouse and JCSA is agreeable to this allocation.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. **Use of Surface Water.** Stonehouse agrees to utilize withdrawals of surface water from Richardson's Mill Pond and other ponds on the golf course to irrigate the golf course to be constructed in Development Area One of Stonehouse, unless it is prevented from doing so due to the construction of the Ware Creek Reservoir. JCSA shall not take any action to prevent Stonehouse from utilizing Richardson's Mill Pond for golf course irrigation for at least five years from the date hereof.

2. **Allocation.** If Stonehouse or its successors in title to the golf course are prevented from utilizing surface water from Richardson's Mill Pond to irrigate the golf course by the construction of the Reservoir, then Stonehouse or its successors in title to the golf course shall have the right to withdraw, and is hereby allocated, water from either the Reservoir or from Well 7A, at the election of JCSA, in an amount equal to the "Withdrawal Allocation" as defined below to irrigate the golf course. Any connection to and withdrawal from Well 7A shall be made at a point approved by JCSA. During the first three years after the opening of the golf course to play by the public, the parties shall determine the actual average annual water usage for irrigation of the golf course for the three year period. If Stonehouse or its successors in title to the golf course are prevented from utilizing Richardson's Mill Pond to irrigate the

golf course by the construction of the Ware Creek Reservoir, then the amount of water from the Reservoir or Well 7A allocated to Stonehouse hereunder on an annual basis for the remainder of the term of this Agreement to irrigate the golf course shall be an amount equal to the lesser of (i) the actual average annual usage determined as set forth above multiplied by 1.2 or (ii) 150,000 gpd on an annualized basis (the "Withdrawal Allocation"). JCSA agrees to this allocation and the conveyance of Wells subject to this Agreement and further agrees that the water allocated to Stonehouse hereby shall be provided at no cost to the user thereof with the exception of a charge equal to the user's pro-rata share based on actual water usage of JCSA's cost of operating Well 7A. The parties agree to cooperate in designing the system to accommodate this allocation. In addition, Stonehouse and its successors in title to the golf course shall submit to JCSA for its approval a water conservation and drought management plan concurrent with the submittal of the site plan for the golf course to the County and shall abide by the approved plan.

3. Additional Capacity. When actual water usage by development within Stonehouse from the potable water system serving Stonehouse reaches 80% of the permitted capacity of the system, Stonehouse shall submit to JCSA a plan to increase the capacity of the system to serve development within Stonehouse. If JCSA is unable to provide potable water to development within the Stonehouse project because it has reached the maximum

permitted withdrawal level under the applicable SWCB permit(s) in providing water to earlier development within the Stonehouse project and for golf course irrigation pursuant to Section 2 above, then Stonehouse agrees, unless other sources of water are made available to it, to apply for withdrawal permits for the permitted or other Wells on Stonehouse property and to dedicate and convey such Wells and any related facilities to JCSA to increase the capacity of the JCSA system to enable it to service additional development within Stonehouse and James City County shall not be obligated to approve site plans or subdivision plats for development within Stonehouse until such additional capacity is available. The parties agree that as of the date of the dedication of the water system utilizing some or all of the Wells to JCSA 154,000 gpd on an annualized basis of groundwater from the system shall be reserved to serve economic development within the Property. All water usage by non-residential and non-recreational users within the Property shall be credited against and shall reduce the amount of water so reserved.

4. Terms of Conveyance. The dedication of the water system that includes all or some of the Wells from Stonehouse to JCSA shall be subject to the terms and conditions set forth in this Agreement, and upon such further terms and conditions as may be agreed between the parties at the time of such conveyance.

5. Term. The provisions of this Agreement shall survive delivery of a deed to the water system and shall remain in force for a period of thirty years from the date hereof.

6. Applicable Law. The parties acknowledge that the Wells and the operation thereof and the allocations established hereby are and remain subject to all applicable permits, laws, regulations and orders.

7. Notice. Written notice under the terms of this Agreement shall be deemed sent when deposited in the U.S. Mail, certified or registered, return receipt requested, proper postage affixed, addressed to the following:

If to JCSA:

James City Service Authority
101-E Mounts Bay Road
Williamsburg, Virginia 23185

If to Stonehouse Inc.:

President
Stonehouse Inc.
Post Office Drawer 3643
Williamsburg, Virginia 23187

or to such other addresses as either party may designate from time to time to the other party in writing.

8. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

9. Entire Agreement; Severability. This Agreement contains the entire understanding between the parties regarding the subject matter addressed herein. In the event that any part of this Agreement is found to be invalid or unenforceable, the remaining parts of this Agreement shall remain in full force and effect as written.

WITNESS the following signatures and seals.

JAMES CITY SERVICE AUTHORITY

Attest:

Sam H. [Signature]
General Manager

By: David L. [Signature]
Chairman of the Board

STONEHOUSE INC.

Witness: Vernon [Signature]

By: James D. [Signature]
Title: VICE-PRESIDENT