Albemarle County TMP # 07500-00-00-00100 TMP # 04500-00-00-067A0 TMP # 04500-00-00-069A0

Prepared by: McGuireWoods LLP

EXEMPTED FROM RECORDATION TAXES UNDER SECTION 58.1-811.A.3 OF THE CODE OF VIRGINIA (1950), AS AMENDED

RAGGED MOUNTAIN DAM PROJECT AGREEMENT

This RAGGED MOUNTAIN DAM PROJECT AGREEMENT (this "Agreement") made for purposes of identification this 1st day of January, 2012, by and between the CITY OF CHARLOTTESVILLE, VIRGINIA, a municipal corporation (the "City"), Grantor for indexing purposes; the ALBEMARLE COUNTY SERVICE AUTHORITY, a public body politic and corporate ("ACSA"), Grantor and Grantee for indexing purposes; and the RIVANNA WATER AND SEWER AUTHORITY, a public body politic and corporate ("RWSA"), Grantee for indexing purposes.

WITNESSETH:

- A. RWSA owns and/or operates facilities for the receipt and treatment of potable water pursuant to the terms of a Four-Party Agreement dated June 12, 1973, among the City, RWSA, ACSA and the Board of Supervisors of Albemarle County (the "Four-Party Agreement") and several supplementary agreements.
- B. The facilities operated by RWSA include the Lower and Upper Ragged Mountain Reservoir Dams located on a parcel of land designated as Albemarle County Tax Map 75,

 Parcel 1, and the South Rivanna Reservoir Dam, located on a parcel of land designated as

Albemarle County Tax Map 45, Parcel 67A, as more particularly described in the Deed referenced in Recital E below.

- C. Pursuant to Article IV of the Four-Party Agreement, the City and ACSA have agreed upon a project, not contemplated by their previous agreements, for the construction by RWSA of an earthen dam at the current site of the Ragged Mountain Reservoir to replace the existing dams at the Ragged Mountain Reservoir and increase the pool elevation of the existing Ragged Mountain Reservoir. The new earthen dam will increase the safe yield of the urban water system consisting of all water-related facilities within or serving the City of Charlottesville and the urban growth area of Albemarle County surrounding the City of Charlottesville and includes the areas served by public community water supply from the South Fork Rivanna Water Treatment Plant, the Observatory Water Treatment Plant, and the North Fork Rivanna Water Treatment Plant, as well as all reservoirs, dams, pipelines, pumping stations, storage tanks and other appurtenances connected to water plants and operated by RWSA (the "Urban Water System").
- D. ACSA and the City have reached an agreement concerning the sharing of costs for construction of the new earthen dam and related improvements and the amount of compensation for the increased area required to construct the dam and which will be inundated by the reservoir pool supported by the new dam, all as more particularly set forth in the Water Cost Allocation Agreement, dated January 1, 2012 (the "Cost Allocation Agreement").
- E. ACSA, the City and RWSA desire to set forth their understandings with respect to the construction of the dam and improvements in phases and the rights of RWSA to build the dam and related improvements upon the land where the existing Ragged Mountain Reservoir is located, which land is owned by the City subject to certain rights conveyed by the City to RWSA

pursuant to the Four-Party Agreement as set forth in the Deed and Bill of Sale dated June 13, 1983, recorded in the Clerk's Office of the City of Charlottesville in Deed Book 438 at page 854 and in the Clerk's Office of the County of Albemarle in Deed Book 768 at page 277 (the "Deed").

NOW, THEREFORE, for and in consideration of the premises, the cost allocations and other expense reimbursements set forth in the Cost Allocation Agreement, and other good and valuable consideration, the receipt of all of which is hereby acknowledged, the City, ACSA and RWSA agree as follows:

AGREEMENT

- 1. <u>Specification of the Project</u>. Pursuant to Article IV of the Four-Party Agreement, ACSA and the City agree to and direct RWSA, and RWSA agrees, to proceed to construct and perform the following (hereinafter referred to as the "<u>Project</u>"):
 - (a) New earthen dam on the site of and downstream of the existing Lower and Upper Ragged Mountain Dams sufficient to impound and raise the existing maximum normal operating reservoir pool level (641' above mean sea level) an additional forty-two feet (42') (683' above mean sea level) utilizing soil from certain borrow areas on the site to the extent feasible (the "New Ragged Mountain Dam"); provided, however, that until satisfaction of the conditions set forth in Paragraph 3 below, the normal operating reservoir pool level shall be limited to an additional thirty feet (30') (671' above mean sea level) above the existing normal operating reservoir pool level (the "Initial Pool Level"), and only upon satisfaction of such conditions shall the normal operating reservoir pool level be raised an additional twelve feet (12') above the Initial Pool Level (the "Additional Pool Level").

- (b) Separate rock-lined spillway for the New Ragged Mountain Dam.
- (c) Intake tower for the New Ragged Mountain Dam, with intake gates and a normal spillway at heights necessary to support the Initial Pool Level, constructed in such a manner as to allow the operation of an additional intake gate and spillway to support the Additional Pool Level upon satisfaction of the conditions set forth in Paragraph 3 of this Agreement.
- (d) A proposed pipeline, including tunnel, pumping facilities and related infrastructure, connecting the reservoir formed by the New Ragged Mountain Dam (such reservoir, including any expansion as provided in Paragraph 3 of this Agreement, hereinafter referred to as the "Ragged Mountain Reservoir") to the existing South Rivanna Reservoir and connecting to an existing pipeline serving the Observatory Water Treatment Plant (such pipeline, tunnel, pumping facilities and related infrastructure hereinafter referred to as the "SRR-RMR Pipeline").
- (e) A floating pedestrian trail bridge and spill boom across the Ragged Mountain Reservoir to be located north of Interstate 64 with truck access to construct and maintain such improvements, including periodic removal of debris from the spill boom (hereinafter referred to as the "Floating Bridge and Spill Boom").
- (f) Removal of trees and other vegetation in the areas necessary to construct the improvements described in clauses (a) through (e) above and in the area which will be inundated by the Initial Pool Level and, upon satisfaction of the conditions set forth in Paragraph 3 of this Agreement, in the area which will be inundated by the Additional Pool Level.
 - (g) Breach of the existing Lower and Upper Ragged Mountain Dams.

(h) Other construction and work necessary or desirable for the purposes set forth in this Agreement to construct and complete the improvements or to satisfy federal, state or local regulations applicable to the activities described in clauses (a) through (g) above, including all mitigation and restoration required by such permits.

The portion of the Project to be constructed on the Ragged Mountain Reservoir site shall be located substantially as shown on the "Land Use Map for the New Ragged Mountain Dam", prepared by Schnabel Engineering dated July 19, 2011, Sheets 1 – 7, a copy of which is attached hereto and recorded herewith, with the exception of the Floating Bridge and Spill Boom, which shall be constructed in coordination with the City's design and development of a trail system within the Ragged Mountain Reservoir site. RWSA shall be responsible for all aspects of the design, right-of-way and easement acquisition, and construction of the Project. RWSA shall require and verify that all individuals and entities under contract with RWSA to perform construction activities pursuant to this Agreement on any property owned by the City of Charlottesville agree to indemnity and hold harmless the City and its officers, officials and employees, and to include the City of Charlottesville as an additional insured on any applicable general liability insurance policies.

2. Confirmation and Grant of Water Rights, Leases, Easements and Rights of Access for the Project. Pursuant to Section 6.1 of the Four Party Agreement RWSA is the sole producer and seller of potable water to the City and ACSA. Further, pursuant to Section 3.2(c) of the Four-Party Agreement and Paragraph V of the Deed, the City leased to RWSA, for so long as the Four-Party Agreement remains in effect, "all water rights in and to…the two Ragged Mountain Reservoirs and the South Rivanna Reservoir, including the rights to maintain and operate all impoundment and pumping facilities, and to withdraw all water that may be available." To the

extent not already provided in the Four-Party Agreement, the City hereby leases to RWSA, for so long as the Four-Party Agreement remains in effect, but not to exceed forty (40) years from the date hereof, all water rights in and to the Ragged Mountain Reservoir, including the rights to maintain and operate all impoundment and pumping facilities, and to withdraw all water that may be available, all as provided in Article V of the Four Party Agreement. The City further grants to RWSA a temporary construction easement and right of access necessary to construct, and install the Project to inundate and support a reservoir pool to the Initial Pool Level and, subject to satisfaction of the conditions set forth in Paragraph 3 of this Agreement, to increase the normal operating reservoir pool to the Additional Pool Level and to construct that portion of the SRR-RMR Pipeline to be constructed on the Ragged Mountain Reservoir site and the South Rivanna Reservoir site.

The City further leases to RWSA, commencing upon the date RWSA begins construction of the SRR-RMR Pipeline and continuing for so long as the Four-Party Agreement remains in effect, but not to exceed a period of forty (40) years from the commencement date, the parcel of land adjacent to the South Rivanna Reservoir consisting of approximately 5.45 acres, more or less, designated in the Albemarle County land records as Tax Map 45, Parcel 69A, and more particularly described in Exhibit A attached hereto and recorded herewith to construct, install, operate, maintain, repair, replace, relocate and extend that portion of the SRR-RMR Pipeline to be located in and adjacent to the South Rivanna Reservoir.

3. <u>Increase to Additional Pool Level</u>. RWSA shall perform bathymetric surveys of the South Rivanna Reservoir and current water demand analyses and water demand projections in accordance with, and at intervals governed by, approved state and federal permits and the Commonwealth of Virginia's Local and Regional Water Supply Planning regulations (9VAC 25-

780), but at least every ten (10) years after the date of this Agreement, with the first such survey to be performed not later than the year 2020. RWSA shall update the analysis of safe yield of the Urban Water System following each new bathymetric survey of the South Rivanna Reservoir performed after the date of this Agreement using the latest available data on useable storage in the South Rivanna Reservoir, the Ragged Mountain Reservoir, and the Sugar Hollow Reservoir. All such bathymetric surveys, water demand projections and safe yield analyses will be performed by an outside consultant selected by RWSA. The method for determining safe yield shall be as set forth in the regulations of the Virginia Department of Health. At any such time that (i) the actual Urban Area water demand (measured as combined flow of treated water entering the Urban Water System from water treatment plants) as an average daily demand over a trailing twelve (12) consecutive month period or (ii) the average daily demand over a period of twelve (12) consecutive months projected out ten (10) years reaches eighty-five percent (85%) or more of the safe yield determined from the most recent safe yield analysis, RWSA, upon the written request of ACSA or the City and without further authorization or approval from the other party, shall modify the intake towers and remove trees and other vegetation necessary to allow the New Ragged Mountain Dam to impound and support a reservoir pool to the Additional Pool Level, and shall raise the reservoir pool to the Additional Pool Level.

- 4. <u>Permits</u>. The City, as the landowner of record of the parcels referenced in Recital B and Paragraph 2 above hereby authorize RWSA to apply for and secure all permits and approvals necessary for or mandated by the Project and the Project's expansion pursuant to Paragraph 3 of this Agreement.
- 5. <u>Dredging</u>. Pursuant to Article IV of the Four-Party Agreement, the City and ACSA agree to and direct RWSA, and RWSA agrees, to perform such dredging projects at the

South Rivanna Reservoir as may be specified jointly by the City and ACSA pursuant to the Water Cost Allocation Agreement.

6. <u>Miscellaneous</u>. In the event any one or more of the terms or provisions contained in this Agreement should be held invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions will not in any way be affected or impaired. Any invalid or unenforceable term or provision will be deemed to be void and of no force and effect only to the minimum extent necessary to cause such term or provision to become valid and enforceable, and the balance of this Agreement will be fully enforceable.

IN WITNESS WHEREOF, the duly authorized officers of the City of Charlottesville, Virginia, the Albemarle County Service Authority and the Rivanna Water and Sewer Authority have executed this Agreement as of the date first above written.

[SIGNATURES ON FOLLOWING PAGE]

CITY OF CHARLOTTESVILLE, VIRGINIA APPROVED AS TO FORM:

By: Maurice Jones, City Manager (SEAL) Louis Stown Craig Brown, City Attorney
COMMONWEALTH OF VIRGINIA CITY OF CHARLOTTESVILLE, to wit:
The foregoing instrument was acknowledged before me this 24+H day of 100000000000000000000000000000000000
mary J. Knowles MARY G. KNOWLES
Notary Public Registration No.: 205978 Reg. #205978
My Commission Expires: JULY 31, 2014
ALBEMARLE COUNTY SERVICE AUTHORITY
By: Gary B. O'Connell, Executive Director (SEAL)
COMMONWEALTH OF VIRGINIA COUNTY OF ALBEMARLE, to wit:
The foregoing instrument was acknowledged before me this 24th day of JANUARY, by Gary B. O'Connell as Executive Director of the Albemarle County Service Authority.
Notary Public Registration No.: 205978
My Commission Expires: JULY 31, 2014 MARY G. KNOWLES NOTARY PUBLIC Commonwealth of Virginia Reg. #205978 My Commission Expires 1/31 14

RIVANNA WATER AND SEWER AUTHORITY (SEAL) Thomas L. Frederick, Jr., Executive Director

COMMONWEALTH OF VIRGINIA COUNTY OF ALBEMARLE, to wit:

The foregoing instrument was acknowledged before me this 24th day of ว ลางปลุดษ , 2013, by Thomas L. Frederick, Jr. as Executive Director of the Rivanna Water and Sewer Authority.

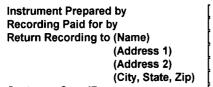
Registration No.: 205978

My Commission Expires: JOH 31, 2014

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Instrument	Control	Number	
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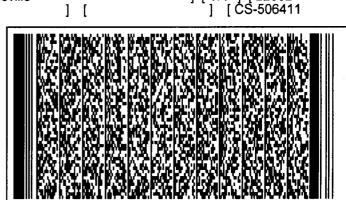
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	Date of Instrument [01/25/2012	2]	Doc ID: 006616480020 Type: DEE Recorded: 01/25/2012 at 03:21:04 Proceeds: \$96.00 Page 1 of 20 Debra M. Shipp Clerk File# 2012-00000970 BK 4124 PG697-716			716
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	(City, State, Zip)	Albemarle	County] [VA] [r	none j
	Instrument Prepared by Recording Paid for by Return Recording to (Name)		Voods LLP Voods LLP Jeger]



P.O. Box 1288

Charlottesville

] [VA] [22902] [CS-506411



Customer Case ID

RECORDED IN CLERKS OFFICE OF
ALBEMARLE COUNTY ON
January 25,2012 AT 3:21:04 PM
\$0.00 GRANTOR TAX PD
AS REQUIRED BY VA CODE \$58.1-802
STATE: \$0.00 LOCAL: \$0.00
ALBEMARLE COUNTY, VA
DEBRAM. SHIPP CLERK

PREPARED FOR:

RIVANNA WATER AND SEWER AUTHORITY ATTENTION: TOM L. FREDERICK, P.E.

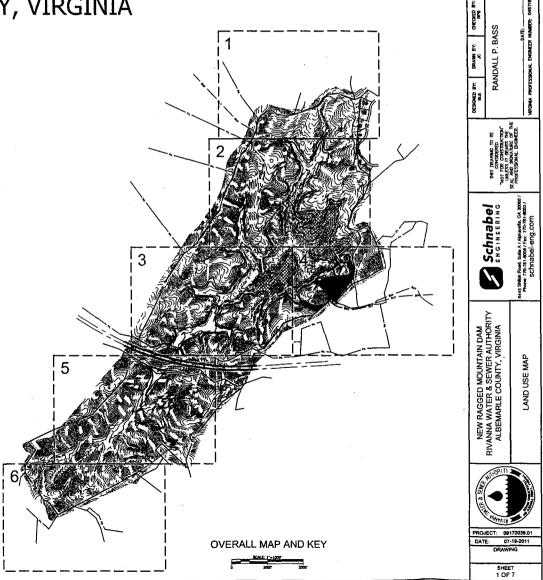
695 MOORES CREEK LANE CHARLOTTESVILLE, VA 22902 TELEPHONE: (434) 977-2970

LAND USE MAP FOR THE NEW RAGGED MOUNTAIN DAM

ALBEMARLE COUNTY, VIRGINIA

PREPARED BY:

SCHNABEL ENGINEERING, LLC ATTENTION: RANDALL P. BASS, P.E. 6445 SHILOH ROAD SUITE A ALPHARETTA, GA 30005 TELEPHONE: (770) 781-8008



LEGEND

EXISTING OR FUTURE ACCESS ROAD (GRAVEL OR DIRT) - RWSA MAY USE AND MAINTAIN FOR ACCESS TO RESERVOIR, DAM, SPILLWAY STRUCTURES, RAW WATER PIPELINES, OR 164 EMBANKMENT.

FUTURE NORMAL POOL ELEVATION = 883.00 FT. RWSA TO HAVE ACCESS AND USE OF ALL AREAS WITHIN RESERVOIR POOL.

PROPOSED NORMAL POOL ELEVATION = 871.00 FT. RWSA TO HAVE ACCESS AND USE OF ALL AREAS WITHIN RESERVOIR POOL.

EXISTING NORMAL POOL ELEVATION = 641,00 FT.

PROPOSED BORROW AREA FOR CONSTRUCTION OF NEW EARTHEN DAM.
RWSA TO HAVE COMPLETE ACCESS FOR CONSTRUCTION PURPOSES.
BORROW AREAS ABOVE PROPOSED NORMAL POOL TO BE REPLANTED AFTER
DAM CONSTRUCTION IS COMPLETE.

CLEARING AND GRADING AUTHORIZED FOR NEW EARTHEN DAM CONSTRUCTION - TO BE REPLANTED AFTER DAM CONSTRUCTION IS COMPLETE.

LIMITS OF NEW EARTHEN DAM, AUXILIARY SPILLWAY, INTRACE RISER TOWER AND RAW WATER INTRACE PIPPELINE - FOR PERMANENT USE AND MAINTENANCE BY NEW,

RESERVED AREA FOR AUXILIARY SPILLWAY OVERFLOWS - TO BE MAINTAINE BY RWSA.

AREA TO BE UTILIZED FOR ACCESS TO PERFORM I-64 IMPROVEMENTS

RAW WATER PIPELINE TO BE OPERATED, MAINTAINED, AND REPAIRED BY RWSA - FOR PERMANENT USE BY RWSA.

RAW WATER PIPELINE TO BE ABANDONED IN PLACE OR REMOVED BY RWSA DURING CONSTRUCTION OF NEW EARTHEN DAM.

EXISTING DITCH AND FLUME SYSTEM FOR RAW WATER FLOW TO BE OPERATED AND MAINTAINED BY RWSA FOR PERMANENT USE BY RWSA.

EXISTING PROPERTY LINE

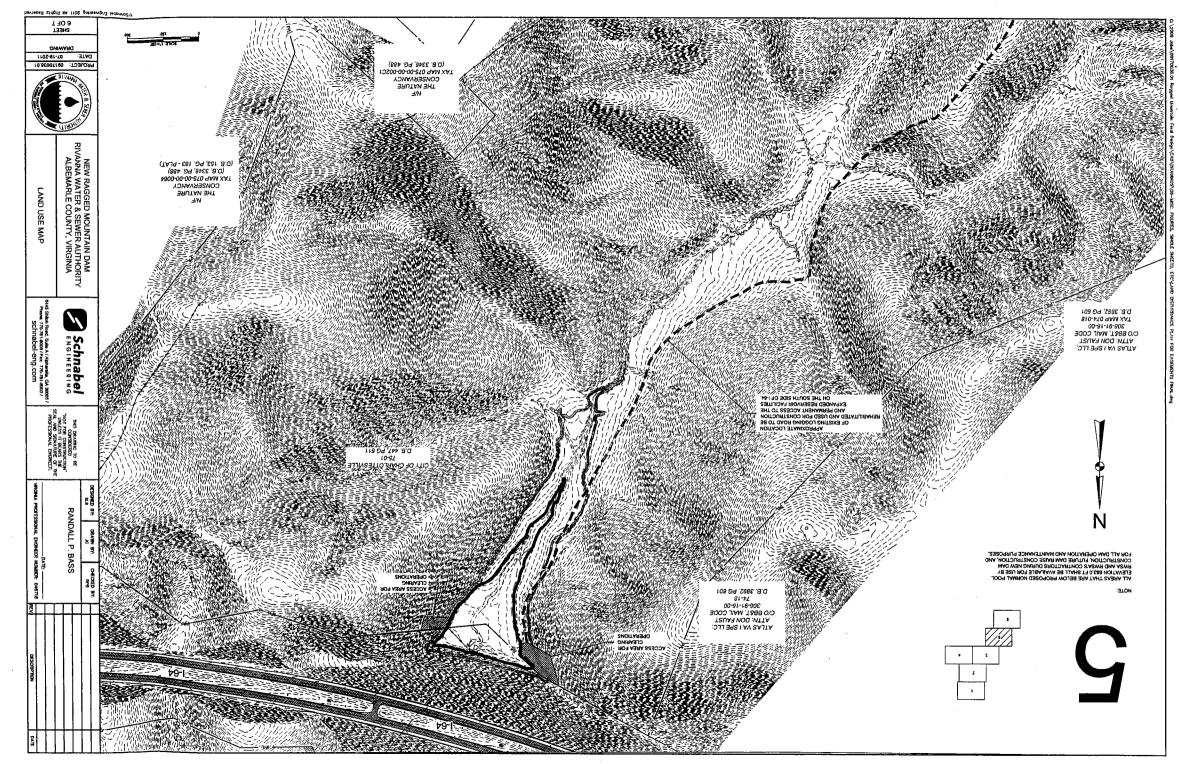
LAND USE MAP

Deed Book Hay ps.711

Schnabel Engineering 2011 All Rights Reserve

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EXHIBIT A