

AT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE JAMES CITY SERVICE AUTHORITY, JAMES CITY COUNTY, VIRGINIA, HELD ON THE 6TH DAY OF OCTOBER NINETEEN HUNDRED EIGHTY-SIX AT 7:05 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. ROLL CALL

Thomas D. Mahone, Chairman
 Perry M. DePue, Vice-Chairman
 William F. Brown
 Stewart U. Taylor
 Jack D. Edwards

James B. Oliver, Jr., Secretary
 John E. McDonald, Treasurer
 Frank M. Morton, III, County Attorney
 Sanford B. Wanner, Business Manager

B. MINUTES - September 8, 1986 - Regular Meeting

Mr. Mahone stated 11:20 p.m. in the last paragraph on page 4 should be corrected to read "11:28 p.m."

Mr. Taylor made a motion to approve the minutes as corrected.

The motion passed by a unanimous voice vote.

C. CONSENT CALENDAR

Mr. Mahone asked Board members if they wished to remove any items from the Consent Calendar.

Mr. Brown made a motion to approve the Consent Calendar. Mr. Brown stated he abstains on item #C-1.

The motion passed by a unanimous voice vote, with the exception of the abstention from Mr. Brown on #C-1.

1. Newport News Water Extension - Quarterpath Trace Village,
 Phase IV

RESOLUTION

City of Newport News Water Extension Agreement

WHEREAS, Busch Properties, Inc., has prepared plans for Quarterpath Trace Village - Phase IV, a development in Kingsmill; and

WHEREAS, the City of Newport News has prepared a water extension agreement for the extension of City water mains and to serve this development; and

WHEREAS, all testing fees and inspection fees have been paid by Busch Properties, Inc.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia does hereby authorize and direct the Chairman and Secretary to execute the Newport News Water Extension Agreement on behalf of the Service Authority.

2. Investment of Authority Funds

RESOLUTION

Investment Program

WHEREAS, the Board of Directors of the James City Service Authority has been requested to consider an investment program sponsored by United Virginia Bank and Capitoline Investment Services, Incorporated.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia authorizes its Chairman and Treasurer to enter into an agreement with Capitoline Investment Services, Incorporated under a custodial agreement between Capitoline and United Virginia Bank, to act as an investment advisor and agent for James City Service Authority funds.

D. **BOARD CONSIDERATIONS - None**

Mr. Brown asked Mr. Wayland Bass to give a presentation on the issue of prepaid connections and their impact on sewer capacities used in the proposed sewer plan.

Mr. Wayland Bass, Director of Public Works, used the Longhill Road area as an example in his presentation. Mr. Bass covered sewer line capacity issues, such as existing flows, flows for approved development, flows for projected development and flows for other development and discussed the method used to determine prepaids. Mr. Bass stated that upgrading the County sewer system as proposed in the 1986 Sewer Plan will give the County time to review what will happen and what needs to be done for future development.

E. **BOARD REQUESTS & DIRECTIVES**

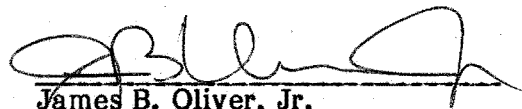
Mr. Mahone inquired about the water line on John Tyler Highway by Five Forks.

Mr. Wanner responded it is a gravity sewer line which serves the Fieldcrest subdivision area.

Mr. Taylor made a motion to adjourn.

The motion passed by a unanimous voice vote.

The Service Authority **adjourned** at 7:30 p.m.



James B. Oliver, Jr.
Secretary to the Board

Extension Agreement No. 172 - 1986

Location: Quarterpath Trace Village - Phase IV
James City County, Virginia

CITY OF NEWPORT NEWS, VIRGINIA
DEPARTMENT OF PUBLIC UTILITIES
AGREEMENT TO EXTEND WATER MAIN
BY CONTRACTOR

This Agreement, made this _____ day of _____, 19 __, by and between the City of Newport News, a Municipal Corporation of the Commonwealth of Virginia, hereinafter referred to as "City", and James City Service Authority, hereinafter referred to as "Applicant".

WHEREAS, the Applicant has applied to the City for permission to connect to its system and extend the water main or mains to serve the premises, constructed or intended to be constructed, on the tract or plot of land as shown on the development map or plot plan attached hereto and made a part hereof, known as Quarterpath Trace Village - Phase IV, and marked Exhibit "A"; and,

WHEREAS, the City is willing to permit connection to its system and provide retail water service to the aforementioned development.

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

1. The Applicant agrees:

a. At his own sole cost and expense, to furnish all labor, tools, materials and services to install, disinfect and tie-in water mains and appurtenances in accordance with the layout shown on Exhibit "A", and to conform to the Distribution Standards. Construction Drawings will be furnished by the City after execution of this Agreement and water pipeline work will not begin without these drawings.

Skipped

Skipped

b. At his own cost and expense and before final tie-in, to furnish complete "as-built" drawings, a one year maintenance bond (see Exhibit "D"), manufacturer's affidavits, construction materials and a breakdown of the total cost of the water pipeline as paid by the Applicant.

c. To pay the City upon execution and delivery of this Agreement, the sum of Four Thousand Seven Hundred Forty-Five Dollars, (\$4,745.00), the estimated cost of service pipes, supervision and inspection, as shown on Exhibit "B", attached hereto. Upon completion of this project if it is found that actual cost exceeds the estimated costs shown on Exhibit "B", then the Applicant will pay the amount over the actual cost and if the actual cost is less, then the City will refund any excess of amount paid by the Applicant.

d. Will pay as required by James City County to the City the established rental charge per annum for each fire hydrant installed in the development for five years after the date of installation of all fire hydrants in the subject project.

e. To furnish, at no cost to the City, all necessary plats and easements for water mains, reflecting the location installed and prepared in compliance with the standard form attached (see Exhibit "C") prior to acceptance of the water system to the existing system.

f. To furnish plat showing location of service pipes and provide a marker on site indicating location for service pipe installation on each lot or building as required. Site markers will be placed before the request for meter installation.

2. The City agrees, upon completion of the installation by the Applicant and compliance with the other terms of this Agreement:

a. Install metered service pipes subject to current ordinance requirements as follows:

(1) Water service connection or tap must be installed for the Applicant within a period of three (3) years after the application. If, through no fault of the Department of Public Utilities, installation is not made within three (3) years from the date of application, the fees paid in connection therewith shall be forfeited.

(2) For (5/8"), (3/4") and (1") meter connections: a minimum of (10) service connections must be installed as a group to qualify for project service connection fee rates, all others are charged as individual service connections. For (1 1/2") and (2") meter connections: a minimum of three (3) service connections must be installed as a group to qualify for project service connection fee rates, all others are charged as individual service connections. Also, charges for required permits and street repair costs shall be made in addition to the service connection, if required.

b. Maintain and operate the system.

c. Refund \$300.00 for each fire hydrant installed by the Applicant in accordance with Exhibit "A".

d. Refund to Applicant such amount as provided in the City Water Policy in existence on the date of this contract.

3. The Applicant and City agree:

a. That no work shall be started until this Agreement has been executed by the Applicant, approved by the City, and all streets and sidewalks have been brought to final subgrade and construction drawings have been issued by the Department of Public Utilities.

b. That the City assumes no responsibility for the settlement of the trenches for water mains after the installations are completed.

c. That the City shall have the right to make further extension of this water main extension after its completion.

d. That this Agreement shall be binding upon the respective parties, their successors and assigns.

e. That the facilities installed under this Agreement shall be the property of the City, its successors and assigns.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

EXHIBIT "B"

Estimated quantities of the water facilities to serve your property known as Quarterpath Trace Village - Phase IV, as shown on plat attached and total estimated cost for service pipes, fire hydrant rental, supervision and inspection.

PROJECT ESTIMATED PIPELINE QUANTITIES

50	feet of 18"	Concrete Casing Pipe (Class 3)
550	feet of 8"	Ductile Iron Pipe (Class 52)
10	feet of 6"	Ductile Iron Pipe (Class 52)
295	feet of 4"	Ductile Iron Pipe (Class 52)
1	fire hydrant	
3	tie-ins	

PIPELINE AND TIE-INS TO BE COMPLETED BY THE DEVELOPER IN ACCORDANCE WITH DISTRIBUTION STANDARDS

CITY'S ESTIMATED SERVICE AND CHARGES

16 - Service Pipes @ \$230.00	\$ 3 680.00
1 - Fire Hydrant Rental @ \$160.00	160.00
Supervision & Inspection	905.00

DEVELOPER'S ESTIMATED CITY COST	\$ 4,745.00
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A maintenance bond or letter of credit in the amount of \$2,500.00 is to be posted prior to acceptance and placing the water system in service which shall be in effect for one year beginning at date of pressure test.

The Developer shall place wooden stakes with the letter "W" to indicate locations for water services.

In the event that meters and service pipes may be covered with concrete driveways or walks, then such meters and service pipes shall be relocated at the expense of the Developer or Owner.

Capitoline Investment Services, Inc.
Box 436, 919 E. Main Street
Richmond, Virginia 23203
Tel. (804) 782-7222

This letter will confirm our agreement whereby we will furnish cash investment management services to you:

1. Appointment of Custodian: United Virginia Bank will act as custodian of the securities and cash constituting the account. The custodian will act under agreement dated January 1, 1973, copy attached.

2. Liquid Investment Account: You will transfer securities and/or cash to the Custodian. At any time, you may transfer additional assets to or withdraw assets from the account. You will keep us advised of all such transactions.

3. Duties of Capitoline: We will make sales, purchases and exchanges with respect to the securities in the account which will conform to the investment guidelines included herein and as you may change them from time to time.

4. Standard of Care: We will also be acting for other clients in rendering similar investment services, which may differ from advice given or the nature or timing of action taken with respect to your account. The standard of care imposed on us is to act with the care, skill, prudence and diligence under the prevailing circumstances that a prudent man acting in like capacity and familiar with such matters would use in managing an account of like character, but nothing herein contained shall be deemed to waive any liability we may have under Federal securities laws.

5. Execution of Transactions: In exercising the discretion you have given us to execute portfolio transactions, we will seek the best combination of price and execution for the particular transaction. In evaluating execution capability of the parties involved, we will consider the size of the order, the ability to effect and settle the transactions promptly and efficiently, and, where a broker or dealer is involved, our perception of the broker's or dealer's reliability, integrity and financial condition

and the value to our clients of our ongoing relationship with such broker or dealer. So long as we use our best efforts to get the best combination of price and execution, in selecting brokers or dealers to execute transactions, we may consider the fact that a broker or dealer has furnished, or has agreed to furnish in the future, statistical, research, or other information or services to us which enhance our investment research and portfolio management capability generally without having to demonstrate that such factors are of a direct benefit to your account. Certain of such services may be available to us on a cash payment basis.

6. Fee: The fee for services shall be as follows and as it may be changed in writing from time to time. The annual rate shall be .375% on the market value of the assets as computed monthly and, then, charged to the account quarterly. The minimum annual fee shall be \$2,500.

7. Investment Guidelines:

Objective:

Attainment of as high a level of current income as is consistent with the preservation of capital and liquidity. There is no assurance that this objective will be realized.

Instruments and Their Quality:

- U.S. Treasury Issues
- U.S. Government Agencies
- Certificates of Deposit, Bankers Acceptances and Commercial Paper of banks asset-ranked in the top 150 domestically and in addition must be quality-ranked in the upper half of Keefe Bruyette & Woods bank credit analysis service.
- Eurodollar CDs and time deposits of a select group of 29 banks asset-ranked in the top 50 domestically and quality-ranked in the upper half of Keefe Bruyette & Woods bank credit analysis service.
- Commercial Paper rated A-1/P-1
- Repurchase Agreements with reputable dealers which are backed by securities otherwise eligible for investment under these guidelines and where physical possession of collateral is taken.

- Money Market Funds meeting the above guidelines
- Corporate Bonds rated A or better or whose commercial paper is rated A-1/P-1

Liquidity:

All issues marketable.

\$ _____ (in multiples of \$100,000)
may be invested in instruments having a maturity
ranging from overnight to 90 days. The balance
of the account will be invested in overnight
instruments only. The above stated amount may
be changed by you in writing from time to time.

If the foregoing correctly sets forth our understanding,
kindly sign the enclosed counterpart and return it to us.