

WATER AGREEMENT  
between  
COUNTY OF GOOCHLAND, VIRGINIA  
and  
COUNTY OF HENRICO, VIRGINIA

THIS AGREEMENT is made this 11<sup>th</sup> day of June, 2002, by and between the COUNTY OF GOOCHLAND, VIRGINIA, hereinafter referred to as "Goochland," party of the first part, and the COUNTY OF HENRICO, VIRGINIA, hereinafter referred to as "Henrico," party of the second part, to set forth the terms and conditions under which Henrico will provide treated water to Goochland during the term of the agreement.

WHEREAS, Henrico provides water service to Goochland under terms of the water agreement dated December 14, 1994, as amended on July 12, 1995, and both parties desire to continue such service and to provide for increased service in the future; and,

WHEREAS, Goochland wishes to construct at its sole expense a water system within Goochland to provide water to residential, commercial and industrial customers in Goochland; and,

WHEREAS, Henrico desires and plans to construct a water treatment plant within Henrico initially capable of treating up to 55 million gallons per day ("mgd") and both parties desire that Goochland obtain water treatment capacity from this plant; and,

WHEREAS, the parties desire to provide for the aforementioned water treatment capacity to be made available to Goochland and to set forth the terms and conditions under which Henrico will provide water to Goochland and Goochland will obtain water from Henrico.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and undertakings of the parties to this Agreement, the parties hereto mutually agree each with the other as follows:

Section 1. Earlier agreements to be canceled. The Water Agreement between the parties dated December 14, 1994 (the "Water Agreement") and the Amendment to December 14, 1994 Water Agreement dated July 12, 1995 (the "Amendment") shall be canceled and of no further effect as of the date of this agreement. At such time, the provisions of this Agreement shall take effect and shall provide the terms, conditions and quantities of water to be provided by Henrico to Goochland.

Section 2. Henrico to provide treated water. Henrico shall provide water to Goochland for resale by Goochland to water customers located within Goochland through water meters at the Henrico-Goochland boundary. Henrico or Goochland may provide water service directly to customers located within the other jurisdiction along the Henrico-Goochland boundary if mutually agreed in writing by Henrico and Goochland.

Section 3. Goochland to provide public drinking water. Goochland agrees to operate said water supply system according to requirements of the Virginia Department of Health ("VDH") as a public drinking water supply for its residential, commercial and industrial users, and shall obtain and maintain a valid operation permit prior to commencement of providing service.

Section 4. Annual Projections. Subject to the continuation of water service in the amount of 25 mgd to Henrico from the City of Richmond, which Henrico agrees to use its best efforts to continue, Henrico agrees to supply Goochland after the opening of the Henrico Water Treatment Plant ("WTP") up to a maximum of 25 mgd of water through mutually agreed metered connections between the Goochland and Henrico water systems, as provided in the requirements schedule provided by Goochland to Henrico. The initial requirements schedule is attached hereto as Exhibit A. By March 1 of each year, Goochland shall provide an amended requirements schedule meeting the requirements of this Agreement which shall automatically become a part of this Agreement, indicating the projected maximum-day and peak hour water requirements at each metering point for the next ten (10) fiscal years. The schedule shall indicate future requirements beginning on the first day of the fiscal year following submission of the amended requirements schedule. Additional connections and metering points may be established by written agreement of the parties, and the requirements schedule shall be adjusted accordingly in such case. The currently desired capacity as shown in the most recent requirements schedule, as amended, shall be known as the "contractual capacity." In the event that Goochland's projected requirements increase overall, or at any delivery point, and as a result exceed the maximum capacity of Henrico's facilities to deliver Goochland's projected requirements, Henrico will, within one hundred eighty (180) days of receipt of the projected requirements, advise Goochland of this condition in writing, including the facility involved, the date on which the capacity of such facility will be exceeded, and the alternatives available to meet the projected Goochland requirements. Henrico shall be under no obligation to enlarge or modify its distribution system beyond the improvements or for greater quantities than described in this Agreement to meet increases in Goochland's requirements unless mutually agreed in writing. Notwithstanding the foregoing, and subject to the continuation of water service from the City of Richmond described above, which Henrico agrees to use its best efforts to continue, the maximum quantity of water to be supplied to Goochland shall not exceed the following:

- a. 786,000 gallons per day ("gpd") (0.786 mgd) upon the effective date of this agreement;
- b. 5.25 mgd when the 55 mgd WTP begins operation, currently expected to be January 1, 2003;
- c. 11.54 mgd when the WTP begins operation at 80 mgd (estimated to be in 2010 or later);
- d. 25 mgd when the WTP begins operation at 120 mgd, or a pro rata amount between 11.54 mgd and 25 mgd if Henrico is not permitted for a full 120 mgd WTP. Henrico agrees to use its best efforts to acquire a permit for a 120 mgd WTP as needed.

Section 5. Annual payment. Goochland agrees to pay Henrico for the water service provided by Henrico to Goochland during the term of this Agreement. The charges for the sale of water to Goochland under this Agreement shall be determined annually on a fiscal year basis. For purposes of this Agreement, each fiscal year shall be from July 1st through June 30.

Section 6. Basis of Charges. The charges for water sold to Goochland during the term of this Agreement shall be based on the actual cost to Henrico for the fiscal year in which the sale of water occurred. The billing to Goochland shall consist of a Capacity Charge based on contractual capacity or maximum day demands, whichever is greater, and a Commodity Charge based on metered use. The amounts of the Capacity Charge and the Commodity Charge shall be determined through a formula determined through an annual cost allocation study of the components set forth in Section 7, Commodity Charges, and Section 8, Capacity

Charges. The cost allocation study's formula shall be used to determine the pro rata costs of serving Goochland in each of the enumerated cost categories and shall allocate the actual portions of the total cost in each category incurred by Henrico to serve Goochland for each fiscal year under this Agreement. The methods, parameters, procedures, and principles used in the cost allocation study's formula shall be reviewed by the parties in detail upon the request of either party to ensure that the billing is on a pro rata basis, except that such review shall be no more frequently than once every five (5) years unless agreed to by both parties. The most recent allocation study is attached hereto as Exhibit B.

Section 7. Commodity Charges. The Commodity Charge shall include the following categories of operating expenses, to the extent such costs are not capitalized under generally accepted accounting principles: Administrative, Accounting, Construction Inspection, Engineering, Customer Service-Billing and Collection, Customer Service-Meter Reading, Operations Administration and General, Warehouse, Transmission and Distribution, Meter Repair, Water Source of Supply, Water Treatment, Water Pumping, and Laboratory Expense. In each category, the actual expense directly attributable to Goochland shall be determined, and the total annual Commodity Charge to Goochland shall be the sum of such expenses in each category directly attributable to Goochland.

Section 8. Capacity Charges. Capacity charges shall be the sum of the amounts determined for depreciation, payments in lieu of taxes and return on investment on the plant and facilities for intake, treatment, pumping and distribution allocated to serve Goochland. The allocation of plant and facilities costs partially allocable to Goochland shall be based on the ratio of Goochland's actual maximum day demand to the system maximum day demand or the ratio of contract maximum day demand to the system maximum day demand, whichever is higher during the fiscal year of the cost allocation study/formula. The cost of facilities or plant serving only Goochland (direct) shall be allocated directly to Goochland. The rate used to determine the Rate of Return on Investment shall be Henrico's average cost of outstanding debt during the period of the cost allocation study plus 2%, and the charge shall be based on the book value of joint and direct plant allocated to serve Goochland at the end of the fiscal year. The rate used to determine the Payment in Lieu of Taxes shall be Henrico's rates in effect during the period of the cost allocation study, and the charges shall be calculated on the book value of joint and direct plant allocated to serve Goochland at the end of the fiscal year. Facilities paid for by Goochland shall not be depreciated for purposes of calculation of Capacity Charges, nor shall return on investment be paid on such facilities. Henrico's costs for necessary capitalized repairs or necessary upgrades to the plant or facilities used to serve Goochland may be added to the calculations of Capacity Charges upon completion and placement into service of such repairs or upgrades. Prior to undertaking any such repairs or upgrades, Henrico shall advise Goochland of its plans and the effect upon Capacity Charges.

Section 9. Prepayment of Capacity Charges. Prior to completion of construction or expansion of any plant serving Goochland, Goochland may elect to prepay intake, treatment or distribution capacity charges in whole or in part. If Goochland so elects, the Goochland Engineer and the Director of the Henrico Department of Public Utilities shall agree upon the portion of treatment plant or distribution capacity to be allocated to Goochland expressed as a percentage of treatment or distribution plant capacity. The parties agree that Goochland's prepayment of capacity charges for 5.25 mgd of the 55 mgd water treatment plant shall be \$13,389,920.00, subject to adjustment for change orders, refunds, and offsets upon completion of all construction activities. Upon billing by Henrico, Goochland shall pay to Henrico the Goochland portion of all expenses paid by Henrico in connection with the design and construction of the treatment plant and distribution plant which Henrico capitalizes as a project cost and upon completion, Goochland shall have the

right to receive from Henrico the quantity of water for which capacity charges are paid for by Goochland during the term of the contract. Goochland shall be entitled to pro rata refunds or offsets in the event that Henrico receives a refund or offset of any payment. After Goochland has prepaid for any capacity of the treatment or distribution plant, depreciation for that portion of the plant shall be considered to be zero for purposes of calculation of any capacity charge for that capacity. Goochland shall not pay return on investment for such portion of the plant. Goochland also may elect at any time after plant is placed in service to prepay capacity charges for intake, treatment or distribution in whole or in part. In such case, the prepayment amount by Goochland shall be the undepreciated amount which is the basis for the Capacity Charge for which prepayment is made as set forth in Section 8. The effect of such prepayment shall be that depreciation and return on investment components of Capacity Charges are eliminated for all items of plant for which prepayments are made. If the actual maximum day use by Goochland in any fiscal year exceeds the maximum day capacity purchased, then a capacity charge on the difference between the maximum day use and the maximum day capacity purchased will be billed to Goochland at the time the annual cost allocation study/formula is prepared and will be calculated according to Section 8.

Section 10. Henrico to Use Allocated Capacity. In the event that capacity allocated to Goochland pursuant to this Agreement is in excess of the capacity which Goochland reasonably anticipates using, Goochland shall notify Henrico by revising its estimates to reflect decreases in its anticipated usage. Goochland may revise its future capacity projections downward without cost or penalty at any time, provided that Henrico has not commenced design or construction of a capacity expansion to accommodate the Goochland projections of use. If Goochland desires to reduce future capacity projections following commencement of design or construction but prior to the placement of the plant or facilities into service, Henrico shall advise Goochland of the costs it has incurred attributed to the plant or facilities being designed or installed to meet Goochland's projections, and Goochland may pay that amount to Henrico as a cancellation fee. Following payment of such a fee, Goochland shall have no further obligations to use or pay for such capacity. If Goochland has already paid for the design or installation of capacity which has been placed into service and which it later determines it may not use, it shall so advise Henrico. In such a case, Henrico shall undertake to use such capacity for system purposes, including use by its customers or by any other local government or regional entity which may utilize water treatment by the Henrico treatment plant, at the first opportunity for such use. Upon the use of such capacity to serve other customers, Goochland shall no longer pay capacity charges for such plant, and Henrico shall refund to Goochland the depreciated value of such treatment capacity.

Section 11. Cost Allocation Formula. Because the actual cost of service for any fiscal year cannot be determined until the close of the accounting books for that period, Henrico shall bill estimated charges each month until a cost allocation formula is calculated and Henrico has determined the actual cost of service. The cost allocation formula shall determine the allocation of operating costs in accordance with Section 7 and capacity costs in accordance with Section 8. After the cost allocation formula has been prepared each year, the cost of service for the fiscal year shall be determined by multiplying the total amount of water sold to Goochland by the rate per hundred cubic feet (CCF) determined in the cost allocation formula to determine the Commodity Charge and adding that amount to the Capacity Charge, if any. For the first partial fiscal year of service, estimated costs shall be billed, and Goochland and Henrico shall confer prior to any billing in order to develop the best possible good faith estimates of such costs. Following the end of the first partial fiscal year, and each subsequent fiscal year, adjustments will be made pursuant to this Section for the following year, and reimbursements shall be made pursuant to Section 12. For each year following the first partial fiscal year, if applicable, the estimated monthly Capacity Charge to be billed shall be one twelfth (1/12) of the annual

Capacity Charge estimated by calculating the anticipated Capacity Charge for the fiscal year. The estimated Commodity Charge to be billed shall be the rate for the immediately preceding fiscal year, plus the average percentage increase in water rates for service to Henrico County retail water customers authorized by the Henrico County Board of Supervisors for the current year, multiplied by the usage incurred by Goochland, as metered or estimated pursuant to Section 16. Henrico shall complete the cost allocation study within sixty (60) days of the completion of Henrico's annual audit by its external auditors and provide a copy of the study and formula to Goochland. Bills will be rendered monthly and payment shall be due within thirty (30) days of receipt.

Section 12. Annual Reimbursement. In the event that payments made by Goochland exceed the computed cost of service for the fiscal year for which the cost allocation formula is prepared, then Goochland shall be reimbursed for the excess within thirty (30) days of completion of the cost allocation formula. If the payments made by Goochland are less than the computed cost of service, then Goochland shall pay the difference within thirty (30) days of billing.

Section 13. Quality of Service. Henrico shall provide the same quality of water to Goochland that it furnishes Henrico customers from the main or mains from which the water is taken by Goochland. Water pressure at each delivery point to Goochland shall be the same as provided to customers in Henrico at the metering point when Goochland's demand does not exceed the maximum-day flow rate at that meter.

Section 14. Construction of Mains. At the request of Goochland, Henrico shall construct water mains and connections in Henrico as necessary for Goochland to obtain water under this Agreement. Where the mains are solely for the benefit of Goochland, they shall be constructed at no cost to Henrico. All construction shall be in accordance with plans and specifications approved by the Henrico Director of Public Utilities. Upon completion and acceptance of such mains and connections, ownership shall be vested in Henrico for that portion of the water system up to and including the meter installation, and Henrico shall be responsible for operation and maintenance of such mains and connections.

Section 15. Construction and Operation in Goochland. Goochland shall construct, maintain, repair and operate water mains and connections in Goochland as are necessary to provide water service in Goochland under this Agreement. The design, construction, maintenance, repair and operation shall comply with applicable local, state and federal regulations. Goochland shall provide water storage and pumping facilities as required by VDH regulations and as necessary to meet Goochland's peak-hour demand, including needed fire flows. At the time this Agreement is executed, Goochland warrants that Goochland's plans and water pressure modeling for its proposed water storage and pumping facilities indicate that Goochland's existing and proposed facilities will be able to handle up to 5.25 mgd of water capacity. Prior to Goochland using water capacities greater than 5.25 mgd, Goochland's plans and water pressure modeling shall show that the proposed water storage and pumping facilities can handle the additional capacities. Henrico shall be entitled to review Goochland's plans and water system models. Should Henrico have any reasonable concerns about Goochland's plans or water system models, Goochland and Henrico shall discuss Henrico's concerns and work together to resolve them before additional capacities are used. Goochland shall have title to all water facilities in Goochland constructed or provided by Goochland. Should Goochland's operation cause Henrico's water system to be in noncompliance with VDH and other applicable rules and regulations, then Goochland will take immediate steps necessary to alleviate the situation, including necessary capital improvements as soon as reasonably practicable.

Section 16. Metering. Henrico shall provide, install and maintain the meter at each point of delivery of water to Goochland under this Agreement and the quantity of all water delivered to Goochland shall be measured through these meter(s). Henrico shall read all meters monthly. Goochland shall have the right to read such meters simultaneously with Henrico for the purpose of verifying the accuracy of such meters. Goochland shall not have access to meter vaults unless Henrico personnel are present but access by Goochland personnel or agents shall be neither denied nor unreasonably delayed. In the event of a meter failing to register properly for any cause, the quantity of water delivered shall be estimated based upon the average quantity delivered for the preceding twelve months, if available, or using another reasonable period of time or methodology as mutually agreed by the parties. Upon request, Henrico will provide Goochland with flow information which is available from the Henrico SCADA System, or some successor system providing the same type of information. Goochland may connect to the Henrico SCADA system, or a successor system, at its cost, and receive information directly from meters serving Goochland. However, actual meter readings will be used for billing purposes, except as otherwise provided herein.

Section 17. Limitation of Liability. Neither Henrico nor Goochland shall be liable in damages to the other for any act, omission, or circumstances occasioned by or in consequence of any acts of God, acts of the public enemy, wars, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, or any other cause, not reasonably within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. Such causes or contingencies affecting the performance hereunder by either Henrico or Goochland shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve either party from its obligations to make payment of amounts then due hereunder in respect of water theretofore delivered. Nothing contained in this section shall be construed as waiving any immunity which either County may possess.

Section 18. Interruption. Henrico shall have the obligation at all times to provide the maximum quantities of water to be delivered under this Agreement, and may interrupt such supply only in the event of emergencies beyond the control of Henrico, or by mutual consent if required for system maintenance or construction.

Section 19. Suspension/Limitation. Whenever in the reasonable judgment of Henrico an actual, bona fide emergency exists which requires the suspension or limitation of water services, service to Goochland customers hereunder may be suspended or limited as long as such emergency exists, but only if and to the extent that Henrico suspends or limits service to all similarly affected Henrico customers. Henrico will notify Goochland as soon as possible that services are to be or have been suspended or limited under this Section and, thereafter will keep Goochland advised as to when such services may be restored. In the event an emergency is declared, pursuant to the Code of Henrico, restrictions imposed on citizens of Henrico shall also be imposed on citizens of Goochland if supplied or supplemented from the affected water supply. Henrico shall act in good faith when declaring the existence of any such emergency, and shall take any and all reasonable measures to continue to supply all or part of Goochland's water supply needs despite the existence of any such emergency. The term "emergency" as used in this section shall include mandatory compliance with water conservation restrictions as required by the withdrawal permit conditions for a water conservation plan approved by the Virginia Department of Environmental Quality ("DEQ"), including any restrictions

placed upon the Henrico water system by DEQ upon renewal of Henrico's DEQ Virginia Water Protection Permit. The term "emergency" shall also include the voluntary conservation of water when conditions warrant; *e.g.*, when peak or maximum flows cause the Henrico water system to function improperly (*i.e.*, pressure below state regulations), or when requested by the City of Richmond. All voluntary measures shall be applied equally to Henrico and Goochland. In addition, Goochland agrees to pro rata flow reductions when future federal, state or local limitations or flow reductions are applied system-wide to all other users of the Henrico water system.

Section 20. Term. This agreement shall be in full force and effect from its date through and including June 30, 2032, and shall continue in force thereafter until terminated by either the County Manager of Henrico or County Administrator of Goochland giving to the other party hereto ten (10) years written notice to that effect. In the event this Agreement is canceled by Goochland and not replaced by a new agreement, Goochland shall pay Henrico an amount equal to the book value of plant directly allocated to Goochland and not paid for by Goochland whether through direct payments for capacity, monthly or annual capacity charges, or in another manner, including direct installation and payment therefor by Goochland. In the event this Agreement is canceled by Henrico and not replaced by a new agreement before the end of its term, Henrico shall pay Goochland an amount equal to the book value of plant directly allocated to Goochland and paid for by Goochland whether through direct payments for capacity, monthly or annual capacity charges, or in another manner, including direct installation and payment by Goochland. For purposes of calculation of any payments due from Goochland to Henrico under this section, book value shall be deemed to be zero for any item of plant that no longer decreases in value each year on Henrico's schedule of depreciation. This agreement shall be binding upon and inure to the benefit of the parties hereto and their successors or assigns. The parties specifically agree that their respective rights under this Agreement shall be assignable, provided that the assignor remains responsible for the performance of all contractual obligations set forth herein.

Section 21. Adoption of Henrico water conservation plan by Goochland. Within 30 days of execution of this agreement, or Henrico's final adoption of a water conservation plan, whichever is later, Goochland shall adopt the water conservation plan adopted by Henrico. Furthermore, within 30 days of adoption of water conservation plan amendments by Henrico, Goochland shall adopt all amendments to the Henrico water conservation plan.

IN WITNESS WHEREOF, Henrico and Goochland have caused this Agreement to be executed by their duly authorized officers.

[SIGNATURES FOLLOW ON NEXT PAGE]

COUNTY OF GOOCHLAND, VIRGINIA

By: James W. Eads  
Chairman, Board of Supervisors

ATTEST:

[Signature]  
Clerk

Approved as to form:

Andrew R. McRobert  
Goochland County Attorney

COUNTY OF HENRICO, VIRGINIA

By: James B. [Signature]  
Chairman, Board of Supervisors

ATTEST:

Barry A. Lawrence  
Clerk

Approved as to form:

[Signature]  
Assistant Henrico County Attorney

# Water Projections

Average and Peak day Figures in MGD Peak hour figures in Million Gallons

Location	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2015	2020	2025	2030	2035	2040
Route 250	Average Day	0.014	0.018	0.024	0.150	0.195	0.330	0.428	0.557	0.724	1.030	1.465	2.084	2.965	4.217	5.999
	Peak Day	0.028	0.036	0.047	0.300	0.390	0.659	0.857	1.114	1.448	2.060	2.930	4.168	5.929	8.434	11.998
	Peak Hour	0.001	0.002	0.002	0.013	0.016	0.021	0.027	0.036	0.046	0.060	0.086	0.122	0.174	0.247	0.351
Ridgefield Parkway	Average Day	0.000	0.103	0.129	0.161	0.201	0.314	0.393	0.491	0.614	0.747	0.909	1.107	1.347	1.639	1.995
	Peak Day	0.000	0.206	0.258	0.322	0.402	0.629	0.786	0.992	1.228	1.494	1.819	2.213	2.693	3.278	3.989
	Peak Hour	0.000	0.009	0.011	0.013	0.017	0.026	0.033	0.041	0.051	0.062	0.076	0.092	0.112	0.137	0.166
Patterson Avenue	Average Day	0.076	0.099	0.128	0.167	0.217	0.367	0.477	0.620	0.806	1.067	1.414	1.873	2.480	3.285	4.351
	Peak Day	0.152	0.198	0.257	0.334	0.434	0.734	0.954	1.240	1.612	2.135	2.828	3.745	4.961	6.570	8.703
	Peak Hour	0.006	0.008	0.011	0.014	0.018	0.031	0.040	0.052	0.067	0.089	0.118	0.156	0.207	0.274	0.363
River Road	Average Day	0.101	0.104	0.107	0.110	0.114	0.121	0.124	0.128	0.132	0.136	0.140	0.144	0.148	0.153	0.157
	Peak Day	0.202	0.208	0.214	0.221	0.227	0.241	0.248	0.256	0.264	0.271	0.280	0.288	0.297	0.306	0.315
	Peak Hour	0.008	0.009	0.009	0.009	0.009	0.010	0.010	0.010	0.011	0.011	0.011	0.012	0.012	0.012	0.013
Totals	Average Day	0.191	0.324	0.388	0.588	0.727	1.131	1.422	1.796	2.276	2.880	3.928	5.207	6.940	9.294	12.502
	Peak Day	0.382	0.648	0.776	1.177	1.454	2.263	2.845	3.592	4.551	5.961	7.856	10.415	13.860	18.588	25.004
	Peak Hour	0.016	0.027	0.032	0.049	0.061	0.094	0.119	0.150	0.190	0.248	0.327	0.434	0.578	0.775	1.042

GOOCHLAND WATER COST OF SERVICE  
2000-01 WATER RATE

PAGE 1

VOLUME PURCHASED (CCF)		76,320
CAPACITY CHARGE	\$0.878	\$66,976
COMMODITY COSTS	\$1.008	\$77,002
ACTUAL COST	\$1.886	\$143,978
ACTUAL AMOUNT BILLED	\$1.623	\$123,853
AMOUNT (OVER) UNDER COST	\$0.263	\$20,125

GOOCHLAND WATER COST OF SERVICE  
2000-01 OPERATING EXPENSE ALLOCATION

PAGE 2

INDEX #	INDEX	2001 ACTUAL	% WATER	2001 WATER	GOOCHLAND SHARE (%)	GOOCHLAND SHARE (\$)	GOOCHLAND RATE/CCF
J10	ADMINISTRATIVE	2,016,601	60.2200%	1,214,397	0.4439%		
J11	ACCOUNTING	325,511	60.2200%	196,023	0.4439%	5,391	\$0.071
J12	ENGINEERING	383,318	60.2200%	230,834	0.4439%	870	\$0.011
J13	TV INSPECTION	116,192	60.2200%	69,971	0.4439%	1,025	\$0.013
J14	CONSTRUCTION INSP	328,523	60.2200%	190,133	0.0000%	0	\$0.000
J15	CUST SERV-BILL/COLL	1,045,454	51.0700%	533,913	0.0000%	0	\$0.000
J16	CUST SERV-READING	471,836	51.0700%	240,967	0.0025%	13	\$0.000
J17	OPERATIONS A & G	540,039	60.2200%	325,211	0.0037%	9	\$0.000
J18	WAREHOUSE	133,226	60.2200%	80,229	0.4439%	1,444	\$0.013
J19	UTILITY SUPPORT SYSTEMS	948,146	60.2200%	570,974	0.4439%	356	\$0.005
J20	TRANSMISSION & DIST	2,047,879	100.0000%	2,047,879	0.4439%	2,535	\$0.033
J21	METER REPAIR	213,933	100.0000%	213,933	0.4439%	9,091	\$0.119
J30	COLLECTION	1,392,545	0.0000%	0	0.0037%	8	\$0.000
J40	WATER PUMPING	640,333	100.0000%	640,333	0.0000%	0	\$0.000
J45	WATER SOURCE OF SUPPLY (WELLS)	296,650	100.0000%	296,650	0.4439%	2,842	\$0.037
JXX	WATER TREATMENT PLANT	0	100.0000%	0	0.0000%	0	\$0.000
J50	WASTEWATER PUMPING	2,639,443	0.0000%	0	0.4439%	0	\$0.000
J51	TRI COUNTY REGIONAL JAIL FARM	0	100.0000%	0	0.0000%	0	\$0.000
J55	WASTEWATER TREATMENT	555,431	0.0000%	0	0.0000%	0	\$0.000
J70	WW TREATMENT FACILITY	3,681,711	0.0000%	0	0.0000%	0	\$0.000
J71	WW BIOSOLID DISPOSAL	0	0.0000%	0	0.0000%	0	\$0.000
J77	WWTP - MAINTENANCE	1,321,937	0.0000%	0	0.0000%	0	\$0.000
J78	MONITORING & COMPLIANCE	359,696	0.0000%	0	0.0000%	0	\$0.000
J79	LABORATORY	608,984	60.2200%	366,730	0.0000%	0	\$0.000
	WATER SOURCE OF SUPPLY (PURCH FR CITY)	11,666,998	100.0000%	11,666,998	0.4439%	1,628	\$0.021
					0.4439%	51,790	\$0.679
	TOTAL OPERATING COST	31,734,386		18,885,175		77,002	\$1.008
	PAYMENT IN LIEU OF TAXES	3,768,197		1,271,052			
	INTEREST EXPENSE	8,064,757					
	DEBT SERVICE	5,720,000		20,156,227			
	DEPRECIATION	15,611,885					
	TOTAL COST	64,899,225					
	WATER PURCHASES FROM CITY (CCF)			17,192,170			
	GOOCHLAND PURCHASES FROM HENRICO (CCF)			76,320			

GOOCHLAND WATER COST OF SERVICE  
2000-01 ALLOCATION BASIS:

	GOOCHLAND	OTHER	SYSTEM TOTAL
AVG CONSUMPTION (CCF)	76,320 0.4439%	17,115,850 99.5561%	17,192,170 100.0000%
# OF METERS	3 0.0037%	81,394 99.9963%	81,397 100.0000%
BILLS PRODUCED	12 0.0025%	472,467 99.9975%	472,479 100.0000%
NON COINCIDENT PEAK DAY FOR FISCAL 1992-93 (MGD)	1.195 1.9767%	59.259 98.0233%	60.454 100.0000%

2000-01 PLANT ALLOCATION:

		COST	ACCUM DEPR	BOOK VALUE
LAND		266,967	0	266,967
BUILDINGS		2,707,289	881,333	1,825,957
IMPROVEMENTS		247,151,571	62,996,402	184,155,169
EQUIPMENT		5,733,017	3,622,006	2,111,011
TOTAL PLANT		255,858,845	67,499,740	188,359,104
LESS: HENRICO DIRECT PLANT		(212,286,523)	(55,318,234)	(156,968,289)
JOINT PLANT		43,572,322	12,181,506	31,390,815
GOOCHLAND PORTION OF JOINT PLANT	1.977%	861,294	240,792	620,502
GOOCHLAND DIRECT PLANT		0	0	0
GOOCHLAND PORTION OF JOINT PLANT LUMP SUM CAPACITY PAYMENTS		861,294 0	240,792	620,502
TOTAL PLANT AFTER LUMP SUM PAYMENTS		861,294	240,792	620,502
TOTAL PLANT (DEPRECIATION BASE)		255,858,845		
DEPRECIATION		5,177,152		
COMPOSITE RATE		2.02%		
DEPRECIATION	2.02%	17,398		
RETURN	7.05%	43,745		
REAL ESTATE TAX	0.94%	5,833		
TOTAL CAPACITY CHARGE		66,976		

BASED ON COST AFTER LUMP SUM PAYMENTS  
BASED ON BOOK VALUE AFTER LUMP SUM PAYMENTS  
BASED ON BOOK VALUE

PIPE SIZE ADJUSTMENT:

		COST	ACCUM	NET
30"		78,463	30,469	47,994
24"		2,145,538	642,866	1,502,672
16"		14,306,422	3,630,765	10,675,656
12"		25,558,077	7,383,692	18,174,385
TOTAL WATER MAINS		42,088,499 240,822,692	11,687,793 62,855,060	30,400,707 177,967,631
ADJUSTMENT FOR MAINS UNDER 12"		198,734,192	51,167,268	147,566,925
SOURCE OF SUPPLY-WELLS (J45)		773,292	459,120	314,172
12" MAINS NOT USED FOR TRANSMISSION	50.00%	12,779,039	3,691,846	9,087,192
ADJUSTMENT FOR HENRICO DIRECT PLANT		212,286,523	55,318,234	156,968,289