



Board of Directors Meeting

July 28, 2026

2:15pm



695 Moores Creek Lane | Charlottesville, Virginia 22902-9016

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www.rivanna.org



BOARD OF DIRECTORS

Regular Meeting of the Board of Directors of the Rivanna Water & Sewer Authority

DATE: JULY 28, 2026

LOCATION: Albemarle County Service Authority
168 Spotnap Road, Charlottesville, VA 22911

TIME: 2:15 p.m.

AGENDA

- 1. CALL TO ORDER**
- 2. AGENDA APPROVAL**
- 3. MINUTES OF PREVIOUS BOARD MEETING ON JUNE 23, 2026**
- 4. RECOGNITION**
 - a. Resolution of Appreciation for Ms. Lauren Hildebrand*
- 5. EXECUTIVE DIRECTOR'S REPORT**
- 6. ITEMS FROM THE PUBLIC**

Matters Not Listed for Public Hearing on the Agenda
- 7. RESPONSES TO PUBLIC COMMENTS**
- 8. CONSENT AGENDA**
 - a. Staff Report on Administration and Communications*
 - b. Staff Report on CIP Projects*
 - c. Staff Report on Finance*
 - d. Staff Report on Information Technology*
 - e. Staff Report on Maintenance*
 - f. Staff Report on Operations*
 - g. Staff Report on Drought Monitoring*
 - h. Staff Report on Wholesale Metering*
 - i. Approval to Award Term Contract for Compensation Consulting Services (RFP# 26-06)- PRM Consulting Group*
 - j. Approval to Award Term Contracts for Support Services for Information Technology, SCADA, and Industrial Control Systems (RFP# 26-07) - E-Merge Systems, LLC, Inframark, Magna5,*

MC Dean, RSM, Short Elliott Hendrickson Inc., BizTech Fusion, LLC, Endurance IT Services, EWINNS IT Consulting

- k. Approval to Award Term Contract for Pump and Haul Services for Water and Wastewater Treatment Facility Sludge (IFB # 442) – Absolute Plumbing and Drain Cleaning Services, Inc.*
- l. Approval of Construction Change Order– Stone Robinson Tank Repair and Rehabilitation Project – (RFQ # 1135) - Waco, Inc.*
- m. Request for Authorization to Declare a Drought Warning or Emergency*

9. OTHER BUSINESS

- a. Presentation and Consider Vote to Approve: Bond Proposal - Series 2026 Bond for Construction Funding and Refunding of the 2015B Series Bond
Lonnie Wood, CPA, Director of Finance, Ted Cole, Davenport Public Finance, Financial Advisor, and Christopher Kulp, Hunton Andrews Kurth, Bond Counsel*
- b. Presentation: Dam Safety Program Overview
Victoria Fort, P.E. Senior Civil Engineer*

10. OTHER ITEMS FROM BOARD/STAFF NOT ON THE AGENDA

11. CLOSED MEETING - PERSONNEL

(Motion, second and roll call vote to enter into a combined closed session to discuss confidential information related to confidential performance evaluations, goals and objectives of specific personnel as permitted by the personnel exemption at Section 2.2-3711-A(1) of the Code of Virginia).

Motion: I move that the Rivanna Water & Sewer Authority enter into a combined closed session with the Rivanna Solid Waste Authority to discuss confidential information related to confidential performance evaluations, goals and objectives of specific personnel as permitted by the personnel exemption at Section 2.2-3711-A(1) of the Code of Virginia.*

(Motion, second and roll call vote to certify the closed session)

Motion: The Rivanna Water and Sewer Authority hereby certifies by recorded vote that, to the best of each member's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed meeting were heard, discussed or considered in the closed meeting to which this certification resolution applies.*

** Closed meeting motion subject to change**

(Complete and close the RWSA meeting, then complete and close the RSWA meeting)

12. ADJOURNMENT

GUIDELINES FOR PUBLIC COMMENT AT RIVANNA BOARD OF DIRECTORS MEETINGS

If you wish to address the Rivanna Board of Directors during the time allocated for public comment, please raise your hand or stand when the Chairman asks for public comments.

Members of the public requesting to speak will be recognized during the specific time designated on the meeting agenda for “Items From The Public, Matters Not Listed for Public Hearing on the Agenda.” Each person will be allowed to speak for up to three minutes. When two or more individuals are present from the same group, it is recommended that the group designate a spokesperson to present its comments to the Board and the designated speaker can ask other members of the group to be recognized by raising their hand or standing. Each spokesperson for a group will be allowed to speak for up to five minutes.

During public hearings, the Board will attempt to hear all members of the public who wish to speak on a subject, but it must be recognized that on rare occasion comments may have to be limited because of time constraints. If a previous speaker has articulated your position, it is recommended that you not fully repeat the comments and instead advise the Board of your agreement. The time allocated for speakers at public hearings are the same as for regular Board meetings, although the Board can allow exceptions at its discretion.

Speakers should keep in mind that Board of Directors meetings are formal proceedings and all comments are recorded on tape. For that reason, speakers are requested to speak from the podium and wait to be recognized by the Chairman. In order to give all speakers proper respect and courtesy, the Board requests that speakers follow the following guidelines:

- Wait at your seat until recognized by the Chairman.
- Come forward and state your full name and address and your organizational affiliation if speaking for a group;
- Address your comments to the Board as a whole;
- State your position clearly and succinctly and give facts and data to support your position;
- Summarize your key points and provide the Board with a written statement, or supporting rationale, when possible;
- If you represent a group, you may ask others at the meeting to be recognized by raising their hand or standing;
- Be respectful and civil in all interactions at Board meetings;
- The Board may ask speakers questions or seek clarification, but recognize that Board meetings are not a forum for public debate; Board Members will not recognize comments made from the audience and ask that members of the audience not interrupt the comments of speakers and remain silent while others are speaking so that other members in the audience can hear the speaker;
- The Board will have the opportunity to address public comments after the public comment session has been closed;
- At the request of the Chairman, the Executive Director may address public comments after the session has been closed as well; and
- As appropriate, staff will research questions by the public and respond through a report back to the Board at the next regular meeting of the full Board. It is suggested that citizens who have questions for the Board or staff submit those questions in advance of the meeting to permit the opportunity for some research before the meeting.

The agendas of Board meetings, and supporting materials, are available from the RWSA/RSWA Administration office upon request or can be viewed on the Rivanna website.



RWSA BOARD OF DIRECTORS
Minutes of Regular Meeting
June 23, 2026

A regular meeting of the Rivanna Water and Sewer Authority (RWSA) Board of Directors was held on June 23, 2026 at 2:17 p.m. at the Albemarle County Service Authority, 168 Spotnap Road, Charlottesville, VA 22911.

Board Members Present: Mike Gaffney, Jeff Richardson, Sam Sanders, Lauren Hildebrand, Quin Lunsford, Ann Mallek.

Board Members Absent: Lloyd Snook.

Rivanna Staff Present: Bill Mawyer, Lonnie Wood, Leah Beard, Daniel Campbell, Westley Kern, Jacob Woodson, Brian Haney, Bethany Houchens, Steve Minnis, Sr., Victoria Fort, Jeff Southworth, Jon Williams, Patricia Defibaugh, Thomas Barger, Owen Balino, Sofia Beard, Jared Morris, Scotlynn Winsheimer, Deborah Anama.

Attorney(s) Present Valerie Long

1. CALL TO ORDER

Mr. Gaffney convened the June 23, 2026, regular meeting of the Board of Directors of the Rivanna Water and Sewer Authority at 2:17 p.m.

2. AGENDA APPROVAL

Ms. Mallek moved that the Board of Directors approve the Agenda. Mr. Sanders seconded the motion, which carried unanimously (6-0). (Mr. Snook was absent)

3. MINUTES OF PREVIOUS BOARD MEETING ON MAY 26, 2026

Ms. Mallek moved that the Board of Directors adopt the minutes of the May 26, 2026 meeting, as presented. Ms. Hildebrand seconded the motion, which carried unanimously (6-0). (Mr. Snook was absent)

4. RECOGNITIONS

a. Resolution of Appreciation for Mrs. Patricia Defibaugh, Laboratory Manager

Mr. Gaffney read the Resolution of Appreciation for Patricia Defibaugh into the record.

Resolution of Appreciation for Mrs. Patricia Defibaugh

WHEREAS Mrs. Defibaugh has served in the Rivanna Authority's Laboratory in various capacities over the last 34 years including as the Laboratory Manager for the last five years; and

WHEREAS, Patricia Defibaugh's knowledge and understanding of the Authority's Laboratory practices as well as her unwavering dedication and loyalty to the Authority have positively impacted the Authority, its employees, and its customers; and

WHEREAS Mrs. Defibaugh's authentic commitment to the Authority's values of Integrity, Teamwork, Respect and Quality has guided her leadership in building a professional, responsive and dynamic Laboratory team that has provided outstanding support for the Authority as well as our community.

NOW, THEREFORE, BE IT RESOLVED that the Rivanna Water and Sewer Authority Board of Directors recognizes, thanks, and commends Mrs. Defibaugh for her many years of distinguished service, efforts, and achievements, and presents this Resolution as a token of esteem, with best wishes in her retirement.

BE IT FURTHER RESOLVED that this Resolution be entered upon the permanent Minutes of the Rivanna Water and Sewer Authority.

Michael Gaffney, Chairman
Lauren Hildebrand
Quin Lunsford
Ann Mallek
Jeff Richardson
Samuel Sanders, Jr.
Lloyd Snook

Ms. Mallek moved that the Board of Directors adopt the Resolution of Appreciation for Patricia Defibaugh. Ms. Hildebrand seconded the motion, which carried unanimously (6-0). (Mr. Snook was absent)

Mr. Mawyer asked what the most interesting thing Ms. Defibaugh experienced during her tenure.

Ms. Defibaugh stated the most interesting thing she experienced was when they became the first in Virginia to be certified in the new total nitrogen analysis method. She thanked all the people she had worked with, both present and past.

5. EXECUTIVE DIRECTOR'S REPORT

Mr. Mawyer stated that Employee Development was a strategic plan goal, and Thomas Barger was recently promoted to Assistant Water Department Manager. He stated that Mr. Barger had worked with the Authority for eight years.

Mr. Barger stated he had been fortunate enough to spend his entire water utility career with Rivanna, and he looked forward to continuing the partnership.

Mr. Mawyer recognized David Jeffries, who received his Commercial Driver License.

65 Mr. Mawyer stated that June 30 was Drinking Water and Wastewater Professionals Appreciation
66 Day, where they appreciate all the staff who helped produced 3.4 billion gallons of drinking
67 water per year for our community.

68 Mr. Mawyer stated he wanted to follow up on the success of the Authority's Succession
69 Management Plan. He stated that two years ago, the Board approved a new Deputy position, and
70 our Director of Operations, David Tungate, was promoted to Deputy after a competitive
71 selection process. Later, our Water Department Manager, Daniel Campbell, was promoted to
72 Director of Operations. Then, our Assistant Water Department Manager, Brad Puffenbarger,
73 was promoted to Water Department Manager. Now our Water Supervisor, Thomas Barger, has
74 been promoted to be the Assistant Water Department Manager. He stated that this ripple of
75 promotions was created by the Succession Management Plan envisioned by the Board and
76 implemented by staff. He stated that similarly, Madison Kelly was promoted from Chemist to
77 Laboratory Manager after Ms. Defibaugh's retirement. He stated it showed they were preparing
78 staff to move up through the organization.

79 Mr. Mawyer stated he wanted to welcome this year's intern staff.

80 Sofia Beard, Water Operator intern, stated this was her third summer working for the Authority.
81 She stated that she attended Catawba College, and she was majoring in biochemistry. She stated
82 she was part of the Women in Chemistry Honor Society, and she attended a convention in
83 California.

84 Owen Balino, IT/SCADA Technician intern, stated he attended Virginia Tech to study computer
85 engineering. He stated he had several opportunities to be involved, and he was grateful for the
86 experience.

87 Scotlynn Winsheimer, Lab Chemist intern, stated she attended Longwood University to major in
88 chemistry. She stated that the internship had been engaging and educational. She stated she had
89 grown as a chemist and a professional.

90 Jared Morris, Safety Administration intern, stated he attended PVCC, and he was now a senior at
91 Longwood University. He stated he was majoring in Business Administration.

92 Mr. Mawyer stated they had a strategic plan priority for Communication and Collaboration. He
93 stated they recently met with the Crozet Community Advisory Committee, and two of the
94 management staff gave presentations about the projects in the area. He stated Wesley Kern,
95 Communication and Outreach Coordinator, provided a presentation to the Kiwanis Club about
96 RWSA projects across the County and City. Mr. Mawyer stated that they provided a tour of the
97 Crozet Water Treatment Plant for students from the Starr Hill Pathways Program.

98 Mr. Mawyer stated that construction of the administration building renovation and addition was
99 making progress. He stated that installation of the Central Waterline from Jefferson Park Avenue
100 along Cherry Avenue was underway. He stated that work would focus on completion of the pipe
101 in front of 2 school on Cherry Avenue over the summer.

102 Mr. Mawyer stated that the Rivanna to Ragged pipe and pump station project was moving along,
103 including completion of the permanganate storage building. He stated the new pump station

104 would be installed on the bank of the South Rivanna reservoir. He stated that there would be
105 buoys in the water to keep boaters away from the underwater pump station intake structures and
106 the dam. He stated the contractor was working vigorously on Woodburn Road to install piping
107 from Rivanna to Ragged reservoirs, and a second crew would be starting in the Colthurst
108 neighborhood next month.

109 He stated the Ragged Mountain to Observatory pipeline and pump station continued to make
110 progress including the new pump station was located on Reservoir Road on property purchased
111 from the UVA Foundation.

112 Mr. Mawyer stated that Environmental Stewardship and drought were frequent topics recently.
113 He stated that the face of the South Rivanna dam was wet and spilling, and the recent rain would
114 improve conditions for a short period. He stated that according to data from the VDEQ on June
115 23, precipitation assessments for our region improved from an *emergency* to a *warning* level, the
116 reservoirs assessment remained at a normal level, and stream flow assessment declined from a
117 *watch* to a *warning* status.

118 Mr. Mawyer stated that they had three OASIS model runs, one from April, May, and June, and
119 they had not yet met the trigger level to enter a drought stage. He stated the trigger level was a
120 20% or greater chance that the storage level of the urban reservoirs would be 80% or lower
121 within the next 12 weeks. He stated they were currently at 13%, in May it was 12%, and in April,
122 it was 5%. He stated the change from April to May was partly associated with lower annual rain
123 levels historically received in May.

124 Mr. Mawyer stated that the *warning* stage was a 10% or greater chance of reservoir storage
125 reaching 70% capacity within 10 weeks. He stated the *emergency* stage was a 5% or greater
126 chance of reservoir capacity reaching 60% capacity within 8 weeks. He stated the OASIS model
127 used precipitation data for the last 100-years to aid in predictions.

128 Mr. Mawyer stated that the drought management plan included a more practical drought trigger
129 that as long as the South Rivanna Reservoir was spilling, they were not in a drought condition.
130 He stated that if the water level was one foot below the top of the dam, they would enter a *watch*
131 status and start voluntary water conservation. He stated that if the water level dropped to two
132 feet, they would enter a *warning* stage with mandatory water restrictions. He stated that if the
133 water level was four feet below the dam, they would enter an *emergency* status.

134 Mr. Gaffney asked if they could run the OASIS model more often.

135 Mr. Mawyer stated they could, but there was a cost to run the model, so they limited the number
136 of times they did so. He stated it was recommended to wait two to four weeks between model
137 runs.

138 Ms. Mallek stated they should consider using only 25 years of data instead of 100 years, due to
139 the changes in rainfall patterns. She stated that the western half of the County was dry, and they
140 had to address groundwater usage. She stated that it took many months to effectively educate the
141 public on water usage and to get them to change their behavior. She stated that they could not
142 wait until they were dropping three feet a day.

143 **6. ITEMS FROM THE PUBLIC**

144 Dede Smith, a resident of Charlottesville, stated she would request that the presentation for the
145 Mount Salem public hearing be as complete as possible with details. She stated these should
146 include communications with the State Department of Historic Resources and details about
147 where the pipe would be located. She stated this may answer many questions from the public.

148 **7. RESPONSES TO PUBLIC COMMENTS**

149 There were no responses.

150 **8. CONSENT AGENDA**

151 *a. Staff Report on Administration and Communications*

152 *b. Staff Report on CIP Projects*

153 *c. Staff Report on Finance*

154 *d. Staff Report on Information Technology*

155 *e. Staff Report on Maintenance*

156 *f. Staff Report on Operations*

157 *g. Staff Report on Drought Monitoring*

158 *h. Staff Report on Wholesale Metering*

159 *i. Approval to Award Professional Engineering Services Term Agreement for Dam*
160 *Engineering Consulting Services (RFP# 26-03) – Schnabel Engineering, LLC, Hazen and*
161 *Sawyer, GEI Consultants, Inc.*

162 *j. Approval of Professional Engineering Services Authorization – Airport Road Water*
163 *Storage Tanks and Pumps – Short Elliot Henderickson, Inc.*

164 *k. Approval of the Resolution of Official Intent to Reimburse Expenditures with Proceeds of*
165 *a Borrowing – CIP Funding*

166 Mr. Lunsford asked for clarification about some CIP projects related to RSWA.

167 Mr. Mawyer stated that they supported RSWA construction projects with a project engineer and
168 inspector. RSWA reimburses RWSA for those services. He stated that there were almost 50
169 projects included in the CIP report, while in the past, they typically only had about 25. He stated
170 the CIP report reflected the substantial workload being managed by Engineering Department
171 staff.

172 **Ms. Mallek moved that the Board of Directors approve the Consent Agenda. Ms.**
173 **Hildebrand seconded the motion, which carried unanimously (6-0).(Mr. Snook was absent)**

174 **9. OTHER BUSINESS**

175 *a. Presentation, Public Hearing, and Consider Vote to Approve Uncontested Condemnation*
176 *of Water Line Easement for Beaver Creek Pump Station and Water Line Project*

177 Victoria Fort, P.E. Senior Civil Engineer, provided the staff presentation. She stated staff
178 recommended that the Authority proceed with acquisition of the property. She stated the existing
179 raw water pump station at Beaver Creek was constructed in 1964 and was located below the
180 dam. She stated increased raw water pumping needs, dam safety upgrades, and new minimum in-
181 stream flow requirements necessitated moving the pump station away from its current location.

182 Ms. Fort stated the new pump station would be constructed west of the dam on the bank of the
183 reservoir. She stated a new raw water main would then be installed from this new pump station
184 to the Crozet water treatment plant, which required temporary and permanent construction
185 easements on private property and within prescriptive road right-of-way.

186 Ms. Fort stated there was a note that an archaeological study would be completed to ensure that
187 no graves would be disturbed. She stated she would address that concern when she talked about
188 the Mount Salem Church property. She stated the new raw water main would replace the existing
189 12-inch asbestos concrete main, which was installed in 1964 with the original dam construction.

190 Ms. Fort stated the project required easements on 24 properties. She stated that 21 of them had
191 been signed and recorded. She stated there were two that had been signed and were waiting
192 execution of trustee documents, which were for Mountain Plain Baptist Church. She stated the
193 water line would follow Browns Gap Turnpike and then jump over to Old Three Notch Road.

194 Ms. Fort stated that at the Mount Salem property, the water line would cut across the corner at
195 the intersection of Old Three Notch'd and Three Notch'd Roads, and then continued along Three
196 Notch'd Road to the Crozet Water Treatment Plant. She stated the very last property that was
197 remaining at this point was Mount Salem Baptist Church located at 4529 Three Notch'd Road.
198 She stated that to date, they had been unable to determine who with the Church had authority to
199 convey title to the parcel.

200 Ms. Fort stated our consultant, ERM & Associates, conducted negotiations with Mount Salem
201 starting in August 2025, continuing through to February 2026, where they realized they could not
202 determine that the contacts for the property had documentation of any authority to convey title.
203 She stated all parties agreed that friendly condemnation would be the most expedient means of
204 moving forward with obtaining these easements. She stated in correspondence with the church
205 representatives that they had located, they noted they would not contest this approach. She noted
206 that the diagonal hatching on the plan was the permanent waterline easement, which was located
207 primarily within the prescriptive right-of-way along Old Three Notch'd Road. She stated the
208 corner with a different hatching was related to temporary construction easements, and the
209 estimated value of the permanent and temporary easements was \$1,261.

210 Ms. Fort stated there were no existing easements on the site. She stated the existing raw water
211 main ran along the north side of the road, and the new line would run along the south side. She
212 stated the existing raw water main needed to remain in service until the new main went in place
213 so they would have uninterrupted water treatment for the Crozet community throughout

214 construction. She stated they had obtained temporary construction easements throughout the
215 whole corridor so they could abandon the existing main in place.

216 Ms. Fort stated they were cutting across the corner to minimize impacts to traffic in Three
217 Notch'd Road. They opted to bore under the road and do trenchless excavation. She stated the
218 bore pit location was located on the corner, and the receiving pit was on the south side of Three
219 Notch'd Road. She stated VDOT typically wanted them crossing the road perpendicular to
220 minimize the length of that crossing in the road.

221 Ms. Fort stated there was a known cemetery on the Mount Salem property. She stated they
222 received several comments from the public prior to this meeting, noting that it was on the
223 Department of Historical Resources registry. She stated all the known grave sites were generally
224 east and south of the church building, but they did note that there was the potential that there
225 could be unmarked grave sites closer to the roadway.

226 Ms. Fort stated they conducted a phase one cultural resources survey, or archaeological study, in
227 2022. She stated it consisted of a pedestrian survey of the corridor and a shovel test. She stated
228 the study was conducted by Dovetail Cultural Resources Group, and it returned no findings. She
229 stated they had decided to do a more detailed archaeological analysis of the section near the
230 church.

231 Ms. Mallek stated there were a lot of large trees at the edge of the road. She asked whether
232 construction would encroach on the area off the asphalt.

233 Ms. Fort stated it was possible that some of the excavation could, but they would protect
234 whatever trees they could along the corridor. She stated the pipe itself would be placed in the
235 road.

236 Ms. Mallek stated that the supervisor should ensure the construction crews were doing their job
237 and being accurate with the equipment since the easement description appeared to be outside the
238 asphalt of the road.

239 Ms. Fort stated the pipe and easement were within the prescriptive right-of-way, which extended
240 onto the property.

241 Ms. Fort stated she wanted to talk quickly about how they valued the easement. She stated they
242 used a standard formula which looked initially at the tax assessment and the value of the property
243 itself, not the improvements on the property. She stated then they took the cost per square foot
244 and multiplied that by the area of waterline easement, waterline easement within prescriptive
245 right-of-way, the temporary construction easement, and then the temporary construction
246 easement within right-of-way. She stated compensation was based on a percentage of the land
247 value for each of those areas.

248 Ms. Fort stated that resulted in a valuation of \$1,261. She stated they subsequently had the
249 property appraised by Robert Elliott Jr., and that came out to a slightly lower value, so they went
250 with the higher of the two values.

251 Ms. Fort stated since the last meeting, they mailed bona fide offer letters, which had a summary
252 of the deed of easement, the compensation agreement, the easement valuation, the appraisal, title
253 search, and several other documents. She stated those were sent to known church contacts. She
254 stated they had some coordination with Ms. Mallek to make sure that they were talking to the
255 right people and that they had the same points of contact.

256 Ms. Fort stated they advertised in the June issue of the Crozet Gazette, notifying the community
257 of this public hearing and requested any additional information about current church trustees.
258 She stated they advertised twice in the Charlottesville Daily Progress, notifying the public of this
259 upcoming public hearing.

260 Ms. Fort stated they conducted a phase one cultural resources survey with Dovetail Cultural
261 Resources Group. She stated they would have to engage them to determine an appropriate level
262 of exploratory work to determine whether they could proceed with the easements at this location.
263 She stated they felt confident with being able to move forward given the fact that the pipe would
264 be in the road and that there were disturbed areas around the road.

265 Ms. Mallek asked who would conduct the survey.

266 Ms. Fort stated they would discuss with the previous firm they worked with to see if they had the
267 appropriate level of expertise. She stated that DHR also offered to source an appropriate firm.

268 Valerie Long, Williams Mullen and counsel to the Authority, stated that Patrick Dorsey was also
269 present, who had led the legal effort to ensure all appropriate steps were taken. She stated this
270 included identifying additional trustees of the church or others who might have the authority to
271 receive the compensation and convey the easement rights. She thanked Ms. Mallek for her local
272 knowledge of the area.

273 Ms. Long stated in response to comments they had received about the concern for the potential
274 existence of unmarked graves in the marked bore area, the Authority had decided to conduct a
275 second archaeological analysis. She stated that if the analysis located any materials or remains,
276 they would be required to take certain steps regardless of the type of material found, and
277 construction would be halted.

278 Ms. Long stated they wanted to provide the Board the opportunity to approve the authorization to
279 move forward with an uncontested eminent domain process. She stated the certificate of take
280 would not be filed until the archaeological study was completed. She stated this would prevent
281 any construction until the study was completed.

282 Ms. Mallek asked whether the archaeological study would be conducted along the entire corridor
283 or if it would be limited to the bore site.

284 Ms. Fort stated they would consult with the appropriate experts to determine the scope of the
285 study. She stated they would conduct a study along the full length of the easement on the
286 property.

287 Mr. Gaffney asked how wide and deep the excavation was expected to be.

288 Ms. Fort stated that a 12-inch main typically had a couple of feet on each side of the pipe, and
289 was 4 feet deep. She stated that they could talk with the contractor about using shoring methods
290 that minimized the width of the trench. She estimated about five to six feet in width.

291 Ms. Fort stated that to put in the pipe bedding and get the equipment around the pipe, they would
292 have to have equipment and personnel within the easement. She stated this is why she requested
293 a 20-foot wide easement for a 12-inch water main. She stated that was their standard. She stated
294 they could take reasonable efforts to minimize the trench width and minimize the disturbance.
295 She stated the goal was to not reroute traffic along the corridor.

296 Ms. Mallek stated rerouting the traffic was something that neighbors in the area were very
297 familiar with and very accommodating. She stated if it meant that the pipe could go into the road
298 two or three feet, that would improve success as they would not have to deal with the bank or
299 tree roots. She stated that going three feet off the pavement was going to mean that they would
300 have to take out trees. She stated that it would be better in the long run if they rerouted traffic.
301 She stated that taking down trees also impacted property values.

302 Ms. Fort stated they could investigate small shifts in the alignment within the proposed
303 easement. She stated they did not want to shift too much, as this could impose challenges with
304 working space.

305 Ms. Mallek stated they had closed roads effectively before, sometimes at VDOT's suggestion.

306 Ms. Long stated the Board had a copy of the proposed revised resolution. She stated there were
307 revisions shown in red, and they began on page three. She stated a new paragraph was added,
308 stating, "whereas the Authority was aware of the possibility that the property may contain
309 unmarked graves and wishes to ensure that construction does not interfere with any unmarked
310 graves present on the property." She stated that under the authorization terms, a new second
311 paragraph was added, reading, "the executive director of the Authority or designee was
312 authorized and directed to commission an archaeological survey of the property to determine
313 whether any unmarked graves would be effected by the project or easement before proceeding
314 with condemnation of the easements." She stated paragraph three, formally two, included a new
315 clause at the beginning, reading, "unless the archaeological survey reveals unmarked graves".
316 She stated there were similar insertions in paragraph eight and paragraph 11.

317 Mr. Gaffney opened the public hearing. He read the rules for public comment.

318 Dede Smith, Charlottesville, stated she was not opposed to the pipeline, but she stated it was
319 dependent on how it was installed. She stated she had worked with a dozen Black rural churches
320 and their cemeteries over the past five or six years, connecting them with the Department of
321 Historic Resources, who had money to help maintain them.

322 Ms. Smith stated she knew a lot about these cemeteries, including who was buried there by
323 documentation. She stated that at least half of the graves of documented burials were unmarked.
324 She stated they should not assume the road had always been in its current location, and the
325 church was built in 1893. She stated that 140 years was a long time for the road to change, in
326 which case, there could be remains under the road. She stated that it was a felony to disturb
327 human remains. She stated she suggested a new contract where it stipulated that construction

328 would stop if they found human remains. She stated the contract should also include that no
329 materials or equipment be put on the grave site.

330 Ms. Smith stated she had seen fieldstones marking graves close to roads and disturbing them was
331 a misdemeanor. She stated she had created a coalition of Black rural churches for exactly this
332 reason. She stated these churches were all originally 19th century congregations. She stated
333 many failed to update their trustees or to maintain them. She stated that oftentimes a church did
334 not remain closed, and a new congregation could move in. She stated that the churches held a lot
335 of history and community. She stated she appreciated the additional archaeological survey, and
336 she encouraged the Authority to work with Joanna Green.

337 Jody LeHendro, Crozet, stated that until five years ago, he was the historic preservation architect
338 at the University of Virginia. He stated for the past five years, he had been providing pro bono
339 services to small nonprofits looking to preserve historic Black sites, churches, and schools in the
340 central Virginia area. He stated being in Crozet, he recently gave a talk about the historic
341 preservation of Black churches in the Crozet area. He stated he had been working with Piedmont
342 Baptist Church, Mount Olivet, and had talked to someone about getting a tour of Mount Salem.

343 Mr. LeHendro stated he had gotten familiar with the Black community in the Crozet area and
344 had been helping them with their facilities. He stated he was in the crawl space of Middle Oak
345 Baptist Church until about two hours ago. He stated he was the preservation architect project
346 manager for the expansion of the University Cemetery in 2012. He stated he did a level one
347 archaeological survey conducted by Rivanna Archaeological Services.

348 Mr. LeHendro stated they found nothing in the area that they were planning to put the cemetery
349 expansion. He stated that when they started construction, they had archaeological services
350 following behind the construction to make sure. He stated they found 67 unknown grave sites for
351 Black people. He stated the only way they could find them was by stripping away the surface and
352 looking at stains of the grave shafts. He stated they should make sure to use an archaeological
353 service that was experienced.

354 Neil Williamson, Free Enterprise Forum, stated as a property rights organization, they believed
355 strongly in property rights. He stated however, in this case, it seemed like an elegant solution to
356 what was a sticky wicket. He stated he was all for any and all studies that protected the work and
357 protected heritage. He stated he believed that they had been well represented in protecting the
358 interests of the church and properly valuing the property.

359 Mr. Gaffney closed the public hearing.

360 **Ms. Mallek moved that the Board of Directors approve the Resolution, with the changes as**
361 **proposed. Ms. Hildebrand seconded the motion, which carried unanimously (6-0).(Mr.**
362 **Snook was absent)**

363 *b. Presentation and Consider Vote to Approve Construction Capital Improvement Plan*
364 *Amendment, Approval of Construction Change Order and Award of Exhibit Fabrication*
365 *Contract – Administration Building Renovation and Addition Project*

366 David White, Mechanical Engineer, stated he was there to review the administration building
367 renovation and addition project. He stated they had concrete poured on all three floors of the
368 addition, and HVAC work had started on the first floor. Metal framing had started on the third
369 floor of the existing building, and electric conduit was being run through the second floor of the
370 existing building.

371 Mr. White stated they had to demolish all exterior walls of the existing building. He stated an
372 issue arose when the contractor opened the interior wall finishes and noticed there was an issue
373 with the brick wall. He stated an engineer evaluated the brick wall cavities, highlighting several
374 issues. He stated the first was related to inadequate structural stability with multiple bolts
375 missing from structural steel connections.

376 Mr. White stated there were inadequate metal brick ties, and spacing limits were exceeded across
377 the structure. He stated that some walls only had one brick tie. He stated that brick ties were also
378 no longer approved for commercial use. He stated there were also inconsistent air gaps between
379 the brick and insulation, which enabled higher moisture penetration and less efficient insulation.

380 Mr. White stated they issued a change order to Martin Horn to correct all the issues with a cost of
381 \$2.26 million. He stated this would replace exterior brick walls and metal panels. He stated that
382 the only part of the original building that would remain would be the floor, the roof, and the steel
383 beams. He stated that windows and exterior doors would also be replaced.

384 Mr. White stated they had selected a contractor, Gropen, through a competitive cooperative
385 agreement to build educational exhibits. He stated the total cost would be \$700,000, which was
386 already incorporated into the budget.

387 Ms. Mallek asked if they would recycle the brick.

388 Mr. White stated they did not.

389 **Ms. Mallek moved that the Board of Directors adopt the Resolution. Mr. Sanders seconded**
390 **the motion, which carried unanimously (6-0). (Mr. Snook was absent)**

391 *c. Industrial Wastewater Regulations Update*

392 Daniel Campbell, Director of Operations and Environmental Services, stated they would review
393 the updates to the industrial wastewater regulations. He stated that PFAS chemicals were
394 synthetic compounds, and there were thousands of varieties. He stated that they would focus on
395 PFOA and PFOS. He stated they were seeing the first instances of PFAS regulations for
396 wastewater from the state.

397 Mr. Campbell stated that the first regulation was related to PFAS discharge monitoring in the
398 wastewater collection system. He stated that this included quarterly discharge monitoring for
399 certain industrial users for one year, starting July 1, 2026. He stated that within one month, DEQ

400 had tasked the Authority with sending letters to identified industrial users and to report the initial
401 list of identified industries to DEQ. He stated they had collaborated with the City and ACSA to
402 identify industrial users, and they were currently working on drafting the list and notification
403 letters.

404 Mr. Campbell stated that in terms of the testing, they were unsure whether this was going to be
405 Q4 2026 to see the first results or whether it was going to be Q1 2027. He stated DEQ was also
406 figuring out the process as they went along. He stated the legislation specified the type of
407 industrial users, including electroplating or metal finishing, semiconductor and circuit board
408 manufacturing, paper or package manufacturing, textile mills, tanneries, leather, fabric, and
409 carpet treaters, centralized waste treatment industrial facilities, industrial laundries, airport, air
410 bases, air stations, fire training or landfills, and any industry they had a reasonable basis to
411 suspect to be a source of PFAS.

412 Mr. Campbell stated they proposed an industrial local limit of 20 nanograms per liter for PFOA
413 and PFOS contaminants. He stated they had PFAS data back to 2020, and the measured
414 concentrations were consistently below the 20 nanograms per liter limit.

415 Mr. Mawyer asked how they determined the 20 nanogram limit.

416 Mr. Campbell stated it pertained to the biosolids legislation and regulations. He stated they had
417 to derive some of the figures from the biosolids legislation.

418 Mr. Mawyer asked if the 20 nanogram threshold was a state standard.

419 Mr. Campbell stated that was correct. He stated the industrial local limits had been reviewed
420 multiple times, but they were last updated in 1995. He stated they would discuss PFAS
421 concentrations in wastewater biosolids. He stated it was also important to note that the industrial
422 local limits applied to industrial customers, not domestic customers. He stated the next piece of
423 legislation also came from the state, and it would go into effect on January 1, 2027. He stated it
424 specifically focused on land application of biosolids and PFAS concentrations. He stated there
425 were a couple of pieces that went into this legislation including notifying landowners. He stated
426 that the Authority was more focused on the concentration of PFAS in the biosolids.

427 Mr. Campbell stated they had developed a tiered regulation for concentrations. He stated the
428 Authority contracted with McGill Environmental to process the biosolids into compost, and this
429 would likely fall under the land application regulations. He stated McGill had requested
430 information about the PFAS concentrations in the biosolids. He stated that if the individual
431 species of PFOA and PFOS were below 25 parts per billion, then they were in the unrestricted
432 tier. He stated that if the concentration was above 25 but below 50 parts per billion, then they
433 were limited to three dry tons per acre that could be land-applied or composted. He stated if the
434 concentrations exceeded 50 parts per billion, then the biosolids could not be land applied or
435 distributed.

436 Mr. Campbell stated that for the last two years, the PFOA and PFOS concentrations in biosolids
437 were well under the unrestricted tier threshold. He stated that in 2029, the regulations would
438 apply to the combined concentration of both species. He stated that RWSA operated the
439 industrial waste pre-treatment program to protect the sewer system and processes at the

440 wastewater treatment plants by imposing discharge limits on industrial users. He stated the limits
441 were required by the EPA, VADEQ, and the local sewer regulations.

442 Mr. Campbell stated they identified significant industrial users through several methods. He
443 stated the first was to determine whether they were subject to federal categorical standards. He
444 stated another method was if the average process discharge volume was greater than 25,000
445 gallons per day. He stated another way was if the user contributed 5% or more of the treatment
446 plant's dry-weather hydraulic or organic loading capacity. He stated that if the Authority
447 identified the user as having the potential to adversely impact the treatment plan operations,
448 violate pre-treatment requirements, cause pollutant pass-through or sludge contamination, or
449 endanger collection or treatment system personnel, they could be classified as a significant
450 industrial user.

451 Mr. Campbell stated there were four significant industrial users in the program. He stated Mikro,
452 Northrop Grumman, and Virginia Diodes were categorical users. He stated that these industries
453 did not discharge to the collection system, as they contracted to haul their waste. He stated they
454 had one permitted user based on volume, which was Pepsi. He stated that Pepsi was regulated in
455 2023, when sewer flows exceeded the threshold. He stated they had recently reviewed the flow
456 volume and found them to be at 15,000 gallons per day. He stated that they proposed no longer
457 categorizing Pepsi as a significant industrial user.

458 Mr. Campbell stated they had been doing work to evaluate wastewater treatment capacity of our
459 facilities at Moores Creek. He stated Jennifer Whitaker, Director of Special Projects, had met
460 with the County and representatives for AstraZeneca to get an idea of what the process
461 wastewater would contain. They were expecting 500,000 gallons of wastewater per day. He
462 stated that the biochemical oxygen demand loading would be equal to about 17% of the plant's
463 current load. He stated this was equivalent to 20,000 people. He stated the phosphorus loading
464 was equal to 67% of the current load, or about 86,000 people. He stated the nitrogen loading
465 would be equal to 11% of the current load, or 14,000 people.

466 Mr. Campbell stated that onsite pretreatment by industries was planned, but they had yet to
467 determine the scale of pretreatment that was needed. He stated that the current figures would put
468 Moores Creek over the organic loading threshold, and this would require upgrades to the
469 treatment plant. He stated when that reached 90% of the organic loading capacity of the plant,
470 that was what would trigger the plant upgrade.

471 Mr. Campbell stated they were planning for expansion of the treatment facilities at Moores
472 Creek in the 2040-2045 timeline. He stated that the expansion would include construction of two
473 aeration basins, the relocation of digesters and solid handling facilities, conversion from gravity
474 sludge thickening to mechanical thickening, relocating the biogas facilities, and increasing the
475 plant capacity from 15 mgd to 17.5 mgd. He stated the estimated cost would be \$240 million in
476 2026 dollars.

477 Mr. Campbell stated that sewer use regulations were authorized by the four-party agreement in
478 1973. He stated they governed not just industrial users, but also domestic users who discharged
479 the sewer system. He stated they proposed changes to the sewer regulations to include PFAS

480 reporting as part of the significant industrial user application process. He stated they also wanted
481 to revise local limits to include more stringent allowable daily pollutant concentrations.

482 Mr. Campbell stated that Moores Creek had a state annual allocation for nutrients. He stated that
483 they could only discharge a certain number of pounds per year. He stated if they went over the
484 limits, they would have to purchase nutrient credits.

485 Mr. Campbell stated the updates to the industrial local limits were displayed. He stated that
486 copper, cyanide, lead, nickel, silver, and zinc were federal standards, but the state could impose
487 more stringent regulations. He stated that daily limits were lowered for biochemical oxygen
488 demand and suspended solids. He stated there were new local limits for PFOA and PFOS. He
489 stated they had to also establish new local limits for phosphorus and nitrogen nutrients. He stated
490 that the PFOA, PFOS, phosphorus, and nitrogen limits were all new.

491 Mr. Campbell stated if there were no additional industrial development, they would reach the
492 need for plant expansion around 2043. He stated that if they included plant loading from the
493 proposed industrial development, they would reach the threshold to expand by 2033.

494 Mr. Campbell stated that this year, they had to identify and report industrial users required to
495 comply with wastewater collection system monitoring regulations for PFAS. He stated 2027 was
496 when the monthly PFAS biosolids testing started. He stated they planned to stay in the
497 unrestricted tier on those. He stated the RWSA may require on-site pretreatment and discharges
498 by major development to maintain compliance with the discharge permit and the schedule for a
499 Moores Creek plant expansion. He stated staff would update the sewer regulations to include
500 more stringent limits on discharges to the wastewater system.

501 Ms. Mallek asked if only high-volume dischargers were regulated under the industrial
502 pretreatment program.

503 Mr. Mawyer stated that discharge volume was only one of criteria.

504 Ms. Mallek stated she was concerned because they were still dealing with contaminants from
505 historical sheet metal manufacturing uses. She stated they needed to take some drastic measures
506 to not lose the benefit of their allocation from the state. She asked how quickly they could start
507 testing for contaminants.

508 Mr. Mawyer stated that after they identified the industrial users, they would have 90 days to
509 conduct samples.

510 Mr. Campbell stated it would be Q4 2026 or Q1 2027.

511 Ms. Mallek stated they needed to determine what industrial users were contributing and what
512 domestic users were contributing. She stated those kinds of behavioral changes could save
513 ratepayers a lot of money. She asked if there were any restrictions on users who contributed less
514 than 25,000 gallons per day.

515 Mr. Campbell stated that if a user discharged less than 25,000 gallons per day and did not meet
516 any other criteria, they were not permitted as a significant industrial user. He stated that
517 industrial users were separate from domestic users, such as households or institutions.

518 Mr. Mawyer stated that at this point, they did not have a strong waste program which charged
519 additional fees for wastewater exceeding a certain nutrient concentration regardless of user
520 classification. He stated some localities did this, and they could impose one, but it was not
521 currently implemented.

522 Ms. Hildebrand asked if there was anything else they had to do to extend when they expected to
523 surpass the plant expansion threshold from 2039.

524 Mr. Mawyer stated that they could impose a surcharge program, charge restaurant users, or even
525 lower the concentration limits to extend capacity.

526 Ms. Mallek asked if they could regulate hospitals or dining halls.

527 Mr. Mawyer stated those were not industrial users, so they were not required to comply with
528 current regulations.

529 Ms. Mallek asked for clarification about the 25 and 50 parts per billion concentration thresholds.
530 She asked if they were related to the drinking water regulations.

531 Mr. Campbell stated those were related to regulations for land application of biosolids.

532 ***10. OTHER ITEMS FROM BOARD/STAFF NOT ON THE AGENDA***

533 There were none.

534 ***11. CLOSED MEETING***

535 There was no need for a closed meeting.

536 ***12. ADJOURNMENT***

537 **Ms. Mallek moved that the Board of Directors adjourn the meeting at 3:59 pm. Mr.**
538 **Sanders seconded the motion, which carried unanimously (6-0).(Mr. Snook was absent)**



RIVANNA WATER & SEWER AUTHORITY BOARD OF DIRECTORS

Resolution of Appreciation for Ms. Lauren Hildebrand

WHEREAS, Ms. Hildebrand has served as a member of the Rivanna Water & Sewer Authority Board of Directors since June 2017 and;

WHEREAS, over that same period Ms. Hildebrand has demonstrated leadership in water and sewer systems and has been a valuable member of the Board of Directors and a resource to the Authority; and

WHEREAS, Ms. Hildebrand's understanding of the operations of the Water & Sewer Authority has supported a strategic decision-making process that provided benefits to the customers served by the City of Charlottesville and the community as a whole. Through the leadership and skillful support of Ms. Hildebrand, major regional initiatives, Agreements and projects were completed for the Authorities during her tenure including:

- The "Observatory Water Treatment Plant, Raw Water Pumping and Piping Upgrade Cost and Capacity Allocation Agreement" of 2020 to renovate and expand the water production capacity of the Observatory Water Treatment Plant from 7.7 to 10 mgd, as well as to replace and upgrade the raw water pump stations and pipelines between the Ragged Mountain Reservoir and the Observatory Water Treatment Plant
- The "Northern Area Drinking Water Projects Agreement" of 2022 to allocate costs for construction of capacity and non-capacity drinking water infrastructure projects located north of the South Fork Rivanna River
- The "First Amendment to the Ragged Mountain Dam Project Agreement" of 2023 to increase the community's water supply by adding 700 million gallons to the Ragged Mountain Reservoir
- Major renovations of the South Rivanna, Observatory, Crozet and Red Hill Water Treatment Plants
- Construction of the Central Water Line, a major drinking water pipeline to serve the Urban Area
- A Strategic Plan for the Authority

NOW, THEREFORE, BE IT RESOLVED that the Rivanna Water & Sewer Authority Board of Directors recognize, thank, and commend Ms. Hildebrand for her distinguished service, efforts, and achievements as a member of the Rivanna Water & Sewer Authority and present this Resolution as a token of esteem with best wishes in her future endeavors.

BE IT FURTHER RESOLVED that this Resolution be entered upon the permanent Minutes of the Rivanna Water & Sewer Authority.

Michael Gaffney, Chairman
Quin Lunsford
Ann Mallek
Jeff Richardson
Samuel Sanders, Jr.
Lloyd Snook

MEMORANDUM

**TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS**

FROM: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: EXECUTIVE DIRECTOR'S REPORT

DATE: JULY 28, 2026

STRATEGIC PLAN PRIORITY: EMPLOYEE DEVELOPMENT

Internal Promotion:

We are pleased to announce the internal promotion of **Dylan Schweickert** to *Water Department Supervisor*. Since joining Rivanna, Dylan has demonstrated exceptional technical expertise, leadership, and a commitment to operational excellence, earning his Virginia Class 1 Waterworks Operator License and quickly advancing to the Relief Operator role. Dylan earned a B.S. in Biotechnology from James Madison University.

Welcome New Staff

We are excited to welcome new staff members to support the mission of the Authorities.



Brian Ayala, *Director of Information and Operational Technology*, brings over 17 years of enterprise technology leadership, most recently as Director of Information Technology at Berry Corporation, where he led a 23-person team with a focus on cybersecurity and compliance. His background spans hybrid cloud infrastructure, cybersecurity modernization, and hands-on OT/SCADA leadership - including four years as Automation Supervisor overseeing SCADA and industrial control systems for a multi-site energy operation. He earned a B.A. in Communications from California State University, Bakersfield.



Megan Shumate, *Human Resources Manager*, brings more than 10 years of progressive human resources experience, including recruitment, employee relations, payroll, benefits administration, and staff development, and most recently serving as a Human Resources Manager for a nonprofit healthcare organization. Megan earned a B.S in General Psychology from Kutztown University of Pennsylvania.



Rheanna Daily, *Grants Program Coordinator*, brings experience in grant tracking, financial reconciliation, purchasing, and program coordination from her work with the Kenaitze Indian Tribe in Alaska, where she supported grant reporting and community service initiatives. Rheanna earned a B.A in Human Development from the State University of New York at Oswego.



Marci Thomas joins Rivanna as our new *Engineering Construction Inspector*. She brings experience in construction project coordination, field operations, and safety compliance, with a background supporting infrastructure and utility projects. Carla earned a B.S. in Business, Management & Economics from SUNY Empire State College.

STRATEGIC PLAN PRIORITY: COMMUNICATION AND COLLABORATION

Emergency Response Training



We conducted a review of our Rivanna Emergency Operations Plan with our management team on July 20th. This important training prepares staff to implement procedures to protect our infrastructure and maintain essential services for our community in response to hurricanes as well as a wide range of emergencies and operational disruptions.

Facility Tour

We were pleased to provide a “windshield” tour of our facilities along with a presentation to Jason McIlwee, Assistant Director of Utilities, City of Charlottesville on July 14, 2026.

Community Outreach



On July 27, 2026, *Deputy Executive Director* Dave Tungate presented key Authority initiatives to the Pantops Community Advisory Committee Meeting at the Sentara Martha Jefferson Hospital. Dave shared an overview of the Authority’s history and mission as well as construction project updates about the Central Water Line and Ragged Mountain to Observatory Water Line and Pump Station projects.

STRATEGIC PLAN PRIORITY: OPTIMIZATION AND RESILIENCY

Virginia State Vehicle Inspections



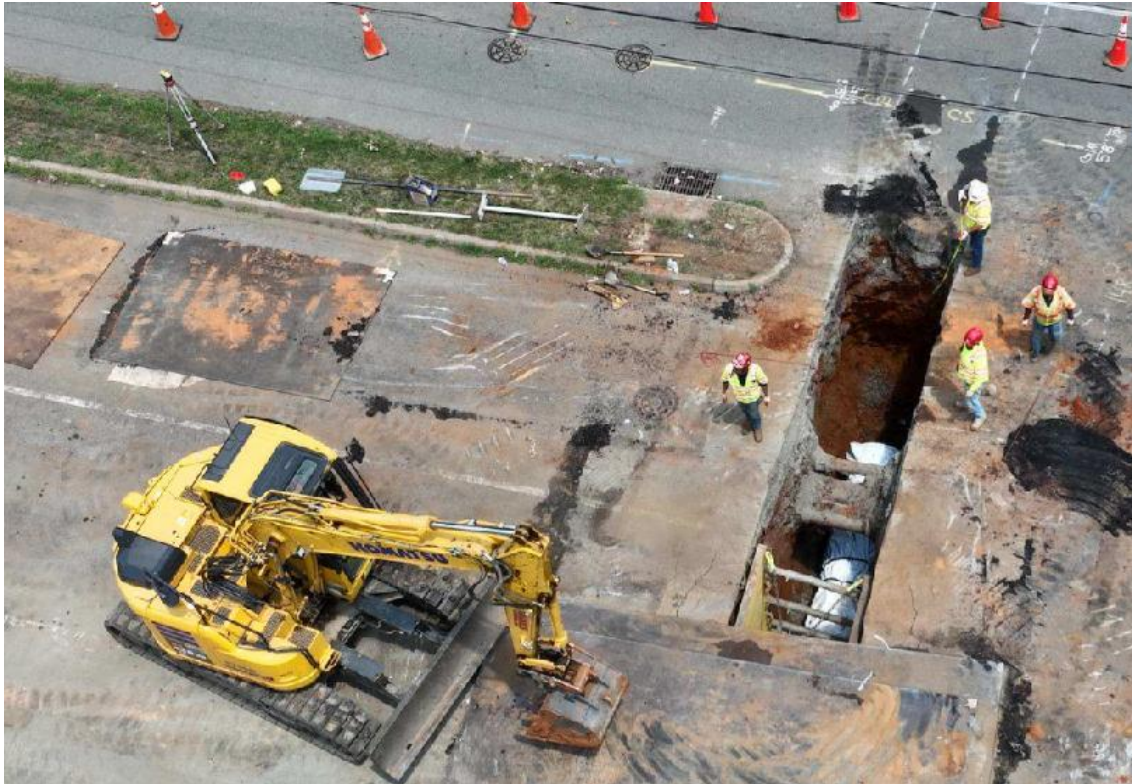
Our Maintenance vehicle shop, along with Kenny Lawhorne, Maintenance Mechanic 1 (*pictured left*) and Rich McElfresh, Vehicle Equipment Mechanic (*pictured right*), received certifications to perform state inspections for our Rivanna vehicles. The ability to perform annual state safety inspections in-house will be a more efficient operation, reducing travel time and coordination efforts for staff.

STRATEGIC PLAN PRIORITY: PLANNING AND INFRASTRUCTURE

Administration Building – July 22, 2026



Central Water Line – Phase 1 - Jefferson Park and Cleveland Intersection– July 9, 2026



Ragged Mtn Reservoir to Observatory WTP Pipe and Pump Station Project – July 21, 2026



Ragged Mountain Pool Raise –Dam Blanket Drain- July 10, 2026



**SR Reservoir to Ragged Mountain Reservoir Waterline and Pump Station
Woodburn Road – July 6, 2026**



MC Maintenance Building Upfits– July 16, 2026



MC Concrete Repairs: Holding Pond Dewatering – July 17, 2026





MEMORANDUM

**TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS**

FROM: LEAH BEARD, DIRECTOR OF ADMINISTRATION & COMMUNICATIONS

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: ADMINISTRATION & COMMUNICATIONS REPORT

DATE: JULY 28, 2026

Human Resources

The Authority's turnover rate for the current performance evaluation period, which began April 1, 2026, is **12.2%** and exceeds our annual Strategic Plan goal of 10%.

Megan Shumate joins Rivanna as our new *Human Resources Manager*. She brings more than 10 years of progressive human resources experience, including recruitment, employee relations, payroll, benefits administration, and staff development. Megan earned a Bachelor of Science degree from Kutztown University of Pennsylvania. We are excited to welcome her to the Authority, where her collaborative leadership style and strategic HR expertise will support our employees and advance our workforce development initiatives.

Communications & Outreach

Westley Kern, *Communications & Outreach Coordinator*, continues to collaborate with community partners to increase awareness of Rivanna's ongoing infrastructure investments and operational initiatives. Westley will be working with our Water Operators to host the UVA Chemical Engineering Department on July 29th at our Observatory Water Treatment Plant.

Safety

George Cheape, *Safety Manager*, successfully launched the Authority's new incident reporting platform, "Safety Plus", and provided training to managers to support a smooth transition and consistent incident reporting across the organization. The Safety team also coordinated safety measures during the recent period of extreme heat, emphasizing hydration, work-rest practices, and employee wellness to reduce the risk of heat-related illness. Additionally, the department recognized and thanked our Safety Intern for their contributions as they concluded their internship with the Authority.

Grants & Sustainability

Rheanna Daily joins Rivanna as our new *Grants Program Coordinator*. She brings experience in grant tracking, financial reconciliation, purchasing, and program coordination from her work with the Kenaitze Indian Tribe in Alaska, where she supported grant and community service initiatives. Rheanna earned a Bachelor of Arts degree from the State University of New York at Oswego. We are excited to welcome Rheanna to the Authority, where her strong organizational skills, collaborative approach, and grant administration experience will be valuable as she supports and strengthens our grant management efforts.

MEMORANDUM

TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS

FROM: AUSTIN MARRS, ENGINEERING MANAGER

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: CIP PROJECTS REPORT

DATE: JULY 28, 2026

This memorandum reports on the status of the following major Capital Projects . *Recent significant budget, schedule, and project changes, if any, are highlighted in the project information below.*

For the current FY 27 – 31 CIP and additional project information, please visit:
[*CIP- Adopted May 2026 WEB.pdf*](#)

Summary

Under Construction

	Project	Construction Start Date	Construction Completion Date
1	Central Water Line, Phase 1	October 2025	December 2029
2	Red Hill Water Treatment Plant Upgrades	January 2025	June 2027
3	South Fork Rivanna River Waterline Crossing	December 2024	September 2027
4	RMR to OBWTP Raw Waterline and Pump Station	February 2025	June 2029
5	MC Building Upfits & Gravity Thickener Improvements	May 2025	May 2027
6	MC Structural and Concrete Rehabilitation	May 2025	May 2027
7	Crozet Pump Stations Rehabilitation	December 2025	July 2027
8	MC Administration Building Renovation and Addition	August 2025	December 2027
9	SVWRRF Permit Modification Upgrades	June 2026	June 2027
10	RMR Pool Raise	September 2025	December 2026
11	Sewer and Manhole Rehabilitation, Phase 2	December 2025	June 2027
12	CZWTP GAC Expansion, Phase 1	March 2026	May 2028
13	SVWRRF Generator Replacement	April 2026	June 2027
14	SRR to RMR Pipeline, Pump Station & Intake	March 2026	December 2030
15	Glenmore WRRF Upgrade, Phase 1	June 2026	August 2027
16	Stone Robinson WW Plant Repairs	July 2026	August 2026
17	SRWTP Dewatering Building Dumpster Platform	August 2026	December 2026

18	Sodium Hypochlorite Tank Replacement, OBWTP	September 2026	July 2027
19	MC UV Disinfection System Replacement	November 2026	June 2029
20	SRWTP – PAC System Replacement	January 2027	June 2027

Design and Bidding

21	Airport Rd Water Storage Tank and Pumps	March 2027	March 2029
22	SRWTP Floc Basin Equipment Replacement	October 2026	June 2027
23	Central Water Line, Phase 2	March 2027	December 2029
24	MC Pump Station Slide Gates, Valves, Bypass, and Septage Receiving Upgrades	March 2027	December 2028
25	Beaver Creek Raw Water Pump Station, Intake, & Piping	March 2027	December 2029
26	Beaver Creek Dam Spillway Modifications	January 2030	December 2032
27	Upper Schenks Branch Interceptor, Phase 2	2027	2029
28	Dam Concrete and Steel Repairs	March 2027	May 2028
29	NR River Crossing and Piping	September 2027	December 2030
30	MC Blower Ventilation Replacement	June 2027	June 2028
31	Woodburn, Pantops, and Observatory Water Tank Painting	March 2027	June 2030
32	SRWTP WW Connection	March 2028	June 2029
33	Albamarle Berkeley WWPS Replacement	September 2027	September 2029
34	Berkmar Drive Waterline	March 2028	March 2030
35	Emmet Street Waterline Betterment	April 2027	March 2030
36	Dam Public Safety Improvements	March 2027	December 2028
37	CZWTP Disinfection Improvements	June 2027	December 2028
38	Buck's Elbow Tank and Waterball Repairs and Painting	April 2027	December 2028
39	Northern Convenience Center (RSWA)	September 2027	June 2029
40	ISWRC Sediment Basin Repairs (RSWA)	September 2026	December 2026
41	ISWRC Scale House & Admin Renovation (RSWA)	TBD	TBD
42	MC Security Improvements, Front Gate	April 2028	December 2029
43	NRWTP Decommissioning	July 2029	June 2031
44	Urban Water Storage Tank Improvements	June 2028	December 2030
45	Powell Creek Interceptor Upgrade (PC 1-5)	TBD	TBD
46	Northern Area Pressure Zone	TBD	TBD

Planning and Studies

- 47. Crozet Drinking Water Infrastructure Plan Update
- 48. Flood Protection Resiliency Study
- 49. ISWRC Site Improvements and Repairs (RSWA)

Under Construction

1. Central Water Line, Phase 1

Design Engineer:	Michael Baker International (Baker)
Construction Contractor:	Sagres Construction Corporation (Alexandria, VA)
Construction Start:	October 2025
Percent Complete:	25%
Base Construction Contract +	
Change Order to Date = Current Value:	\$47,450,000
Completion:	December 2029
Budget:	\$58 M

Current Status: A second pipe crew began this month on Cherry Avenue to complete work in front of Charlottesville Middle School this summer. The first pipe crew is completing work in JPA and then will move to Tall Oaks Elementary to complete water line installation in that school zone this summer.

2. Red Hill Water Treatment Plant Upgrades

Design Engineer:	Short Elliot Hendrickson (SEH)
Construction Contractor:	Anderson Construction (Lynchburg, VA)
Construction Start:	January 2025
Percent Complete:	50%
Base Construction Contract +	
Change Order to Date = Current Value:	\$2,067,000 - \$324,625 = \$1,742,375
Completion:	June 2027
Budget:	\$2.05 M

Current Status: The GAC building has been delivered and constructed. The sidewalk and concrete pad around the building will be constructed next.

3. South Fork Rivanna River Waterline Crossing

Design Engineer:	Michael Baker International (Baker)
Construction Contractor:	Faulconer (Charlottesville, VA)
Construction Start:	December 2024
Percent Complete:	70%
Base Construction Contract +	
Change Order to Date = Current Value:	\$4,916,940 + \$734,933 = \$5,651,873
Completion:	September 2027
Budget:	\$6.55 M

Current Status: Faulconer Construction terminated its contract with the tunnel drilling subcontractor and is hiring a second subcontractor to complete the tunnel under the river. HDD work is anticipated to start again in August/September 2026. A portion of Old Rio Mills Road will be closed for several more months during construction of the 24" waterline.

4. Ragged Mountain Reservoir to Observatory Water Treatment Plant Raw Waterline and Pump Station

Design Engineer:	Kimley-Horn
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Construction Contractor:	Thalle Construction (Hillsborough, NC)
Construction Start:	February 2025
Percent Complete:	40%
Base Construction Contract +	
Change Order to Date = Current Value:	$\$56,532,000 - \$2,779,390 + \$50,931 = \$53,803,541$
Completion:	June 2029
Budget:	\$61.5 M

Current Status: Pipe construction continues between RMR and the new pump station on Reservoir Road, as well as between the new pump station and Birdwood Golf Course on Foxhaven Farm. Masonry work continues for the exterior of the pump station. Installation of the raw water main under US-29 via jack and bore began but ran into very large boulders that impeded the work. Staff and the Contractor are working to assess the geotechnical conditions and determine a path forward.

5. **MC Building Upfits and Gravity Thickener Improvements**

Design Engineer:	Short Elliot Hendrickson (SEH)
Construction Contractor:	English Construction (Lynchburg, VA)
Construction Start:	May 2025
Percent Complete:	35%
Base Construction Contract+	
Change Order to Date = Current Value:	$\$9,821,000 - \$189,500 = \$9,631,500$
Completion:	May 2027
Budget:	\$11.8 M

Current Status: Framing and utility relocations continue in the Blower Building. In the Vehicle Maintenance Building, the walls are being framed, insulated, and drywalled for the new office spaces. Demolition for the new oil storage room is on-going. Installation of the new sewer line is underway for the Maintenance buildings along with utility relocations for the new Chemical Building.

6. **MC Structural and Concrete Rehabilitation**

Design Engineer:	Hazen and Sawyer (Hazen)
Construction Contractor:	WM Schlosser (Hyattsville, MD)
Construction Start:	May 2025
Percent Complete:	35%
Base Construction Contract+	
Change Order to Date = Current Value:	$\$12,967,500 + \$114,981 = \$13,082,481$
Completion:	May 2027
Budget:	\$15.5 M

Current Status: Work on the North Maintenance Shed is complete and media blasting of the steel on the South Maintenance Shed has begun. Concrete work in the equalization basins is nearly complete and work to clean out the holding ponds began this month. Primary Clarifier #1 repairs will begin in August. The refurbished sweep arm drive and motor are scheduled to be delivered the first week of August.

7. **Crozet Pump Stations Rehabilitation**

Design Engineer:	Wiley Wilson
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Construction Contractor:	Waco, Inc. (Sandston, VA)
Construction Start:	December 2025
Percent Complete:	15%
Base Construction Contract+	
Change Order to Date = Current Value:	\$9,583,350
Completion:	July 2027
Budget:	\$12.35 M

Current Status: In Pump Station 2, most of the electrical work has been completed, bypass pumping has been installed and tested, and renovations are underway.

8. **MC Administration Building Renovation and Addition**

Design Engineer:	SEH
Construction Contractor	Martin Horn (Charlottesville, VA)
Construction Start:	August 2025
Percent Complete:	30%
Base Construction Contract+	
Change Order to Date = Current Value	\$22,094,000 + \$2.2 M
Completion:	December 2027
Budget:	\$29.6 M

Current Status: Structural steel framing is underway. HVAC duct work has started in the Addition on the first floor and sanitary plumbing installation is underway on the third floor. Replacement of the exterior walls on the existing building is underway.

9. **SVWRRF Permit Modification Upgrades**

Design Engineer:	Short Elliot Hendrickson
Construction Contractor:	Orders Construction Co.
Construction Start:	June 2026
Percent Complete:	5%
Completion:	June 2027
Budget:	\$1.02 M

Current Status: A pre-construction meeting was completed in June. Contractor has begun sending their submittals for the project. They are scheduled to receive equipment and mobilize to the site in December.

10. **RMR Pool Raise**

Design Engineer:	Schnabel Engineering
Construction Contractor:	Faulconer Construction (Charlottesville, VA)
Construction Start:	September 2025
Percent Complete:	75%
Base Construction Contract+	
Change Order to Date = Current Value	\$12,329,000 - \$1,310,950 = \$11,018,050
Completion:	December 2026
Budget:	\$13.3 M

Current Status: Tree felling was completed ahead of the March 31st deadline as required by restrictions associated with the Northern Long-Eared Bat. Clean-up efforts for the fallen trees will continue through the summer. Construction of the expanded blanket drain system in the right abutment of the dam resumed in July.

11. Sewer and Manhole Rehabilitation, Phase 2

Design Engineer:	CHA Consulting, Inc.
Construction Contractor:	Vortex Services, LLC (Chesapeake, VA)
Construction Start:	December 2025
Percent Complete:	80%
Base Construction Contract+	
Change Order to Date = Current Value	\$1,439,440
Completion:	June 2027
Budget:	\$2.2 M

Current Status: Pipe rehabilitation along the Woodbrook Interceptor continues. Rehabilitation along a portion of the Morey Creek Interceptor near Canterbury Road will begin in August.

12. Crozet WTP GAC Expansion, Phase 1

Design Engineer:	SEH
Construction Contractor:	English Construction Company (Lynchburg, VA)
Construction Start:	March 2026
Percent Complete:	30%
Base Construction Contract +	
Change Orders to Date = Current Value	\$9,920,000
Completion:	May 2028
Budget:	\$12.2 M

Current Status: Excavations for the new clearwell and GAC building foundation are underway.

13. SVWRRF Generator Replacement

Design Engineer:	Wiley Wilson
Construction Contractor:	Carrick Contracting Corp. (Williamsburg, VA)
Construction Start:	April 2026
Percent Complete:	40%
Base Construction Contract +	
Change Orders to Date = Current Value	\$825,245 - \$192,417 = \$632,828
Completion:	June 2027
Budget:	\$1.36 M

Current Status: Work continues on the new electrical ductbank connecting the wastewater plant and pump station. The concrete pad for the new generator was completed this month.

14. SRR to RMR Pipeline, Intake, and Facilities

Design Engineer:	Kimley Horn
Construction Contractor:	Garney Construction (Fairfax, VA)
Construction Start:	March 2026

Percent Complete:	20%
Completion:	December 2030
Base Construction Contract + Change Orders to Date = Current Value	\$87,633,497
Budget:	\$107 M

Current Status: Pipe installation in Woodburn Road is underway. A second crew began pipe installation in Colthurst Drive in July. Construction of the foundation for the new Permanganate Building at SRWTP continues.

15. Glenmore WRRF Upgrade, Phase 1

Design Engineer:	SEH
Construction Contractor:	Maverick Construction, LLC (Grasonville, MD)
Construction Start:	June 2026
Percent Complete:	25%
Completion:	August 2027
Budget:	\$1.8 M

Current Status: Piping for the blower modification has been completed. Relocation of utilities will be completed next.

16. Stone Robinson WW Plant Repairs

Design Engineer:	Short Elliot Hendrickson (SEH)
Construction Contractor:	Waco, Inc. (Sandston, VA)
Construction Start:	July 2026
Percent Complete:	25%
Completion:	August 2026
Budget:	\$276,540

Current Status: Project includes steel repairs and coating for the wastewater package plant serving Stone Robinson Elementary School. Tanks have been drained and cleaned. Welding will be completed and the tanks restored by mid-August.

17. SRWTP Dewatering Building Dumpster Platform

Design Engineer:	RWSA Engineering
Construction Contractor:	RWSA Maintenance
Construction Start:	August 2026
Percent Complete:	0%
Completion:	December 2026
Budget:	\$25,000

Current Status: Sealed drawings from the platform manufacturer have been submitted and are under review by the County to obtain a building permit. Installation of the platform will be completed by RWSA maintenance staff.

18. OBWTP Sodium Hypochlorite Tanks Replacement

Design Engineer:	Short Elliott Hendrickson (SEH)
Construction Contractor:	Waco, Inc. (Sandston, VA)
Construction Start:	September 2026
Percent Complete:	5%
Base Construction Contract +	
Change Order to Date = Current Value:	\$227,000
Completion:	July 2027
Budget:	\$293,000

Current Status: Two hypochlorite tanks have been ordered with delivery expected by the end of July.

19. MC UV Disinfection System Replacement

Design Engineer:	RWSA Engineering
Construction Contractor:	RWSA Maintenance
Construction Start:	November 2026
Percent Complete:	0%
Completion:	June 2029
Budget:	\$1.98

Current Status: Project includes replacement of 8 ultraviolet disinfection light banks at MC which have reached the end of their useful service life. Staff will replace them over the next 3 fiscal years. Staff are obtaining manufacturer pricing and equipment lead times for the first set of UV banks.

20. SRWTP – PAC System Replacement

Design Engineer:	SEH
Construction Contractor	Waco, Inc (Sandston, VA)
Construction Start:	January 2027
Percent Complete:	5%
Base Construction Contract+	
Change Order to Date = Current Value	\$1,497,000
Completion:	June 2027
Budget:	\$1.82 M

Current Status: Submittals for the powdered activated carbon tank are being processed and materials are being ordered. Based on the anticipated lead time for the PAC feed system, onsite mobilization is anticipated in January 2027. The PAC silo is scheduled to be delivered in December 2026.

Design and Bidding

21. Airport Rd Water Storage Tank and Pumps

Design Engineer:	SEH
Project Start:	December 2025
Project Status:	Permitting and 30% Design
Construction Start:	March 2027
Completion:	March 2029
Budget:	\$7.2 M

Current Status: Coordinating permits with Albemarle County staff for one ground-level water storage tank. Architectural Review Board approved the tank design. Completed geotechnical investigations. Preparing design documents and coordinating VDH Construction permit.

22. SRWTP Floc Basin Equipment Replacement

Design Engineer:	SEH
Project Start:	July 2025
Project Status:	90% Design
Construction Start:	December 2026
Completion:	June 2028
Budget:	\$2.9 M

Current Status: Final design documents are under review by staff. Plan to advertise for construction bids in August.

23. Central Water Line, Phase 2

Design Engineer:	Michael Baker International (Baker)
Project Start:	July 2024
Project Status:	90% Design
Construction Start:	March 2027
Completion:	December 2029
Budget:	\$21 M

Current Status: Site plan revisions will be submitted to the City. Army Corps of Engineers nationwide permit for the ACSA water line creek crossings was submitted in early July. Easements on two City parcels will be requested from City Council.

24. MC Pump Station Slide Gates, Valves, Bypass, and Septage Receiving Upgrades

Design Engineer:	Hazen
Project Start:	June 2023
Project Status:	100% Design
Construction Start:	March 2027
Completion:	May 2028
Budget:	\$10.2 M

Current Status: Design documents have been completed. Acquisition of a small parcel outside the MC fence line is needed for construction. Negotiations are underway.

25. Beaver Creek Raw Water Pump Station, Intake, and Piping Improvements

Design Engineer:	Hazen
Project Start:	February 2018
Project Status:	100% Design
Construction Start:	March 2027
Completion:	December 2029
Budget:	\$39 M

Current Status: Final Plans and Specifications have been completed and are ready for advertisement

in September. Discussions with the County are underway regarding a lease for the Pump Station property. Easement acquisitions for the raw water main to convey water from the pump station to the Crozet WTP are complete with a “friendly” condemnation of one section approved by our Board. An archeological survey of easement areas near a church is underway.

26. Beaver Creek Dam Spillway Modifications

Design Engineer:	Schnabel Engineering
Project Start:	February 2018
Project Status:	80% Design
Construction Start:	January 2030
Completion:	December 2032
Budget:	\$33.5 M

Current Status: Final design of the dam spillway upgrades is ongoing with efforts focusing on primary spillway riser modifications to meet new seismic criteria and changes to the spillway bridge design based on feedback from VDOT. A significant (\$20 M) construction grant from the NRCS is anticipated. This project will begin when the new Pump Station has been completed.

27. Upper Schenks Branch Interceptor, Phase 2

Design Engineer:	CHA Consulting
Project Start:	July 2021
Project Status:	Design
Construction Start:	2027
Completion:	2029
Budget:	\$7.1 M for RWSA section; \$11 – 15 M including City section

Current Status: Meetings with the County and City are ongoing to finalize the piping alignment.

28. Dam Concrete and Steel Repairs

Design Engineer:	GAI Consultants
Project Start:	January 2025
Project Status:	100% Design
Construction Start:	March 2027
Completion:	May 2028
Budget:	\$2.8 M

Current Status: Final Design Drawings are being completed for bid advertisement.

29. NR River Crossing and Piping

Design Engineer:	Kimley-Horn
Project Start:	December 2025
Project Status:	PER
Construction Start:	September 2027
Completion:	December 2030
Budget:	\$16.4 M

Current Status: Completed survey and utility designations. Began detailed layout for river crossing. Conducted permitting and design coordination meetings with VDOT. Developing conceptual layout for pipe route. Wetland delineation is proceeding. Completing final modeling to determine pipe diameter and total length determinations.

30. MC Blower Building Ventilation Replacement

Design Engineer:	Hazen
Project Start:	October 2025
Project Status:	PER
Construction Start:	June 2027
Completion:	June 2028
Budget:	\$1.13 M

Current Status: Hazen has received data on the existing blowers and will provide a preliminary engineering report on the necessary replacements.

31. Woodburn, Pantops, and Observatory Water Tank Painting

Design Engineer:	Whitman Requardt & Associates, LLP (WRA)
Project Start:	July 2026
Project Status:	PER
Construction Start:	March 2027
Completion:	June 2030
Budget:	\$6.12 M

Current Status: Staff are negotiating a Service Authorization with WRA for design, bidding, and construction phase services. One tank will be rehabilitated per year to avoid concurrent shutdowns and adverse impacts on the water distribution system.

32. SRWTP WW Connection

Design Engineer:	HDR
Project Start:	July 2026
Project Status:	PER
Construction Start:	March 2028
Completion:	June 2029
Budget:	\$1.1 M

Current Status: Project includes construction of a small-diameter sanitary sewer main that will allow disposal of residual sludge from the treatment process into the sanitary sewer in lieu of utilizing the belt press and hauling sludge off site. A Service Authorization with HDR is currently being negotiated by staff.

33. Albemarle Berkeley WWPS Replacement

Design Engineer:	Wiley Wilson
Project Start:	July 2026
Project Status:	PER
Construction Start:	September 2027
Completion:	September 2029
Budget:	\$1.33 M

Current Status: Preliminary engineering is underway to replace the 1970s-vintage wastewater pump station. Relocation of the station may be required in collaboration with the ACPS Lambs Lane Master Plan.

34. Berkmar Drive Waterline Betterment

Design Engineer:	Kimley-Horn
Project Start:	August 2024
Project Status:	70% Design
Construction Start:	March 2028
Completion:	March 2030
Budget:	\$1.76 M

Current Status: VDOT is acquiring right-of-way for the roadway extension and will advertise for bids in 2028. RWSA waterlines will be completed concurrently with the roadway project. RWSA is requesting VDOT to install two waterlines north of the Airport Road Pump Station based on Northern Area Modeling and the future potential for dual pressure zones north of Airport Road.

35. Emmet Street Waterline Betterment

Design Engineer:	Whitman, Requardt & Associates, LLP (RWSA) Clark Nexsen (City)
Project Start:	2019
Project Status:	90% Design
Construction Start:	April 2027
Completion:	March 2030
Budget:	\$7.4 M

Current Status: WRA is completing design of a water main that will be installed as part of the City's Emmet Streetscape project. Permitting efforts with VDH and CSX Railroad are underway. The City's design engineer for the Emmet Streetscape project is incorporating the water main plans into the project documents for advertisement in 2026.

36. Dam Public Safety Improvements

Design Engineer:	Hazen
Project Start:	July 2025
Project Status:	PER
Construction Start:	March 2027
Completion:	December 2028
Budget:	\$3.85 M

Current Status: Project includes sirens, signage, boat barriers, and other public safety features at Sugar Hollow, South Rivanna, and Ragged Mtn reservoir dams.

37. CZWTP Disinfection Improvements

Design Engineer:	SEH
Project Start:	July 2025
Project Status:	30% Design
Construction Start:	June 2027

Completion: December 2028
Budget: \$1 M

Current Status: Design for two UV disinfection units is underway.

38. Buck's Elbow Tank and Waterball Repairs and Painting

Design Engineer: Whitman, Requardt & Associates, LLP
Project Start: July 2026
Project Status: PER
Construction Start: April 2027
Completion: December 2028
Budget: \$1.99 M

Current Status: A Service Authorization is being negotiated with Whitman, Requardt & Associates.

39. Northern Convenience Center (RSWA)

Design Engineer: TRC Companies Inc.
Project Start: August 2024
Project Status: 100% Design
Construction Start: September 2027
Completion: June 2029
Budget: \$274,380

Current Status: Design drawings have been completed. The Water Protection Ordinance (WPO) plan is currently under County review. Construction funding will be available from the County in July 2027.

40. ISWRC Sediment Basin Repairs (RSWA)

Design Engineer: SCS Engineering
Project Start: February 2026
Project Status: Bidding
Construction Start: September 2026
Completion: December 2026
Budget: \$1.05 M

Current Status: Construction bids were received in June. A construction contract award recommendation is in this month's RSWA Board Packet.

41. ISWRC Scale House & Admin Renovation (RSWA)

Design Engineer: Train Architects
Project Start: February 2027
Project Status: Final Design/Planning
Construction Start: TBD
Completion: TBD
Budget: TBD

Current Status: The design has been completed and will be advertised for construction bids if funding is approved in FY 28.

42. MC Security Improvements - Front Gate

Design Engineer:	Hazen
Project Start:	2021
Project Status:	99% Design
Construction Start:	April 2028
Completion:	December 2029
Budget:	\$0.72 M

Current Status: Project includes additional security gates, card access, and other security features at the entrance of MC to prevent unauthorized traffic from entering the facility. Design for this work is complete, and work will begin once the current construction projects at MC are completed due to the number of contractors that are passing through the existing gates daily.

43. North Rivanna Water Treatment Plant Decommissioning

Design Engineer:	SEH
Project Start:	July 2024
Project Status:	90% Design
Construction Start:	July 2029
Completion:	June 2031
Budget:	\$3.5 M

Current Status: Demolition plans for the North Rivanna WTP are 90% complete with further design on hold pending completion of northern area projects. Design for removal of the North Rivanna low head dam is underway with grant funds anticipated from the US Fish and Wildlife Service to offset these design costs.

44. Urban Water Storage Tank Improvements

Design Engineer:	SEH
Project Start:	July 2026
Project Status:	Preliminary Design
Construction Start:	June 2028
Completion:	December 2030
Budget:	\$5.5 M

Current Status: Project will evaluate RWSA's finished water storage capacity to determine where additional tanks may be needed to improve operations. Construction of up to two water tanks is included in this project.

45. Powell Creek Interceptor Upgrade (PC 1- 5)

Design Engineer:	Hazen
Project Start:	December 2025
Project Status:	PER
Construction Start:	TBD
Completion:	TBD
Budget:	\$16.4 M

Current Status: Developing scope of work to replace this sewer pipe.

46. Northern Area Pressure Zone

Design Engineer:	TBD
Project Start:	TBD
Project Status:	TBD
Construction Start:	June 2028
Completion:	December 2031
Budget:	\$8 M

Planning and Studies

47. Crozet Drinking Water Infrastructure Plan Update

Design Engineer:	Hazen
Project Start:	September 2025
Project Status:	Underway
Completion:	December 2026
Budget:	\$450,000

Current Status: The Crozet Area Demand Forecast report is complete. The full Drinking Water Infrastructure Plan Update Report is anticipated by October.

48. Flood Protection Resiliency Study

Design Engineer:	Hazen
Project Start:	August 2024
Project Status:	Preliminary Engineering/Study
Completion:	June 2026
Budget:	\$278,500

Current Status: This project will identify flood mitigation measures for various facilities to increase their resiliency from a 1% (100-year) to a 0.2% (500-year) flooding event and is initially focusing on facilities located at Moores Creek. Hazen completed the draft report that details and recommends methods of floodproofing. Staff are reviewing the draft document. This project received \$198,930 in grant funding from FEMA and VDEM.

49. ISWRC Site Improvements and Repairs (RSWA)

Design Engineer:	SCS Engineering
Project Start:	July 2026
Project Status:	Preliminary Design
Construction Start:	TBD
Completion:	TBD
Budget:	\$250,000

Current Status: This project will include preliminary evaluation of several improvements at the Ivy Solid Waste and Recycling Center including a new road to the transfer station, improvements to the Ivy Convenience Center, landfill cap repairs, and closure of the existing leachate pond.

MEMORANDUM

**TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS**

FROM: LONNIE WOOD, DIRECTOR OF FINANCE

REVIEWED: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: MAY MONTHLY FINANCIAL SUMMARY – FY 2026

DATE: JULY 28, 2026

Financial Snapshot

The Authority's actual operating revenues for the first eleven months of this fiscal year are \$1,877,000 over the prorated annual budget estimates, and operating expenses are \$118,000 under the prorated budget, resulting in an operating surplus of \$1,995,000. Urban Water flows and operating rate revenue for this month are 3.2% over budget estimates. Urban Wastewater flows and operating rate revenue are 2.7% under budget. The Authority has received \$1,252,600 in PFAS litigation funds this fiscal year through May. Revenues and expenses are summarized in the table below:

May 2026 Year-to-Date Budget vs Actual Results:

	Budget	Actual	Variance
Operations			
Revenues	\$ 28,092,076	\$ 29,968,624	\$ 1,876,548
Expenses	28,092,076	27,973,921	118,155
Surplus (deficit)	\$ -	\$ 1,994,703	\$ 1,994,703
Debt Service			
Revenues	\$ 30,628,807	\$ 30,501,523	\$ (127,284)
Expenses	30,628,807	30,619,157	9,650
Surplus (deficit)	\$ -	\$ (117,634)	\$ (117,634)
Total			
Revenues	\$ 58,720,883	\$ 60,470,147	\$ 1,749,264
Expenses	58,720,883	58,593,078	127,805
Surplus (deficit)	\$ -	\$ 1,877,069	\$ 1,877,069

A more detailed financial analysis is in the following monthly report and reviews more closely actual financial performance compared to budgeted estimates. There are comments listed that will reference the applicable line items in the financial statement for each rate center and each support department in the following pages. Please refer to the Budget vs Actual financial statements when reviewing these comments.

Detailed Financials

The following comments help explain most of the other budget vs. actual variances.

- A. Annual and Quarterly Transactions - Some revenues and expenses exceed the prorated annual budget due to up-front annual receipts of revenue and quarterly or annual payments of expenses. These transactions appear to significantly impact the budget vs. actual monthly comparisons, but they usually even out as the year progresses. Septage receiving support revenue of \$109,440 is billed to the County annually in July. Annual payments are made in July for certain maintenance agreements and for employer contributions to employees' health savings accounts. The annual payment to UVA for the Observatory WTP lease (\$175,000) is made in August. Insurance premiums are generally paid at the beginning of each quarter.
- B. Personnel Costs - For several departments, salaries are over the prorated budget, but those overages are reduced by health insurance premium rebates. The Maintenance Department is over the prorated budget for salaries due to the final leave payout to the maintenance manager upon retirement. Several water operators have achieved their Class 1 licenses in the past few months and have received salary increases in accordance with our Personnel Management Plan. The Admin and Finance departments overages are due to final leave payouts upon retirement, overlap salaries with replacements, and compensation study results.
- C. Professional Services (Urban Water, Crozet Water, Finance/IT – pages 2, 3, 9) – Urban Water incurred \$157,000 of unbudgeted expenses in this category, including engineering and technical services of \$129,000 and legal fees related to leases of \$35,000. The engineering services were for VWP permit support and technical support related to water modeling for data center and Emmet St. projects or potential projects. Crozet Water is \$19,000 over the annual budget on expenditures for engineering and technical services. The Finance department is \$61,000 over the annual budget in this category primarily for the cost of an unbudgeted engineering report to the bond trustee.
- D. Communication – (Urban Water, Finance/IT, Lab – pages 2, 9, 11) – The Urban Water, Finance/IT and Lab departments are over the prorated budget in this category by \$23,000, 63,000 and \$12,000, respectively, for higher than anticipated telephone and data service costs.
- E. Information Technology (Administration, Lab – pages 8, 11) – The Administration department is \$23,000 over the annual budget in this category for unbudgeted renewal fees for safety training and incident reporting software and website maintenance fees. The Lab spent \$64,000 on unbudgeted annual subscription fees for lab information management system software.
- F. Operations and Maintenance (Urban Water, Urban Wastewater, Maintenance – pages 2, 5, 6) – Urban Water is currently \$168,000 over the prorated budget due to higher than estimated line break repairs and other equipment maintenance and repair costs. Urban Wastewater is \$125,000 over the prorated budget on chemical and fuel costs. The Maintenance department incurred \$46,000 in unbudgeted vehicle maintenance costs.
- G. Equipment Purchases – (Urban Water, Urban Wastewater, Maintenance – pages 2, 5, 10) – Urban Water and Urban Wastewater incurred unbudgeted equipment rental costs for generators of \$14,000 and \$79,000, respectively. Maintenance has exceeded the annual budget allowed for equipment purchases by \$175,000 for a generator and other equipment.

Rivanna Water & Sewer Authority
Monthly Financial Statements - May 2026
Fiscal Year 2026

Consolidated
Revenues and Expenses Summary

<i>Budget</i>	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
<i>FY 2026</i>	<i>Year-to-Date</i>	<i>Year-to-Date</i>	<i>vs. Actual</i>	<i>Percentage</i>

Operating Budget vs. Actual

Notes

Revenues

Operations Rate Revenue	\$	28,565,847	\$	26,185,360	\$	26,228,284	\$	42,925	0.16%
Lease Revenue		120,000		110,000		135,341		25,341	23.04%
Admin., Finance/IT, Maint. & Engineering Revenue		998,000		914,833		981,494		66,661	7.29%
Other Revenues		689,654		632,183		2,217,966		1,585,783	250.84%
Interest Allocation		272,400		249,700		405,540		155,840	62.41%
Total Operating Revenues	\$	30,645,901	\$	28,092,076	\$	29,968,624	\$	1,876,548	6.68%

Expenses

Personnel Cost	B	\$	14,179,052	\$	12,997,465	\$	12,962,220	\$	35,245	0.27%
Professional Services	C		777,950		713,121		862,557		(149,436)	-20.96%
Other Services & Charges			4,580,981		4,199,233		3,962,997		236,236	5.63%
Communication	D		291,328		267,051		334,694		(67,644)	-25.33%
Information Technology	E		2,398,380		2,198,515		1,516,376		682,139	31.03%
Supplies			60,031		55,028		60,288		(5,260)	-9.56%
Operations & Maintenance	A,F		6,856,926		6,285,516		6,606,048		(320,532)	-5.10%
Equipment Purchases	G		551,250		505,313		797,908		(292,595)	-57.90%
Depreciation			950,000		870,833		870,833		(0)	0.00%
Total Operating Expenses		\$	30,645,898	\$	28,092,074	\$	27,973,921	\$	118,152	0.42%
Operating Surplus/(Deficit)		\$	3	\$	2	\$	1,994,703			

Debt Service Budget vs. Actual

Revenues

Debt Service Rate Revenue	\$	31,290,304	\$	28,682,779	\$	28,682,775	\$	(4)	0.00%
Septage Receiving Support - County		109,440		100,320		109,440		9,120	9.09%
Buck Mountain Lease Revenue		10,000		9,167		16,085		6,918	75.47%
Trust Fund Interest		456,900		418,825		285,152		(133,673)	-31.92%
Reserve Fund Interest		1,546,600		1,417,717		1,408,072		(9,645)	-0.68%
Total Debt Service Revenues	\$	33,413,244	\$	30,628,807	\$	30,501,523	\$	(127,284)	-0.42%

Debt Service Costs

Total Principal & Interest	\$	21,245,638	\$	19,475,168	\$	19,475,168	\$	-	0.00%
Reserve Additions-Interest		1,546,600		1,417,717		1,408,072		9,645	0.68%
Debt Service Ratio Charge		725,000		664,583		664,583		-	0.00%
Reserve Additions-CIP Growth		9,896,000		9,071,333		9,071,333		-	0.00%
Total Debt Service Costs	\$	33,413,238	\$	30,628,802	\$	30,619,157	\$	9,645	0.03%
Debt Service Surplus/(Deficit)	\$	6	\$	6	\$	(117,634)			

Summary

Total Revenues	\$	64,059,145	\$	58,720,883	\$	60,470,148	\$	1,749,265	2.98%
Total Expenses		64,059,136		58,720,875		58,593,078		127,797	0.22%
Surplus/(Deficit)	\$	9	\$	8	\$	1,877,069			

Rivanna Water & Sewer Authority
Monthly Financial Statements - May 2026

Urban Water Rate Center
Revenues and Expenses Summary

<i>Budget FY 2026</i>	<i>Budget Year-to-Date</i>	<i>Actual Year-to-Date</i>	<i>Budget vs. Actual</i>	<i>Variance Percentage</i>
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Operating Budget vs. Actual

		Notes								
Revenues										
Operations Rate Revenue		\$	12,376,260	\$	11,344,905	\$	11,705,763	\$	360,858	3.18%
Lease Revenue			90,000		82,500		103,600		21,100	25.58%
Grants			-		-		296,648		296,648	
Other Revenue			-		-		1,137,036		1,137,036	
Interest Allocation			120,000		110,000		177,626		67,626	61.48%
Total Operating Revenues		\$	12,586,260	\$	11,537,405	\$	13,420,673	\$	1,883,268	16.32%
Expenses										
Personnel Cost	B	\$	2,725,694	\$	2,498,553	\$	2,513,578	\$	(15,025)	-0.60%
Professional Services	C		220,500		202,125		377,495		(175,370)	-86.76%
Other Services & Charges			1,210,134		1,109,290		956,949		152,340	13.73%
Communications	D		91,500		83,875		107,012		(23,137)	-27.58%
Information Technology			197,100		180,675		73,163		107,512	59.51%
Supplies			10,031		9,195		12,860		(3,665)	-39.86%
Operations & Maintenance	A, F		3,116,833		2,857,097		3,025,183		(168,086)	-5.88%
Equipment Purchases	G		26,900		24,658		39,085		(14,427)	-58.51%
Depreciation			300,000		275,000		275,000		-	0.00%
Subtotal Before Allocations		\$	7,898,692	\$	7,240,467	\$	7,380,325	\$	(139,857)	-1.93%
Allocation of Support Departments			4,687,568		4,296,937		4,113,515		183,422	4.27%
Total Operating Expenses		\$	12,586,259	\$	11,537,404	\$	11,493,840	\$	43,564	0.38%
Operating Surplus/(Deficit)		\$	1	\$	1	\$	1,926,833			

Debt Service Budget vs. Actual

Revenues						
Debt Service Rate Revenue		\$ 15,733,661	\$ 14,422,523	\$ 14,422,518	\$ (5)	0.00%
Trust Fund Interest		200,000	183,333	124,868	(58,465)	-31.89%
Reserve Fund Interest		744,800	682,733	678,691	(4,043)	-0.59%
Lease Revenue		10,000	9,167	16,085	6,918	75.47%
Total Debt Service Revenues		\$ 16,688,461	\$ 15,297,756	\$ 15,242,161	\$ (55,595)	-0.36%
Debt Service Costs						
Total Principal & Interest		\$ 8,904,860	\$ 8,162,788	\$ 8,162,788	\$ -	0.00%
Reserve Additions-Interest		744,800	682,733	678,691	4,043	0.59%
Debt Service Ratio Charge		400,000	366,667	366,667	-	0.00%
Est. New Debt Service - CIP Growth		6,638,800	6,085,567	6,085,567	-	0.00%
Total Debt Service Costs		\$ 16,688,460	\$ 15,297,755	\$ 15,293,712	\$ 4,043	0.03%
Debt Service Surplus/(Deficit)		\$ 1	\$ 1	\$ (51,551)		

Rate Center Summary

Total Revenues	\$ 29,274,721	\$ 26,835,161	\$ 28,662,834	\$ 1,827,674	6.81%
Total Expenses	29,274,719	26,835,159	26,787,552	47,607	0.18%
Surplus/(Deficit)	\$ 2	\$ 2	\$ 1,875,282		
Costs per 1000 Gallons	\$ 3.70		\$ 3.58		
Operating and DS	\$ 8.62		\$ 8.33		
Thousand Gallons Treated	3,397,700	3,114,558	3,214,105	99,547	3.20%
or					
Flow (MGD)	9.309		9.594		

Rivanna Water & Sewer Authority
Monthly Financial Statements - May 2026

Crozet Water Rate Center
Revenues and Expenses Summary

<i>Budget FY 2026</i>	<i>Budget Year-to-Date</i>	<i>Actual Year-to-Date</i>	<i>Budget vs. Actual</i>	<i>Variance Percentage</i>
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Operating Budget vs. Actual

Notes

Revenues

Operations Rate Revenue	\$ 1,562,184	\$ 1,432,002	\$ 1,432,002	\$ -	0.00%
Lease Revenue	30,000	27,500	31,741	4,241	15.42%
Other Revenue	-	-	93,863	93,863	
Interest Allocation	15,000	13,750	22,305	8,555	62.22%
Total Operating Revenues	\$ 1,607,184	\$ 1,473,252	\$ 1,579,910	\$ 106,658	7.24%

Expenses

Personnel Cost	\$ 379,359	\$ 347,746	\$ 352,936	\$ (5,190)	-1.49%
Professional Services	19,500	17,875	38,768	(20,893)	-116.89%
Other Services & Charges	177,582	162,784	141,205	21,578	13.26%
Communications	15,300	14,025	15,204	(1,179)	-8.40%
Information Technology	64,400	59,033	18,504	40,530	68.66%
Supplies	1,100	1,008	3,319	(2,310)	-229.13%
Operations & Maintenance	449,085	411,661	419,995	(8,334)	-2.02%
Equipment Purchases	3,800	3,483	3,483	(0)	0.00%
Depreciation	60,000	55,000	55,000	-	0.00%
Subtotal Before Allocations	\$ 1,170,126	\$ 1,072,616	\$ 1,048,414	\$ 24,202	2.26%
Allocation of Support Departments	437,056	400,635	386,475	14,160	3.53%
Total Operating Expenses	\$ 1,607,183	\$ 1,473,251	\$ 1,434,889	\$ 38,362	2.60%
Operating Surplus/(Deficit)	\$ 1	\$ 1	\$ 145,021		

Debt Service Budget vs. Actual

Revenues

Debt Service Rate Revenue	\$ 3,103,992	\$ 2,845,326	\$ 2,845,326	\$ -	0.00%
Trust Fund Interest	32,000	29,333	19,961	(9,373)	-31.95%
Reserve Fund Interest	118,000	108,167	107,013	(1,153)	-1.07%
Total Debt Service Revenues	\$ 3,253,992	\$ 2,982,826	\$ 2,972,300	\$ (10,526)	-0.35%

Debt Service Costs

Total Principal & Interest	\$ 1,126,391	\$ 1,032,525	\$ 1,032,525	\$ -	0.00%
Reserve Additions-Interest	118,000	108,167	107,013	1,153	1.07%
Estimated New Principal & Interest	2,009,600	1,842,133	1,842,133	-	0.00%
Total Debt Service Costs	\$ 3,253,991	\$ 2,982,825	\$ 2,981,672	\$ 1,153	0.04%
Debt Service Surplus/(Deficit)	\$ 1	\$ 1	\$ (9,372)		

Rate Center Summary

Total Revenues	\$ 4,861,176	\$ 4,456,078	\$ 4,552,210	\$ 96,132	2.16%
Total Expenses	4,861,174	4,456,076	4,416,561	39,515	0.89%
Surplus/(Deficit)	\$ 2	\$ 2	\$ 135,649		
Costs per 1000 Gallons	\$ 7.93		\$ 6.82		
Operating and DS	\$ 23.98		\$ 21.00		
Thousand Gallons Treated	202,697	185,806	210,297	24,491	13.18%
Flow (MGD)	0.555		0.628		

Rivanna Water & Sewer Authority
Monthly Financial Statements - May 2026

Scottsville Water Rate Center
Revenues and Expenses Summary

<i>Budget FY 2026</i>	<i>Budget Year-to-Date</i>	<i>Actual Year-to-Date</i>	<i>Budget vs. Actual</i>	<i>Variance Percentage</i>
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Operating Budget vs. Actual

Notes

Revenues

Operations Rate Revenue	\$ 851,940	\$ 780,945	\$ 780,945	\$ -	0.00%
Other Revenue	-	-	21,732	21,732	
Interest Allocation	7,700	7,058	11,355	4,297	60.88%
Total Operating Revenues	\$ 859,640	\$ 788,003	\$ 814,032	\$ 26,028	3.30%

Expenses

Personnel Cost	\$ 248,090	\$ 227,416	\$ 231,890	\$ (4,474)	-1.97%
Professional Services	15,000	13,750	18,691	(4,941)	-35.94%
Other Services & Charges	79,887	73,230	60,557	12,673	17.31%
Communications	18,550	17,004	26,672	(9,668)	-56.86%
Information Technology	57,000	52,250	17,945	34,305	65.65%
Supplies	200	183	1,942	(1,759)	-959.45%
Operations & Maintenance	137,220	125,785	125,885	(100)	-0.08%
Equipment Purchases	2,400	2,200	3,144	(944)	-42.90%
Depreciation	40,000	36,667	36,667	0	0.00%
Subtotal Before Allocations	\$ 598,347	\$ 548,484	\$ 523,394	\$ 25,091	4.57%
Allocation of Support Departments	261,289	239,515	235,795	3,720	1.55%
Total Operating Expenses	\$ 859,636	\$ 788,000	\$ 759,189	\$ 28,811	3.66%
Operating Surplus/(Deficit)	\$ 4	\$ 4	\$ 54,843		

Debt Service Budget vs. Actual

Revenues

Debt Service Rate Revenue	\$ 304,128	\$ 278,784	\$ 278,784	\$ -	0.00%
Trust Fund Interest	4,200	3,850	2,623	(1,227)	-31.86%
Reserve Fund Interest	4,800	4,400	4,224	(176)	-3.99%
Total Debt Service Revenues	\$ 313,128	\$ 287,034	\$ 285,632	\$ (1,402)	-0.49%

Debt Service Costs

Total Principal & Interest	\$ 148,127	\$ 135,783	\$ 135,783	\$ -	0.00%
Reserve Additions-Interest	4,800	4,400	4,224	176	3.99%
Estimated New Principal & Interest	160,200	146,850	146,850	-	0.00%
Total Debt Service Costs	\$ 313,127	\$ 287,033	\$ 286,857	\$ 176	0.06%
Debt Service Surplus/(Deficit)	\$ 1	\$ 1	\$ (1,226)		

Rate Center Summary

Total Revenues	\$ 1,172,768	\$ 1,075,037	\$ 1,099,663	\$ 24,626	2.29%
Total Expenses	1,172,763	1,075,033	1,046,046	28,986	2.70%
Surplus/(Deficit)	\$ 5	\$ 5	\$ 53,617		
Costs per 1000 Gallons	\$ 49.89		\$ 36.50		
Operating and DS	\$ 68.07		\$ 50.29		
Thousand Gallons Treated	17,230	15,794	20,799	5,005	31.69%
or					
Flow (MGD)	0.047		0.062		

Rivanna Water & Sewer Authority
Monthly Financial Statements - May 2026

Urban Wastewater Rate Center
Revenues and Expenses Summary

<i>Budget FY 2026</i>	<i>Budget Year-to-Date</i>	<i>Actual Year-to-Date</i>	<i>Budget vs. Actual</i>	<i>Variance Percentage</i>
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Operating Budget vs. Actual

Notes

Revenues

Operations Rate Revenue	\$ 12,610,887	\$ 11,559,980	\$ 11,242,046	\$ (317,934)	-2.75%
Stone Robinson WWTP	19,654	18,016	110,927	92,911	515.71%
Septage Acceptance	620,000	568,333	500,009	(68,324)	-12.02%
Nutrient Credits	50,000	45,833	53,777	7,943	17.33%
Miscellaneous Revenue	-	-	-	-	
Interest Allocation	120,000	110,000	180,060	70,060	63.69%
Total Operating Revenues	\$ 13,420,541	\$ 12,302,163	\$ 12,086,819	\$ (215,344)	-1.75%

Expenses

Personnel Cost	\$ 1,725,025	\$ 1,581,273	\$ 1,585,184	\$ (3,911)	-0.25%
Professional Services	205,000	187,917	156,443	31,474	16.75%
Other Services & Charges	2,742,631	2,514,078	2,523,422	(9,343)	-0.37%
Communications	15,100	13,842	12,454	1,387	10.02%
Information Technology	187,600	171,967	128,941	43,026	25.02%
Supplies	2,600	2,383	2,901	(517)	-21.71%
Operations & Maintenance	2,523,628	2,313,326	2,438,180	(124,854)	-5.40%
Equipment Purchases	73,500	67,375	146,893	(79,518)	-118.02%
Depreciation	470,000	430,833	430,833	(0)	0.00%
Subtotal Before Allocations	\$ 7,945,084	\$ 7,282,994	\$ 7,425,250	\$ (142,257)	-1.95%
Allocation of Support Departments	5,475,458	5,019,170	4,891,558	127,612	2.54%
Total Operating Expenses	\$ 13,420,542	\$ 12,302,164	\$ 12,316,808	\$ (14,644)	-0.12%
Operating Surplus/(Deficit)	\$ (1)	\$ (1)	\$ (229,989)		

Debt Service Budget vs. Actual

Revenues

Debt Service Rate Revenue	\$ 11,948,147	\$ 10,952,468	\$ 10,952,469	\$ 1	0.00%
Septage Receiving Support - County	109,440	100,320	109,440	9,120	9.09%
Trust Fund Interest	220,000	201,667	137,243	(64,423)	-31.95%
Reserve Fund Interest	675,000	618,750	613,919	(4,831)	-0.78%
Total Debt Service Revenues	\$ 12,952,587	\$ 11,873,205	\$ 11,813,072	\$ (60,133)	-0.51%

Debt Service Costs

Total Principal & Interest	\$ 11,040,988	\$ 10,120,906	\$ 10,120,906	\$ -	0.00%
Reserve Additions-Interest	675,000	618,750	613,919	4,831	0.78%
Debt Service Ratio Charge	325,000	297,917	297,917	-	0.00%
Est. New Debt Service - CIP Growth	911,600	835,633	835,633	-	0.00%
Total Debt Service Costs	\$ 12,952,588	\$ 11,873,206	\$ 11,868,375	\$ 4,831	0.04%
Debt Service Surplus/(Deficit)	\$ (1)	\$ (1)	\$ (55,303)		

Rate Center Summary

Total Revenues	\$ 26,373,128	\$ 24,175,367	\$ 23,899,890	\$ (275,477)	-1.14%
Total Expenses	26,373,130	24,175,369	24,185,183	(9,814)	-0.04%
Surplus/(Deficit)	\$ (2)	\$ (2)	\$ (285,293)		
Costs per 1000 Gallons	\$ 3.96		\$ 4.07		
Operating and DS	\$ 7.78		\$ 8.00		
Thousand Gallons Treated	3,390,400	3,107,867	3,022,868	(84,999)	-2.73%
or					
Flow (MGD)	9.289		9.023		

Rivanna Water & Sewer Authority
Monthly Financial Statements - May 2026

Glenmore Wastewater Rate Center
Revenues and Expenses Summary

<i>Budget FY 2026</i>	<i>Budget Year-to-Date</i>	<i>Actual Year-to-Date</i>	<i>Budget vs. Actual</i>	<i>Variance Percentage</i>
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Operating Budget vs. Actual

Notes

Revenues

Operations Rate Revenue	\$ 673,248	\$ 617,144	\$ 617,144	\$ -	0.00%
Interest Allocation	5,500	5,042	8,111	3,069	60.88%
Total Operating Revenues	\$ 678,748	\$ 622,186	\$ 625,255	\$ 3,069	0.49%

Expenses

Personnel Cost	\$ 142,586	\$ 130,704	\$ 131,470	\$ (766)	-0.59%
Professional Services	10,000	9,167	1,051	8,116	88.53%
Other Services & Charges	45,136	41,375	48,409	(7,035)	-17.00%
Communications	20,300	18,608	20,246	(1,638)	-8.80%
Information Technology	53,450	48,996	13,930	35,066	71.57%
Supplies	-	-	0	(0)	
Operations & Maintenance	152,435	139,732	86,629	53,104	38.00%
Equipment Purchases	3,500	3,208	3,208	(0)	0.00%
Depreciation	60,000	55,000	55,000	-	0.00%
Subtotal Before Allocations	\$ 487,407	\$ 446,790	\$ 359,944	\$ 86,846	19.44%
Allocation of Support Departments	191,344	175,399	175,336	63	0.04%
Total Operating Expenses	\$ 678,752	\$ 622,189	\$ 535,280	\$ 86,909	13.97%
Operating Surplus/(Deficit)	\$ (4)	\$ (3)	\$ 89,975		

Debt Service Budget vs. Actual

Revenues

Debt Service Rate Revenue	\$ 144,948	\$ 132,869	\$ 132,869	\$ -	0.00%
Trust Fund Interest	500	458	342	(116)	-25.34%
Reserve Fund Interest	-	-	-	-	
Total Debt Service Revenues	\$ 145,448	\$ 133,327	\$ 133,211	\$ (116)	-0.09%

Debt Service Costs

Total Principal & Interest	\$ 18,746	\$ 17,184	\$ 17,184	\$ -	0.00%
Estimated New Principal & Interest	126,700	116,142	116,142	-	0.00%
Reserve Additions-Interest	-	-	-	-	
Total Debt Service Costs	\$ 145,446	\$ 133,326	\$ 133,326	\$ -	0.00%
Debt Service Surplus/(Deficit)	\$ 2	\$ 2	\$ (114)		

Rate Center Summary

Total Revenues	\$ 824,196	\$ 755,513	\$ 758,466	\$ 2,953	0.39%
Total Expenses	824,198	755,515	668,605	86,909	11.50%
Surplus/(Deficit)	\$ (2)	\$ (2)	\$ 89,861		
Costs per 1000 Gallons	\$ 16.39		\$ 11.30		
Operating and DS	\$ 19.91		\$ 14.11		
Thousand Gallons Treated or Flow (MGD)	41,401	37,951	47,379	9,428	24.84%
	0.113		0.141		

Rivanna Water & Sewer Authority
Monthly Financial Statements - May 2026

Scottsville Wastewater Rate Center
Revenues and Expenses Summary

<i>Budget FY 2026</i>	<i>Budget Year-to-Date</i>	<i>Actual Year-to-Date</i>	<i>Budget vs. Actual</i>	<i>Variance Percentage</i>
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Operating Budget vs. Actual

Notes

Revenues

Operations Rate Revenue	\$ 491,328	\$ 450,384	\$ 450,384	\$ -	0.00%
Interest Allocation	4,200	3,850	6,083	2,233	58.00%
Total Operating Revenues	\$ 495,528	\$ 454,234	\$ 456,467	\$ 2,233	0.49%

Expenses

Personnel Cost	\$ 142,484	\$ 130,610	\$ 131,470	\$ (860)	-0.66%
Professional Services	5,000	4,583	6,004	(1,420)	-30.99%
Other Services & Charges	30,936	28,358	30,034	(1,676)	-5.91%
Communications	6,050	5,546	406	5,140	92.68%
Information Technology	54,750	50,188	1,792	48,396	96.43%
Supplies	-	-	0	(0)	
Operations & Maintenance	53,680	49,207	94,023	(44,816)	-91.08%
Equipment Purchases	3,500	3,208	3,208	(0)	0.00%
Depreciation	20,000	18,333	18,333	(0)	0.00%
Subtotal Before Allocations	\$ 316,400	\$ 290,033	\$ 285,271	\$ 4,762	1.64%
Allocation of Support Departments	179,127	164,200	163,176	1,024	0.62%
Total Operating Expenses	\$ 495,527	\$ 454,233	\$ 448,447	\$ 5,786	1.27%
Operating Surplus/(Deficit)	\$ 1	\$ 1	\$ 8,020		

Debt Service Budget vs. Actual

Revenues

Debt Service Rate Revenue	\$ 55,428	\$ 50,809	\$ 50,809	\$ -	0.00%
Trust Fund Interest	200	183	114	(69)	-37.76%
Reserve Fund Interest	4,000	3,667	4,224	558	15.21%
Total Debt Service Revenues	\$ 59,628	\$ 54,659	\$ 55,147	\$ 488	0.89%

Debt Service Costs

Total Principal & Interest	\$ 6,526	\$ 5,982	\$ 5,982	\$ -	0.00%
Reserve Additions-Interest	4,000	3,667	4,224	(558)	-15.21%
Estimated New Principal & Interest	49,100	45,008	45,008	-	0.00%
Total Debt Service Costs	\$ 59,626	\$ 54,657	\$ 55,215	\$ (558)	-1.02%
Debt Service Surplus/(Deficit)	\$ 2	\$ 2	\$ (67)		

Rate Center Summary

Total Revenues	\$ 555,156	\$ 508,893	\$ 511,614	\$ 2,721	0.53%
Total Expenses	555,153	508,890	503,662	5,228	1.03%
Surplus/(Deficit)	\$ 3	\$ 3	\$ 7,953		
Costs per 1000 Gallons	\$ 20.96		\$ 26.23		
Operating and DS	\$ 23.48		\$ 29.46		
Thousand Gallons Treated	23,643	21,673	17,095	(4,578)	-21.12%
or					
Flow (MGD)	0.065		0.051		

Rivanna Water & Sewer Authority
Monthly Financial Statements - May 2026

Administration and Communication

<i>Budget FY 2026</i>	<i>Budget Year-to-Date</i>	<i>Actual Year-to-Date</i>	<i>Budget vs. Actual</i>	<i>Variance Percentage</i>
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Operating Budget vs. Actual

Notes

Revenues

Payment for Services SWA	\$	417,000	\$	382,250	\$	382,381	\$	131	0.03%
Grants						3,975		3,975	
Miscellaneous Revenue		-		-		1,975		1,975	
Total Operating Revenues	\$	417,000	\$	382,250	\$	388,331	\$	6,081	1.59%

Expenses

Personnel Cost	B	\$	1,657,525	\$	1,519,398	\$	1,593,984	\$	(74,586)	-4.91%
Professional Services			103,950		95,288		93,076		2,211	2.32%
Other Services & Charges			162,450		148,913		99,875		49,038	32.93%
Communications			9,200		8,433		1,871		6,562	77.81%
Information Technology	E		5,700		5,225		28,247		(23,022)	-440.61%
Supplies			19,600		17,967		14,716		3,251	18.09%
Operations & Maintenance			66,050		60,546		60,131		415	0.69%
Equipment Purchases			9,000		8,250		8,250		-	0.00%
Depreciation			-		-		-		-	
Total Operating Expenses		\$	2,033,475	\$	1,864,019	\$	1,900,150	\$	(36,131)	-1.94%

Department Summary

Net Costs Allocable to Rate Centers		\$	(1,616,475)	\$	(1,481,769)	\$	(1,511,819)	\$	30,050	-2.03%
<u>Allocations to the Rate Centers</u>										
Urban Water	44.00%	\$	711,249	\$	651,978	\$	665,200	\$	(13,222)	
Crozet Water	4.00%	\$	64,659		59,271		60,473		(1,202)	
Scottsville Water	2.00%	\$	32,330		29,635		30,236		(601)	
Urban Wastewater	48.00%	\$	775,908		711,249		725,673		(14,424)	
Glenmore Wastewater	1.00%	\$	16,165		14,818		15,118		(301)	
Scottsville Wastewater	1.00%	\$	16,165		14,818		15,118		(301)	
	100.00%	\$	1,616,475	\$	1,481,769	\$	1,511,819	\$	(30,050)	

Rivanna Water & Sewer Authority
Monthly Financial Statements - May 2026

Finance and Information Technology

<i>Budget FY 2026</i>	<i>Budget Year-to-Date</i>	<i>Actual Year-to-Date</i>	<i>Budget vs. Actual</i>	<i>Variance Percentage</i>
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Operating Budget vs. Actual

Notes

Revenues

Payment for Services SWA	\$	581,000	\$	532,583	\$	532,583	\$	0	0.00%
Bond Proceeds Funding Bond Issuance Costs		-		-		-		-	
Miscellaneous Revenue		-		-		11,065		11,065	
Total Operating Revenues	\$	581,000	\$	532,583	\$	543,649	\$	11,065	2.08%

Expenses

Personnel Cost	B	\$	2,411,906	\$	2,210,914	\$	2,242,082	\$	(31,168)	-1.41%
Professional Services	C		47,000		43,083		107,743		(64,660)	-150.08%
Other Services & Charges			55,200		50,600		54,979		(4,379)	-8.65%
Communication	D		73,900		67,742		131,027		(63,285)	-93.42%
Information Technology			1,550,650		1,421,429		1,025,925		395,504	27.82%
Supplies			14,000		12,833		12,296		538	4.19%
Operations & Maintenance			5,000		4,583		8,891		(4,307)	-93.98%
Equipment Purchases			7,500		6,875		6,875		-	0.00%
Depreciation			-		-		-		-	
Total Operating Expenses		\$	4,165,156	\$	3,818,060	\$	3,589,817	\$	228,243	5.98%

Department Summary

Net Costs Allocable to Rate Centers **\$ (3,584,156) \$ (3,285,477) \$ (3,046,168) \$ (239,309) 7.28%**

Allocations to the Rate Centers

Urban Water	44.00%	\$	1,577,029	\$	1,445,610	\$	1,340,314	\$	105,296
Crozet Water	4.00%	\$	143,366		131,419		121,847		9,572
Scottsville Water	2.00%	\$	71,683		65,710		60,923		4,786
Urban Wastewater	48.00%	\$	1,720,395		1,577,029		1,462,161		114,868
Glenmore Wastewater	1.00%	\$	35,842		32,855		30,462		2,393
Scottsville Wastewater	1.00%	\$	35,842		32,855		30,462		2,393
	100.00%	\$	3,584,156	\$	3,285,477	\$	3,046,168	\$	239,309

Rivanna Water & Sewer Authority
Monthly Financial Statements - May 2026

Maintenance

<i>Budget FY 2026</i>	<i>Budget Year-to-Date</i>	<i>Actual Year-to-Date</i>	<i>Budget vs. Actual</i>	<i>Variance Percentage</i>
---------------------------	--------------------------------	--------------------------------	------------------------------	--------------------------------

Operating Budget vs. Actual

Notes

Revenues

Payment for Services SWA	\$	-	\$	-	\$	-	\$	-
Miscellaneous Revenue		-		-		4,622		4,622
Total Operating Revenues	\$	-	\$	-	\$	4,622	\$	4,622

Expenses

Personnel Cost	\$	1,836,099	\$	1,683,091	\$	1,677,192	\$	5,899	0.35%
Professional Services		10,000		9,167		975		8,192	89.36%
Other Services & Charges		40,350		36,988		17,275		19,713	53.30%
Communications		20,000		18,333		4,128		14,205	77.48%
Information Technology		7,500		6,875		5,842		1,033	15.03%
Supplies		3,500		3,208		345		2,864	89.26%
Operations & Maintenance	F	130,300		119,442		171,381		(51,939)	-43.48%
Equipment Purchases	G	395,750		362,771		559,373		(196,602)	-54.19%
Depreciation		-		-		-		-	
Total Operating Expenses		\$ 2,443,499		\$ 2,239,874		\$ 2,436,510		\$ (196,636)	-8.78%

Department Summary

Net Costs Allocable to Rate Centers		\$ (2,443,499)	\$	(2,239,874)	\$	(2,431,888)	\$	201,258	-8.99%
<u>Allocations to the Rate Centers</u>									
Urban Water	30.00%	\$ 733,050	\$	671,962	\$	729,566	\$	(57,604)	
Crozet Water	3.50%	85,522		78,396		85,116		(6,720)	
Scottsville Water	3.50%	85,522		78,396		85,116		(6,720)	
Urban Wastewater	56.50%	1,380,577		1,265,529		1,374,017		(108,488)	
Glenmore Wastewater	3.50%	85,522		78,396		85,116		(6,720)	
Scottsville Wastewater	3.00%	73,305		67,196		72,957		(5,760)	
	100.00%	\$ 2,443,499	\$	2,239,874	\$	2,431,888	\$	(192,014)	

Rivanna Water & Sewer Authority
Monthly Financial Statements - May 2026

Laboratory

<i>Budget FY 2026</i>	<i>Budget Year-to-Date</i>	<i>Actual Year-to-Date</i>	<i>Budget vs. Actual</i>	<i>Variance Percentage</i>
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Operating Budget vs. Actual**Revenues**

N/A

Notes

Expenses

Personnel Cost		\$ 503,003	\$ 461,086	\$ 469,777	\$ (8,691)	-1.88%
Professional Services		-	-	-	-	
Other Services & Charges		9,800	8,983	12,248	(3,265)	-36.34%
Communications	D	800	733	12,256	(11,522)	-1571.21%
Information Technology	E	-	-	64,237	(64,237)	
Supplies		2,300	2,108	3,872	(1,764)	-83.66%
Operations & Maintenance		146,357	134,161	108,801	25,359	18.90%
Equipment Purchases		3,900	3,575	4,679	(1,104)	-30.89%
Depreciation		-	-	-	-	
Total Operating Expenses		\$ 666,160	\$ 610,647	\$ 675,870	\$ (65,224)	-10.68%

Department Summary

Net Costs Allocable to Rate Centers		\$ (666,160)	\$ (610,647)	\$ (675,870)	\$ 65,224	-10.68%
<u>Allocations to the Rate Centers</u>						
Urban Water	44.00%	\$ 293,110	\$ 268,685	\$ 297,383	\$ (28,698)	
Crozet Water	4.00%	26,646	24,426	27,035	(2,609)	
Scottsville Water	2.00%	13,323	12,213	13,517	(1,304)	
Urban Wastewater	47.00%	313,095	287,004	317,659	(30,655)	
Glenmore Wastewater	1.50%	9,992	9,160	10,138	(978)	
Scottsville Wastewater	1.50%	9,992	9,160	10,138	(978)	
	100.00%	\$ 666,160	\$ 610,647	\$ 675,870	\$ (65,224)	

Rivanna Water & Sewer Authority
Monthly Financial Statements - May 2026

Engineering

<i>Budget FY 2026</i>	<i>Budget Year-to-Date</i>	<i>Actual Year-to-Date</i>	<i>Budget vs. Actual</i>	<i>Variance Percentage</i>
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Operating Budget vs. Actual

Notes

Revenues

Payment for Services SWA	\$	-	\$	-	\$	27,413	\$	27,413
Miscellaneous Revenue		-		-		21,454		21,454
Total Operating Revenues	\$	-	\$	-	\$	48,868	\$	48,868

Expenses

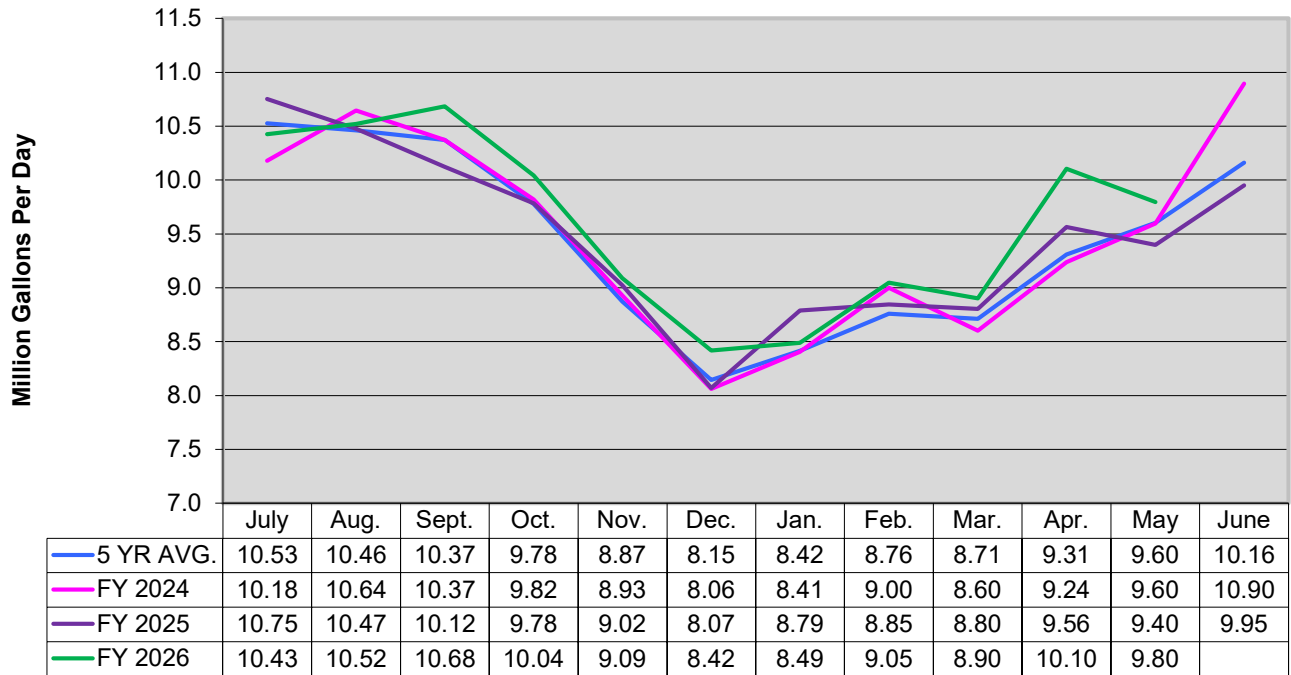
Personnel Cost	\$	2,407,282	\$	2,206,675	\$	2,032,658	\$	174,017	7.89%
Professional Services		142,000		130,167		62,310		67,857	52.13%
Other Services & Charges		26,875		24,635		18,043		6,592	26.76%
Communications		20,628		18,909		3,419		15,490	81.92%
Information Technology		220,230		201,878		137,852		64,026	31.72%
Supplies		6,700		6,142		8,037		(1,895)	-30.85%
Operations & Maintenance		76,338		69,977		66,951		3,026	4.32%
Equipment Purchases		21,500		19,708		19,708		0	0.00%
Depreciation		-		-		-		-	
Total Operating Expenses	\$	2,921,553	\$	2,678,090	\$	2,348,977	\$	329,113	12.29%

Department Summary

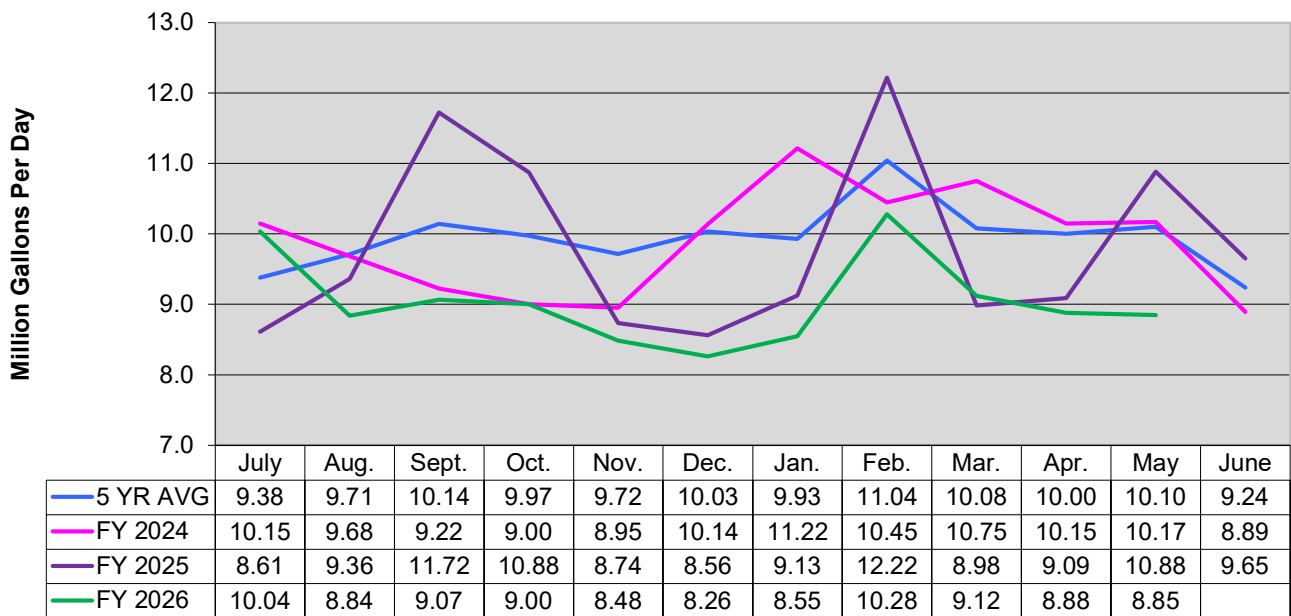
Net Costs Allocable to Rate Centers		\$	(2,921,553)	\$	(2,678,090)	\$	(2,321,564)	\$	(301,699)	11.27%
<u>Allocations to the Rate Centers</u>										
Urban Water	47.00%	\$	1,373,130	\$	1,258,702	\$	1,091,135	\$	167,567	
Crozet Water	4.00%		116,862		107,124		92,863		14,261	
Scottsville Water	2.00%		58,431		53,562		46,431		7,131	
Urban Wastewater	44.00%		1,285,483		1,178,360		1,021,488		156,871	
Glenmore Wastewater	1.50%		43,823		40,171		34,823		5,348	
Scottsville Wastewater	1.50%		43,823		40,171		34,823		5,348	
	100.00%	\$	2,921,553	\$	2,678,090	\$	2,321,564	\$	356,526	

Rivanna Water and Sewer Authority Flow Graphs

Urban Water Flows



Urban Wastewater Flows



MEMORANDUM

TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS

FROM: JEFF SOUTHWORTH, MANAGER OF INFORMATION TECHNOLOGY

REVIEWED BY: DAVE TUNGATE, DEPUTY EXECUTIVE DIRECTOR
BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: JUNE 2026 INFORMATION TECHNOLOGY REPORT

DATE: JULY 28, 2026

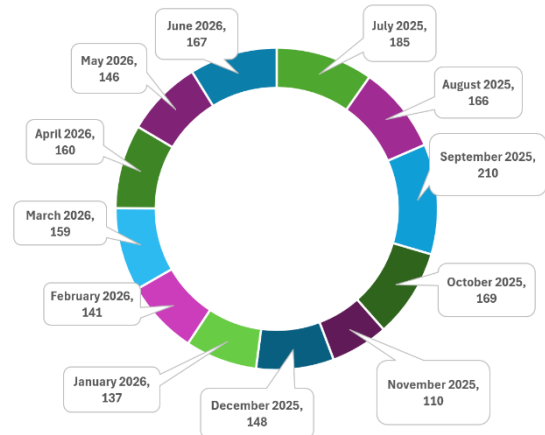
INFRASTRUCTURE – CORE SYSTEMS

Background: Includes network operations, system administration, software and hardware deployment, and security management.

June 2026 the team:

- Resolved **167** Service Desk Tickets

Service Desk Ticket Comparison



SCADA / OPERATIONAL SYSTEMS

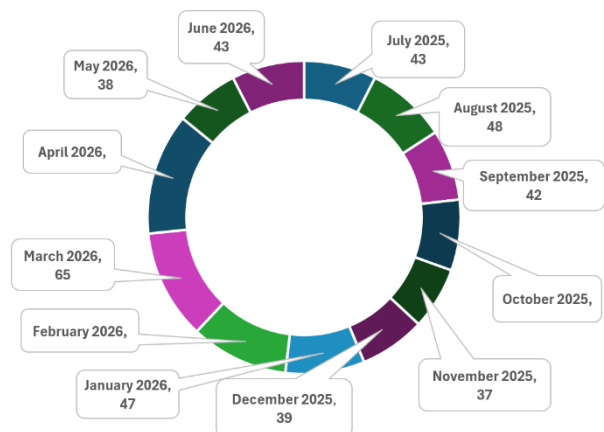
(SUPERVISORY CONTROLS AND DATA ACQUISITION)

Background: Oversight includes PLCs, operational data collection and software applications for water and wastewater operations.

June 2026 the team:

- Completed **43** SCADA service desk requests

Service Desk Ticket Comparison SCADA



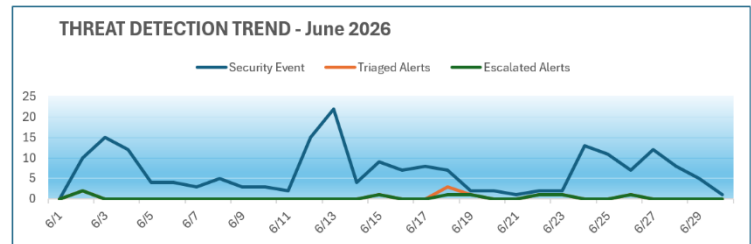
DIGITAL & PHYSICAL SECURITY -

Background: Network Firewall Security for 28 Devices

May 2026 there were:

- **1.0 B** Security logs Analyzed for suspicious network traffic
- **199** Threat Detections – All blocked
- **10** Categorized Security Alerts resolved
- **8** Escalated Alert – resolved

Spikes were from Malicious Websites & Phishing Campaigns



GIS (GEOGRAPHICAL INFORMATION SYSTEMS)

Background: Strategic data system that collects, processes, manages, and displays spatial data that supports engineering and maintenance workflows.

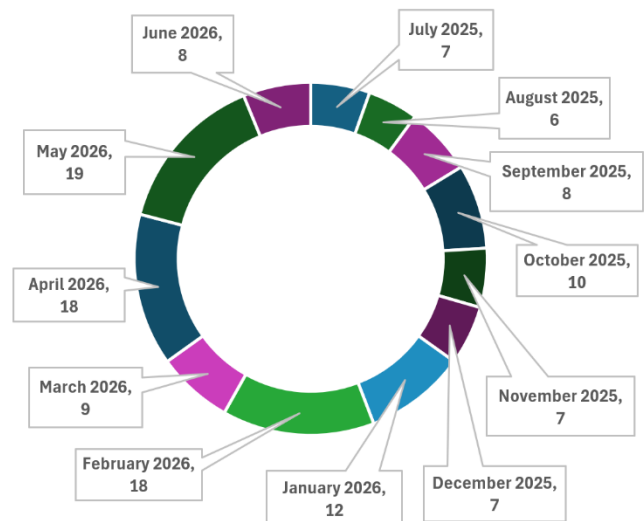
May 2026 the GIS Coordinator:

- Completed **8** Service Desk tickets
- Digitalized **37** lines and **111** points
- Completed **189** Daily Inspection reports (for CIPs)
- Processed **40** MISS Utility reports
- Processed **75** Water inspections
- Processed **92** Sewer inspections
- Completed **4** Internal map requests
- Completed **18** Drone site visits for pictures of CIPs

Major Projects

- Updated water sampling sites for VDH

Service Desk Ticket Comparison GIS





Information Technology Department Board Update

Infrastructure

Status Update: The Information Technology Department is nearing completion of efforts to secure network equipment in locked cabinets and closets, strengthening physical protection of critical infrastructure. The department is also transitioning the virtual server environment from VMware to Microsoft Hyper-V to reduce licensing costs while maintaining operational capability. Additional work continues to improve network resiliency and security through secondary fiber installations, firewall patching, VPN enhancements, and centralized device management cleanup.

SCADA System

Status Update: IT support remains active across several capital improvement projects, including the RMR to OBWTP Raw Water Line and Pump Station, SFRR to RMR Pump Station, and Crozet WTP GAC expansion. Commissioning support for the MC Wastewater Pump Station is also underway. Related efforts include refining SCADA alarms, reviewing SCADA standards and specifications, and completing server maintenance and configuration updates to support reliability, consistency, and long-term system performance.

Cybersecurity: Cybersecurity activity remained elevated due to continued phishing and social engineering attempts, as well as increased attention to nation-state threats associated with global events. Existing layered security controls operated as intended and enabled staff to detect, contain, and resolve identified incidents. Barracuda Email Protection blocked more than 28,000 phishing emails, Fortinet SOCaaS stopped over 145 malware events, and the 24/7 Network Operations Center resolved all reported network outages and status changes. Continued participation in CISA Cyber Hygiene scanning further supports visibility into internet-facing assets and ongoing remediation tracking.

MEMORANDUM

TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS

FROM: STEVEN MINNIS, SR., MAINTENANCE MANAGER

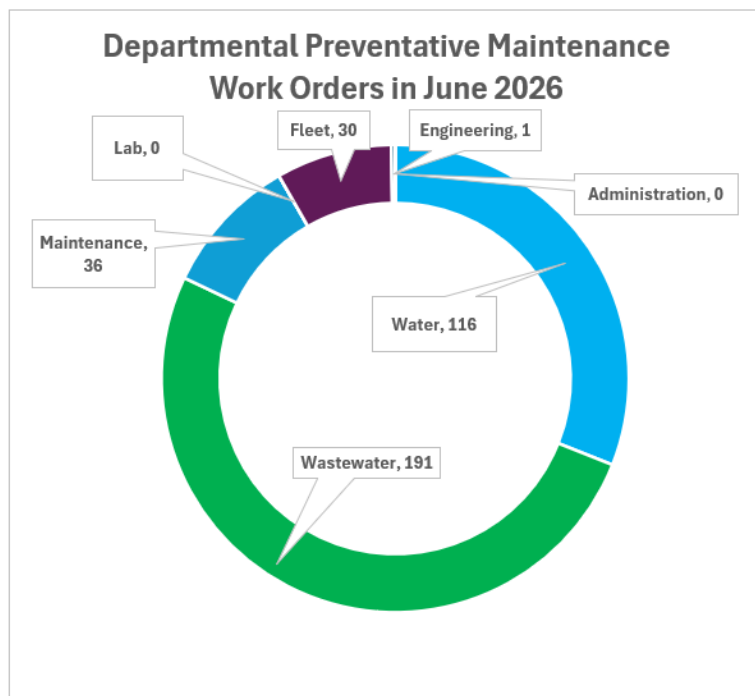
REVIEWED BY: DAVE TUNGATE, DEPUTY EXECUTIVE DIRECTOR
BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: MAINTENANCE OPERATIONS REPORT FOR JUNE 2026

DATE: JULY 28, 2026

RWSA Maintenance Department is responsible for more than 9,199 pieces of equipment in the Cityworks asset management system. The graphs below were generated from the data pulled from Cityworks.

SCHEDULED MONTHLY WORK ORDERS BY DEPARTMENT

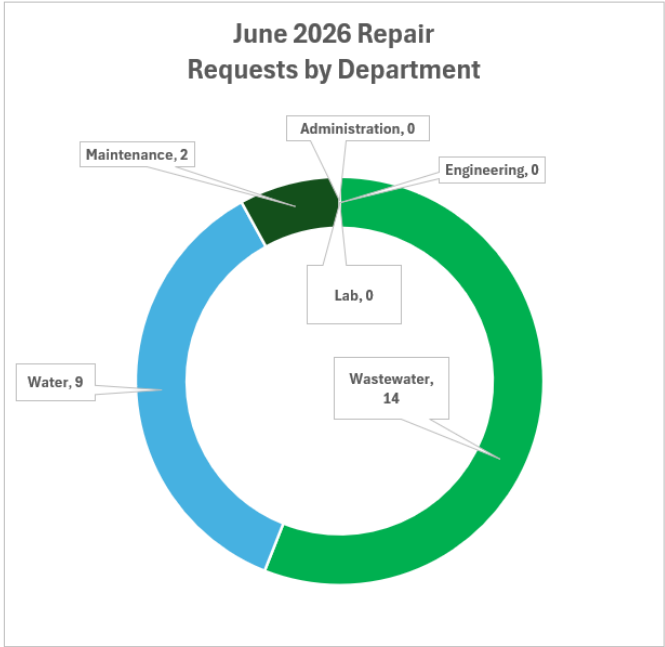


374 SCHEDULED MONTHLY WORK ORDERS BY DEPARTMENT IN JUNE 2026

Background:

- Preventative work orders are on a 30, 90, 180, 365 day, 3 year and 5 year schedule depending on the asset and the manufacturer's recommendations.

JUNE 2026 REPAIR REQUESTS

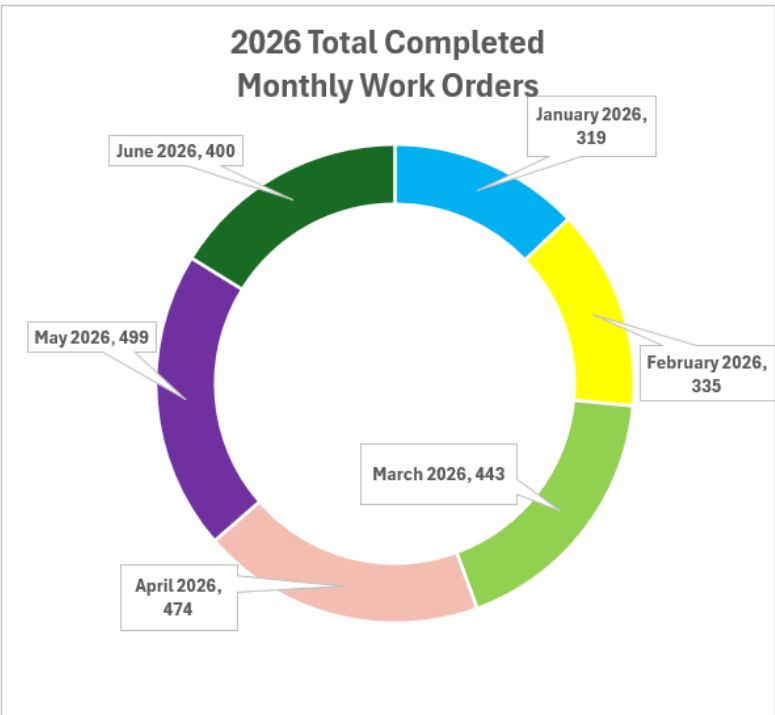


25 CORRECTIVE REPAIR REQUESTS IN JUNE 2026

Background:

- These requests are unplanned
- Some examples of these requests in June 2026 :
 - **MCWARRF Gas Compressor would not run.** Maintenance found the level sensor in digester #5 needed to be replaced.
 - **CZWTP Back Wash Pump will not run.** Maintenance found the moisture sensor was inoperable.
 - **OBWTP Back Flow Preventer Leaking.** Maintenance disassembled Backflow Preventer and rebuilt unit in place. No leaks after rebuild.
 - **Maintenance vehicle rear tire damaged.** Vehicle Shop mechanic purchased a new tire through the state contract. Mechanic installed new tire with tire mounting equipment purchased this year. This saved time and money and avoided using a commercial tire shop.
 - **SVWRRF Clarifier # 3 & #4 Replace Wasting Valve**
On 6-11-26 Maintenance loaded john boat on trailer along with life preservers and life line. Performed lock out tag out of equipment, used hoist on truck to put boat in the basin. Mechanic replaced both valves.

COMPLETED WORK ORDERS BY MONTH IN 2026

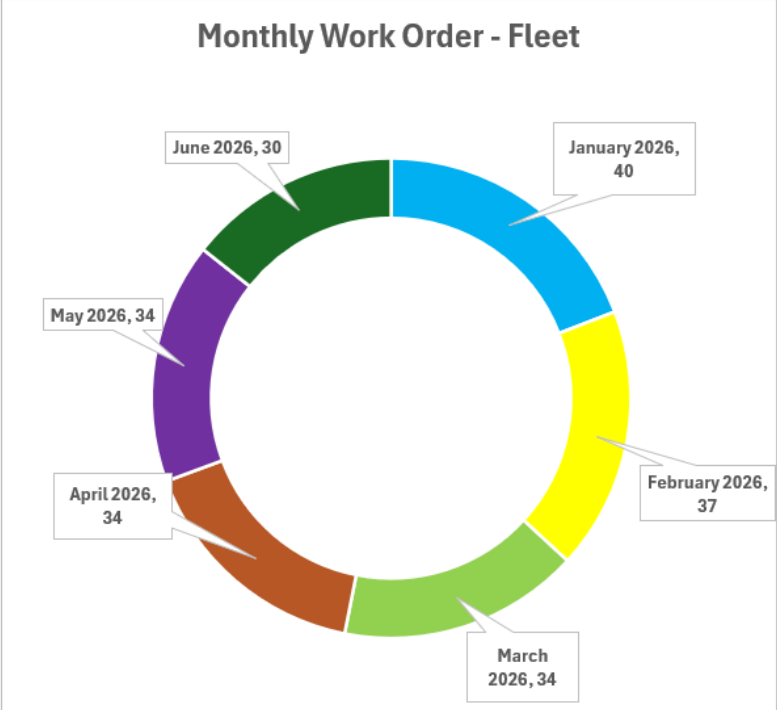


400 WORK ORDERS COMPLETED IN JUNE 2026

Background:

- This is the total of all work orders completed by the Maintenance Department for 2026 by month.
- This includes all of the preventative and repair request work orders for each month.

MONTHLY FLEET WORK ORDERS

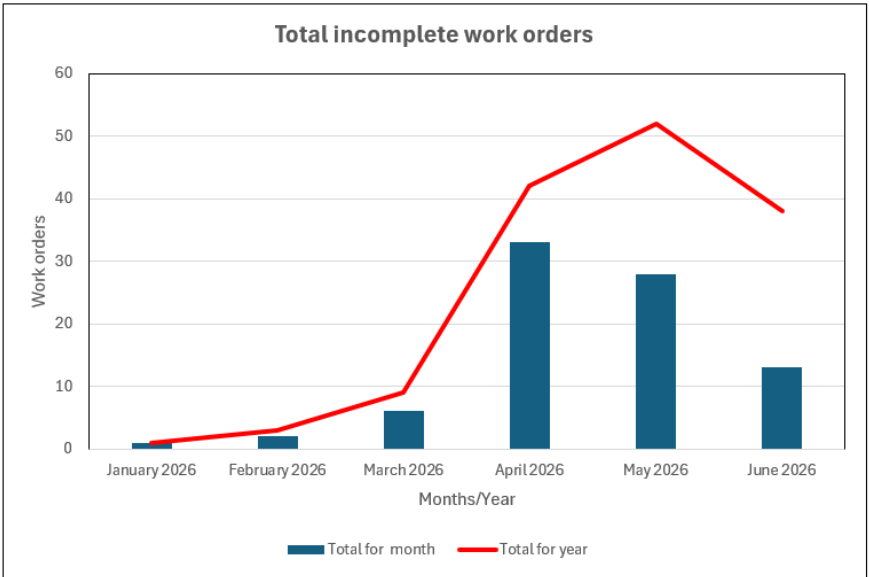


30 MONTHLY FLEET WORK ORDERS COMPLETED IN JUNE 2026

Background:

- Fleet work orders consist of the following:
- 5,000 Mile Vehicle Service
- 7,500 Mile Vehicle Service
- 25,000 Mile Vehicle Service
- 90-Day Vehicle Service
- 180 Day Trailer Service
- 5-Year Battery Service
- Annual State Inspection.

TOTAL INCOMPLETE WORK ORDERS BY MONTH



38 OPEN WORK ORDERS IN JUNE 2026

Background:

- Maintenance staff cleared 27 of the past due work orders in June 2026
- Maintenance currently has 17 large valve exercise work orders on hold until an emergency plan can be completed in the event one breaks.
- Maintenance has 2 work orders waiting on parts, 2 waiting on contractor to complete their work, and 9 work orders scheduled to be completed by 7/31/26.

MEMORANDUM

**TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS**

**FROM: DANIEL G. CAMPBELL, DIRECTOR OF OPERATIONS &
ENVIRONMENTAL SERVICES**

**REVIEWED BY: DAVE TUNGATE, DEPUTY EXECUTIVE DIRECTOR
BILL MAWYER, EXECUTIVE DIRECTOR**

SUBJECT: OPERATIONS REPORT FOR JUNE 2026

DATE: JULY 28, 2026

WATER OPERATIONS:

The average and maximum daily water volumes produced in June 2026 were as follows:

<i>Water Treatment Plant</i>	<i>Average Daily Production (MGD)</i>	<i>Maximum Daily Production in the Month (MGD)</i>
South Rivanna	9.12	9.97 (6/8/2026)
Observatory	1.59	3.35 (6/22/2026)
North Rivanna	<u>0.04</u>	<u>0.21 (6/24/2026)</u>
<i>Urban Total</i>	10.75	13.12 (6/22/2026)
Crozet	0.77	1.05 (6/12/2026)
Scottsville	0.08	0.11 (6/24/2026)
Red Hill	<u>0.003</u>	0.005 (6/19/2026)
<i>RWSA Total</i>	11.60	-

- All RWSA water treatment facilities were in regulatory compliance during the month of June.

Status of Reservoirs (as of July 22, 2026):

- Urban Reservoirs are 92% of Total Useable Capacity
 - South Rivanna Reservoir is 92% full
 - Ragged Mountain Reservoir is 90% full
- Sugar Hollow Reservoir is 98% full
- Beaver Creek Reservoir (Crozet) is 90% full
- Totier Creek Reservoir (Scottsville) is 100% full

WASTEWATER OPERATIONS:

All RWSA Water Resource Recovery Facilities (WRRFs) were in regulatory compliance with their effluent limitations during June 2026. Performance of the WRRFs in June was as follows compared to the respective VDEQ permit limits:

<i>WRRF</i>	<i>Average Daily Effluent Flow (MGD)</i>	<i>Average CBOD₅ (ppm)</i>		<i>Average Total Suspended Solids (ppm)</i>		<i>Average Ammonia (ppm)</i>	
		<i>RESULT</i>	<i>LIMIT</i>	<i>RESULT</i>	<i>LIMIT</i>	<i>RESULT</i>	<i>LIMIT</i>
Moore's Creek	7.85	<QL	9	<QL	22	<QL	1.5
Glenmore	0.148	2	15	4.9	30	NR	NL
Scottsville	0.042	<QL	25	3.9	30	0.6	1.9
Stone Robinson	0.0010	NR	30	NR	30	NR	NL

NR = Not Required

NL = No Limit

<QL: Less than analytical method quantitative level (2.0 ppm for CBOD, 1.0 ppm for TSS, and 0.1 ppm for Ammonia).

Nutrient discharges at the Moore's Creek AWRRF were as follows for June 2026.

<i>State Annual Allocation (lb./yr.) Permit</i>		<i>Average Monthly Allocation (lb./mo.) *</i>	<i>Moore's Creek Discharge June (lb./mo.)</i>	<i>Performance as % of monthly average Allocation *</i>	<i>Year to Date Performance as % of annual allocation</i>
Nitrogen	282,994	23,583	6,282	27%	19%
Phosphorous	19,637	1,636	197	12%	6%

*State allocations are expressed as annual amounts. One-twelfth of that allocation is an internal monthly benchmark for comparative purposes only.

LABORATORY OPERATIONS:

The RWSA Laboratory completed the following number of analyses in June 2026:

<i><u>Purpose</u></i>	<i><u>Water</u></i>	<i><u>Wastewater</u></i>
<i>Compliance (VDH, VaDEQ*)</i>	465	160
<i>Non-Compliance (Treatment Process Monitoring)</i>	592	146

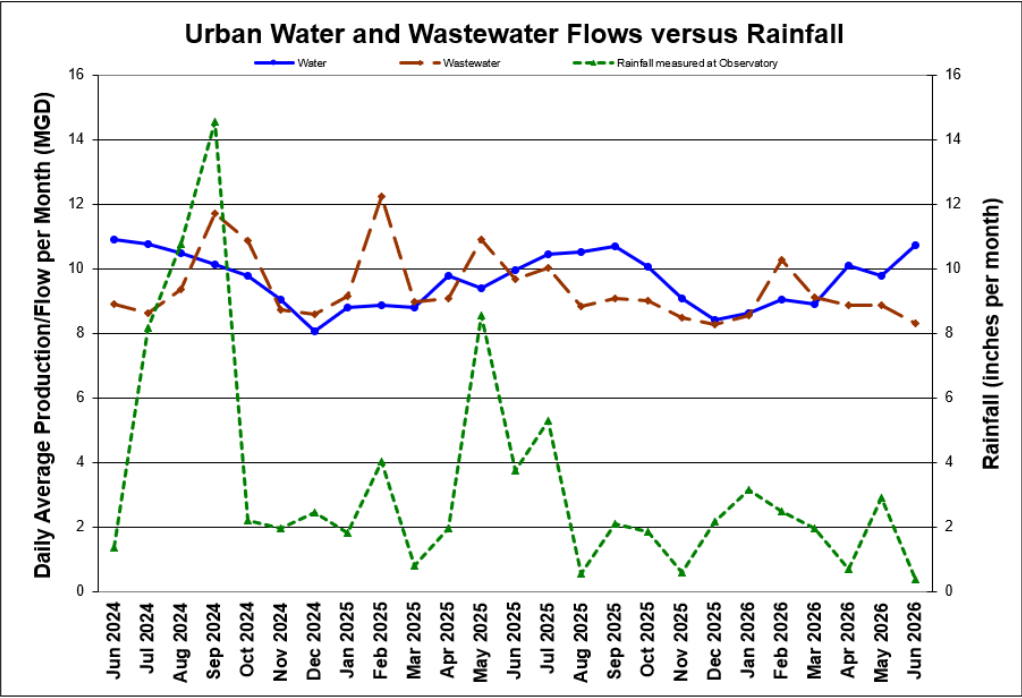
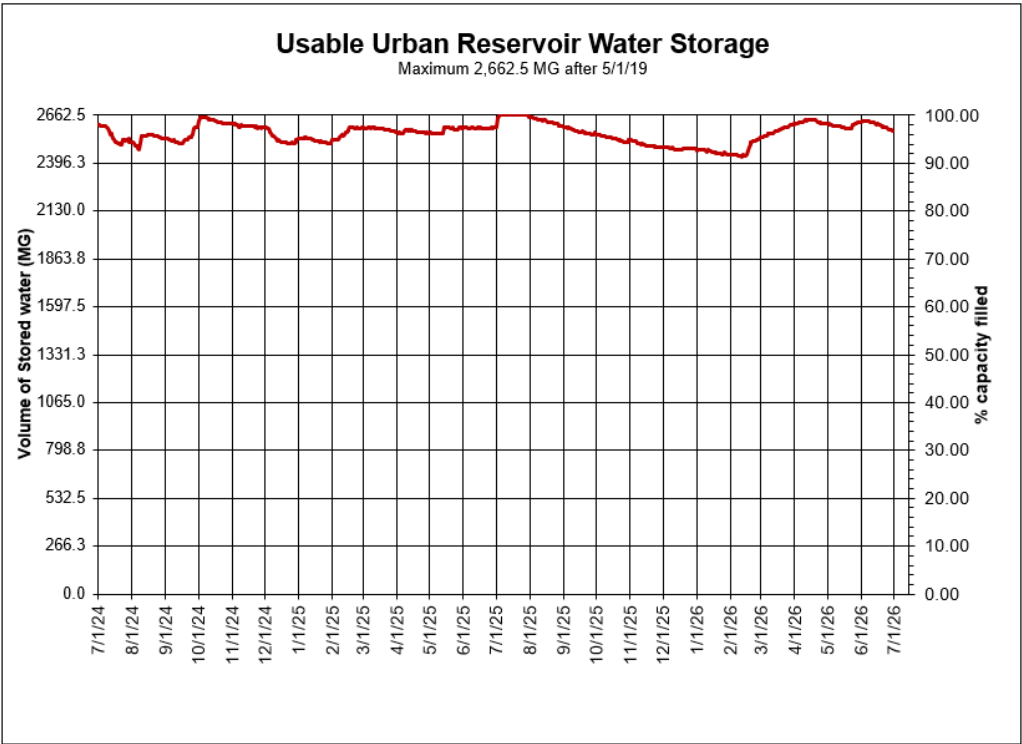
* VDH – Virginia Department of Health for drinking water

VaDEQ – Virginia Department of Environmental of Environmental Quality for wastewater

WATER AND WASTEWATER DATA:

The following graphs are provided for review:

- Usable Urban Reservoir Water Storage
- Urban Water and Wastewater Flows versus Rainfall





TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS

FROM: BETHANY HOUCHENS, WATER RESOURCES COORDINATOR

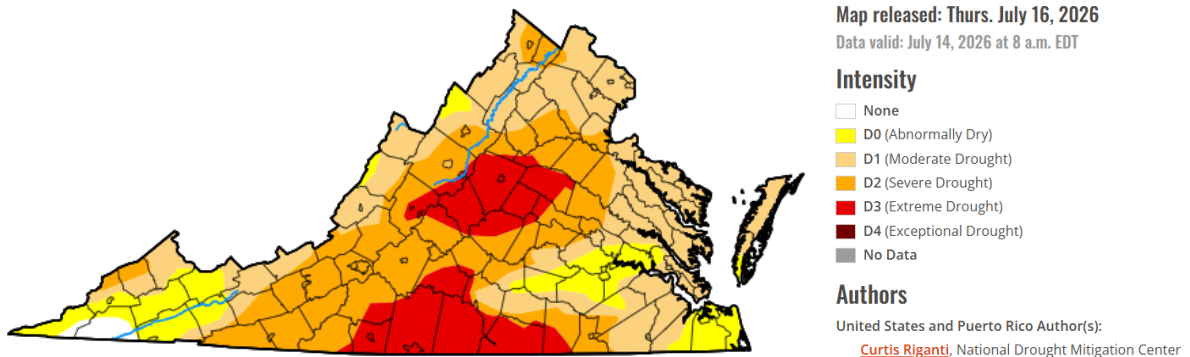
REVIEWED: DAVE TUNGATE, DEPUTY EXECUTIVE DIRECTOR
BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: DROUGHT MONITORING REPORT

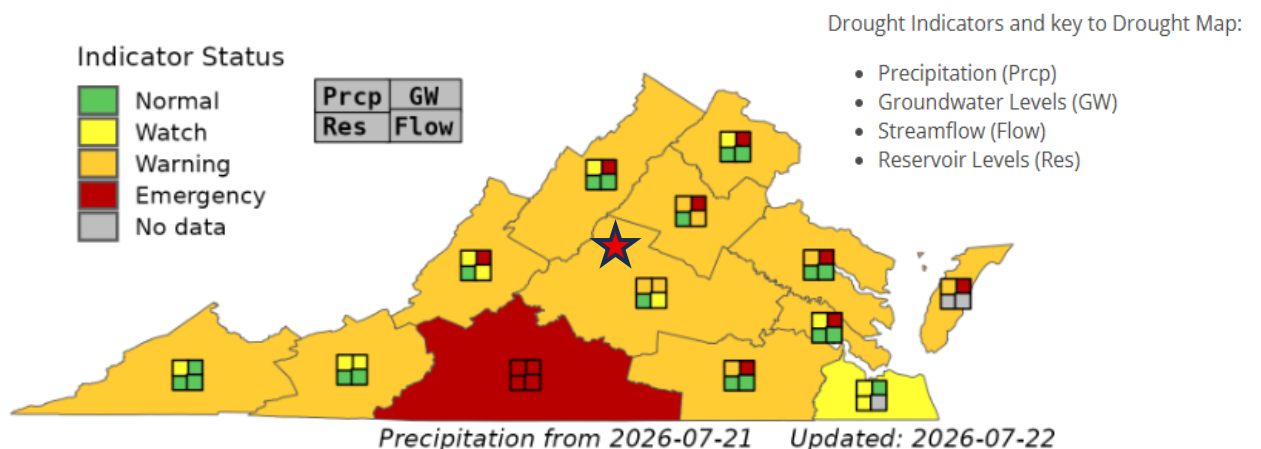
DATE: JULY 28, 2026

State and Federal Drought Monitoring as of July 21, 2026:

- U.S. Drought Monitoring Report: Indicates Albemarle County and the City of Charlottesville are in extreme drought conditions.



- VDEQ Drought Status Report: Our region is listed as having “Normal” reservoir levels. Stream flows are listed as in a “Watch” stage. Precipitation and groundwater are in a “Warning” status.



Charlottesville and Albemarle County

Precipitation & Stream Flows

Local Precipitation					
Year	Month	Observed (in.)	Normal (in.)	Departure (in.)	Comparison to Normal (%)
2022	Jan - Dec	43.53	41.61	+1.92	+5
2023	Jan - Dec	26.95	41.61	-14.66	-35
2024	Jan - Dec	39.56	41.61	-2.05	-5
2025	Jan - Dec	32.59	41.61	-9.02	-22
2026	Jan – Jun	11.26	20.57	-9.31	-45

Source: National Weather Service, National Climatic Data Center, Climate Summary for Charlottesville, Charlottesville Albemarle Airport station

Local Precipitation Summary				
4 Year Period	Observed (in.)	Normal (in.)	Departure (in.)	Comparison to Normal (%)
Jan 2022 – Dec 2025	142.63	166.44	-23.81	-14%

USGS Stream Gaging Station Near the Urban Area (July 7- July 13)				
Gage Name	Rolling 7-day Avg. Stream Flow		2022-2025 Mean Streamflow	
			cfs	mgd
Mechums River	12.2	7.9	115.8	100.7
Moormans River	3.6	2.3	49.5	32
NF Rivanna River	20.8	13.5	55.4	35.8
SF Rivanna River	3.8	2.5	196.8	127.2

Mean streamflow for July 7th – July 13th, 2025

Status of Reservoirs as of June 22, 2026

- Urban Reservoirs are 92% of Total Useable Capacity
- Beaver Creek Reservoir (Crozet) is 90% of Total Useable Capacity
- Totier Creek Reservoir (Scottsville) is 100% of Total Useable Capacity

Drought History in Central Virginia

- Severe: 1838, 1930, 1966, 1979, 2002, 2026
- Longest: May 2007 - April 2009; 103 weeks
- Significant: every 10 -15 years
- Drought of Record: 2001- 2002; 18 months

MEMORANDUM

**TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS**

FROM: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: WHOLESALE METERING REPORT FOR JUNE 2026

DATE: JULY 28, 2026

The monthly and average daily Urban water system usages by the City and the ACSA for June 2026 were as follows:

		<i>Month</i>	<i>Daily Average</i>	
City Usage (gal)		151,060,483	5,035,349	46.9%
ACSA Usage (gal)		170,835,886	5,694,530	53.1%
Total (gal)		321,896,369	10,729,879	

The *RWSA Wholesale Metering Administrative and Implementation Policy* requires that water use be measured based upon the annual average daily water demand of the City and ACSA over the trailing twelve (12) consecutive month period. The *Water Cost Allocation Agreement (2012)* established a maximum water allocation for each party. If the annual average water usage of either party exceeds its allocation, a financial true-up would be required for the debt service charges related to the Ragged Mountain Dam and the SFRR-RMR Pipeline projects. Below are graphs showing the calculated monthly water usage by each Utility dating back to the beginning of FY 22, the trailing twelve-month average (extended back to July 2025), and the usage relative to the maximum allocation for each party (6.71 MGD for the City and 11.99 MGD for ACSA). Completed in 2019 for a cost of about \$3.2 M, our Wholesale Metering Program consists of 25 remote meter locations around the City boundary and 3 finished water flow meters at treatment plants.

Note 1: Meter 14 was found to be offline at the end of March. RWSA Maintenance has replaced the register and is waiting for a component to arrive to finalize the repair. A 3-month average was used to create the data for March through June.

[illegible][illegible]



MEMORANDUM

TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS

FROM: MEGAN SHUMATE, HUMAN RESOURCES MANAGER

REVIEWED BY: LEAH BEARD, DIRECTOR OF ADMINISTRATION &
COMMUNICATIONS
BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: AWARD OF TERM CONTRACT FOR COMPENSATION
CONSULTING SERVICES (RFP# 26-06) - PRM CONSULTING
GROUP

DATE: JULY 28, 2026

This request is to authorize award of a Term Contract to **PRM Consulting Group** to provide Compensation Consulting Services, including execution of the contract, associated Work Authorizations, and annual renewals, with costs up to **\$75,000 per year**. The initial contract term is for one year, with the option to renew annually for a total contract term not to exceed five years. The first year of the contract will be provided for a negotiated fixed fee of \$40,098 which reflects the comprehensive scope of work associated with updating and maintaining the Authority's compensation program. Future services will be performed as authorized under the terms of the contract.

The Rivanna Water & Sewer Authority employs a diverse workforce with positions requiring varying levels of education, certifications, technical expertise, and specialized skills. Maintaining a compensation program that is competitive, equitable, and aligned with current labor market conditions requires ongoing analysis of compensation data, economic trends, and industry best practices.

In 2024, RWSA retained PRM Consulting Group to conduct a comprehensive compensation study that established the Authority's current compensation philosophy, salary structure, pay ranges, and implementation recommendations. Since that time, labor market conditions, inflation, CPI-U, unemployment, recruitment challenges, and workforce expectations have continued to evolve. Rather than conducting a new compensation study every several years, this term contract will allow the Authority to maintain and update the existing compensation program through regular market reviews and professional consulting services.

The first year of the contract will include a comprehensive review and update of the Authority's compensation program to ensure it continues to reflect current market conditions and organizational needs. During subsequent renewal terms, PRM will provide ongoing compensation consulting and market analyses to assist the Authority in maintaining equitable and competitive

salary structures, evaluating market movement, reviewing economic indicators, and providing recommendations that support employee recruitment, retention, and internal equity.

To obtain these services, staff issued Request for Proposals (RFP #26-06) for Compensation Consulting Services. The RFP was developed and advertised jointly with the Rivanna Solid Waste Authority, with proposals due on June 25, 2026. RWSA received fifteen proposals. Following evaluation of the proposals and interviews with the three highest-ranked firms, the selection committee determined that PRM Consulting Group was the most qualified firm.

PRM Consulting Group successfully completed the Authority's 2024 compensation study and has an established understanding of the Authority's organizational structure, compensation philosophy, position classifications, and salary framework. Continuing to work with PRM provides continuity, preserves the integrity of the existing compensation system, and allows future updates to build upon the work previously completed without duplicating effort. The selection committee concluded that retaining PRM represents the best value to the Authority by leveraging their institutional knowledge while ensuring the compensation program remains responsive to changing market conditions.

Board Action Requested:

Authorize the Executive Director to execute a Term Contract with PRM Consulting Group, including associated Work Authorizations and annual renewals, for Compensation Consulting Services in an amount up to **\$75,000 per year**. The initial term shall be one year, with the option to renew annually for a total contract term not to exceed five years.



MEMORANDUM

TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS

FROM: JEFF SOUTHWORTH, ENTERPRISE SYSTEMS AND
TECHNOLOGY MANAGER

REVIEWED BY: DAVID TUNGATE, DEPUTY EXECUTIVE DIRECTOR
BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: AWARD OF TERM CONTRACT FOR SUPPORT SERVICES FOR
INFORMATION TECHNOLOGY, SCADA, AND INDUSTRIAL
CONTROL SYSTEMS (RFP # 26-07)

DATE: JULY 28, 2026

This request is to authorize award of a Term Contract, any Work Authorizations, and any renewals with costs up to \$300,000 per year for each of nine technology companies to provide support services for our information technology, SCADA, and industrial control systems. The initial term is for one year with options to annually renew the contract for a total term not to exceed five years. Work Authorizations will be issued for each task with costs based on approved labor and equipment rates submitted with the RFP.

Background

The support needs for the Authority related to its Information Technology (IT) and Operational Technology (OT) infrastructure are vast, complex, costly, growing each year, and unpredictable and are sensitive to response times. Supervisory Control and Data Acquisition (SCADA), cybersecurity support services, enterprise front-office systems, off-site cloud hosting/storage, network infrastructure are many of the systems that are hardware, software, and administrative intense. These activities require, in many instances, 24/7/365 days a year up-time availability operation. The service needs from these support vendors will support critical infrastructure systems.

RFP 26-07 was developed and advertised on May 6, 2026 to solicit a qualified pool of vendors capable of supporting the IT and OT environments. The RFP was intended to ensure procurement requirements are met for anticipated service needs over the next five years

Based on the evaluation of the IT/OT Division, the following 9 vendors or firms are recommended for award out of 41 proposals received. The firms are listed below with a brief description of the services they can provide.

E-Merge Systems, LLC — Can provide OT/SCADA support services due to their demonstrated experience with PLC (Programmable Logic Controller — the industrial computer that runs equipment) programming, SCADA (the system that lets staff remotely monitor and control equipment like pumps and valves) implementation, commissioning, industrial control system version-tracking

and backup software administration, and direct operational technology support.

Inframark — Can be used as a supplemental OT and SCADA services provider based on their experience with PLC and HMI (Human-Machine Interface — the on-screen control panel operators use to run equipment) programming, commissioning, and utility-sector operational technology support.

Magna5 — Can provide managed IT services. They have a history of supporting Rivanna's infrastructure and proven capabilities supporting servers, networks, business productivity and email software, cybersecurity, and cloud services.

MC Dean — Can provide complex controls integration, OT modernization, and capital improvement projects due to its extensive experience with PLC and SCADA systems, critical infrastructure protection integration, engineering, and commissioning.

RSM — Can provide cybersecurity, compliance, identity management, and technology governance services due to its successful support of user account and login security assessments, alignment with industry-standard cybersecurity best practices, common business software environment initiatives, and risk management programs.

Short Elliott Hendrickson Inc. (SEH) — Can provide operational technology services due to their demonstrated capabilities in SCADA implementation, controls engineering, infrastructure planning, commissioning, and utility modernization initiatives.

BizTech Fusion, LLC — Can provide specialized cybersecurity, compliance, and IT consulting engagements where direct hands-on OT/SCADA implementation support is not required.

Endurance IT Services — May be utilized for supplemental IT and OT support, including infrastructure services, PLC and HMI troubleshooting, network engineering, commissioning assistance, and emergency response support.

EWINNS IT Consulting — Can provide cybersecurity operations, security and network monitoring services (staffed teams that watch systems around the clock for cyber threats and outages), OT network support, PLC and HMI programming, SCADA troubleshooting, and 24/7 operational technology support services.

These vendors were selected based on demonstrated experience, technical capability, and alignment with the Authority's IT and OT support requirements.

Board Action Requested:

Authorize the Executive Director to execute a Term Contract, any Work Authorizations, and any renewals, with costs up to \$300,000 per year with each of the firms listed below to provide support services for our information technology, SCADA, and industrial control systems. The initial term will be for one year with options to annually renew the contract for a total term not to exceed five years.

E-Merge Systems, LLC

Inframark

Magna5

MC Dean

RSM

Short Elliott Hendrickson Inc.

BizTech Fusion, LLC

Endurance IT Services

EWINNS IT Consulting.



MEMORANDUM

TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS

FROM: DANIEL G. CAMPBELL, DIRECTOR OF OPERATIONS &
ENVIRONMENTAL SERVICES

REVIEWED BY: DAVE TUNGATE, DEPUTY EXECUTIVE DIRECTOR
BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: AWARD TERM CONTRACT FOR PUMP AND HAUL SERVICES FOR
WATER AND WASTEWATER TREATMENT FACILITY SLUDGE (IFB
442) – ABSOLUTE PLUMBING AND DRAIN CLEANING SERVICES,
INC.

DATE: JULY 28, 2026

This request is to authorize award a Term Contract for Pump and Haul Services for Water and Wastewater Treatment Facility Sludge to Absolute Plumbing and Drain Cleaning Services, Inc. of Troy, VA and any renewals with annual costs for this service up to \$300,000. The contract term is for one year with four annual renewals.

Background

An Invitation for Bid was developed and advertised on June 11, 2026, to solicit competitive bids from qualified service providers to pump and haul sludge from our Red Hill, Scottsville, and South Rivanna water treatment plants and our wastewater treatment plants serving Glenmore and Scottsville. This bid is for a term of 12 months, with the option for four (4) renewals, for a total of five years. Six bids were received on July 16, 2026. Bids were evaluated for responsiveness, responsibility, and price in accordance with applicable procurement regulations. Absolute Plumbing's Unit Price bid of \$3,365 per week offered the lowest price for the solicited services. Staff have extensive experience working with Absolute who has provided these services to RWSA in the past.

Board Action Requested:

Authorize the Executive Director to execute a Term Contract for Pump and Haul Services for Water and Wastewater Treatment Facility Sludge with Absolute Plumbing and Drain Cleaning Services, Inc. and any renewals with annual costs for this service up to \$300,000. The contract term is for one year with four annual renewals.



MEMORANDUM

TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS

FROM: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: APPROVAL OF CONSTRUCTION CHANGE ORDER– STONE
ROBINSON WASTEWATER PLANT REPAIRS (RFQ # 1135) –
WACO, INC.

DATE: JULY 28, 2026

This request is to authorize a construction change order totaling \$164,273 for additional unforeseen repairs to the wastewater treatment plant which serves Stone Robinson Elementary School. The existing FY 27-31 CIP budget of \$760,000 will remain unchanged.

Background

After receiving only one quote for RFQ#1135, Waco Inc. was awarded a sole source contract for \$276,543 by the Executive Director to complete repairs to the Stone Robinson Wastewater Treatment Plant in June 2026. Due to the extensive metal deterioration determined after the plant tanks were drained and cleaned, a change order totaling \$164,273 is required to fully restore the tanks. Repairs to the tanks are to be completed before school resumes in early August. Project costs will be funded by Albemarle County Public Schools.

Board Action Requested:

Authorize the Executive Director to execute a construction change order totaling \$164,273 with Waco, Inc. and any additional change orders up to 10% of the revised construction contract amount.



MEMORANDUM

**TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS**

FROM: WILLIAM I. MAWYER, JR., P. E., EXECUTIVE DIRECTOR

**SUBJECT: REQUEST FOR AUTHORIZATION TO DECLARE A DROUGHT
WARNING OR EMERGENCY**

DATE: JULY 28, 2026

This request is to authorize the Executive Director to officially declare a “Drought Warning” or “Drought Emergency” after consultation with the Chair of the Board of Directors should conditions reach the levels defined by the guidance in the regional “Drought Response and Contingency Plan”. The Executive Director will provide immediate notification to the City, Albemarle County, Albemarle County Service Authority, and the news media at any time a new drought stage is declared.

Our regional “Drought Response and Contingency Plan” (DRCP) establishes criteria for the drought stages and the responsibilities of the Executive Director as water supply conditions evolve. Recent elevated temperatures, minimal precipitation with no near-term forecast of precipitation, and the assignment of a “Warning” for our area by the Virginia Drought Monitoring Task Force serve as the basis for this recommendation to proactively initiate our water supply and drought management program if needed.

Additional information includes:

- On July 14, 2026, RWSA declared on official “Drought Watch” for customers of our public drinking water systems.
- Our three reservoirs serving the Urban area (South Rivanna, Sugar Hollow and Ragged Mtn) are 92% full but are no longer spilling over their dams.
- We are having regular meetings with the Rivanna Regional Drought Response Committee established by the DRCP including staff from the Albemarle County Service Authority, City of Charlottesville Utilities Department, and Albemarle County to monitor ongoing drought conditions.
- We have implemented operational measures to minimize water usage from the South Rivanna Reservoir (SRR) and increase water usage from the Ragged Mountain Reservoir.

Board Action Requested

Authorize the Executive Director to officially declare a “Drought Warning” or “Drought Emergency” after consultation with the Chair of the Board of Directors, should conditions reach the levels defined by the guidance in the regional "Drought Response and Contingency Plan", and to provide appropriate immediate notification to the City, ACSA, Albemarle County and the news media at any time a new drought stage has been declared.



MEMORANDUM

TO: RIVANNA WATER & SEWER AUTHORITY
BOARD OF DIRECTORS

FROM: LONNIE WOOD, DIRECTOR OF FINANCE

REVIEWED BY: BILL MAWYER, EXECUTIVE DIRECTOR

SUBJECT: APPROVAL OF 2026 SERIES BOND ISSUE FOR
CONSTRUCTION FUNDING AND REFUNDING OF THE 2015B
SERIES BOND

DATE: JULY 28, 2026

This request is to authorize the sale of up to \$260 M in Revenue Bonds to finance a portion (\$228.8 M) of the Authority's recently approved FY 2027-2031 Capital Improvement Plan, and to refinance an existing 2015 Bond (\$31.2 M). This issuance will increase our annual debt service by \$12.6 M to \$33.5 M, including an annual savings of \$111,800 from the refinancing.

Background:

The Authority is presently executing several of the CIP's largest capital projects as shown in the CIP Projects Report (agenda item 8.b). During the past six months, over \$56.8 million in capital expenses have been paid as these projects progress, or roughly \$11.2 million per month. These costs have been funded in part by the 2024 Series Bond that was issued in August of 2024 for approximately \$94 million. There is roughly \$19 million in proceeds remaining in the 2024 Bond for construction costs, which will last about three months. We are preparing for the issuance of a new 2026 Series Bond to continue funding our current CIP. There is also an opportunity to refund (refinance) an older existing bond to create savings in annual debt service payments related to the 2015B Revenue Bond.

This memo will be divided into the construction funds (*New Money*) portion of the bond issue and the refinancing (*Refunding*) information section.

New Money

The recently adopted 2027-2031 CIP calls for an estimated \$454.5 million in debt financing over the next 5 years to fund \$604.2 million in construction projects approved in the CIP. Staff have analyzed the current projects that are in progress or about to be initiated for inclusion in the next bond issue. This analysis includes reviewing current expenses, grant funding estimates, existing funding in place and the estimated cash draw-down for each project. The cash draw-down estimate is particularly important as there are IRS arbitrage spend down requirements that place 2-year spend down targets on tax exempt bond issuances to retain earnings on the proceeds of the bond. Essentially, the next 2-year draw down estimates of the CIP, as adjusted for the items previously mentioned, is the driver for the 2026 Bond amount. The projects listed in Appendix 1 to this memo are the projects identified for this bond issue.

Bond Size Estimate:

Table 1

	2026 Bond New Money
Adopted CIP 2027-2031	\$ 604,169,500
Current Expenses	(84,633,700)
2024 Bond Proceeds	(12,400,000)
Estimated Grant Funds	(34,604,000)
Future Bonds (Years 3-5)	(260,131,800)
Construction Fund	\$ 212,400,000

Table 1 above shows a targeted construction fund account (available proceeds) of \$212.4 million that we will be able to draw down as projects are executed; however, the actual size of the bond can vary as interest rates fluctuate between now and the actual sale of the bonds. Because of this uncertainty, a “not-to-exceed” par amount of the bonds should be stipulated in the forthcoming documents. This estimate will allow the bonds to accommodate, if necessary, being issued at what is known as at “a Discount”, which drives up the par value of the bond to generate the same net proceeds. In this case for the new money portion of the bond, a not to exceed par amount of \$228.8 million would be needed as shown in Table 2 below.

Table 2

	<u>New Money</u>
<u>Sources:</u>	
Par Value - Not to Exceed	\$ 228,800,000
<u>Uses:</u>	
Construction/Project Fund	\$ 212,400,000
Refunding Reserve	-
Costs of Issuance	616,000
Underwriting Costs	1,144,000
Contingency for Discount	14,640,000
	<u>\$ 228,800,000</u>

The estimated debt service on the new money portion of the 2026 bond is estimated to be roughly \$12.6 million per year.

Refunding

In reviewing the needs of the CIP, we regularly review existing outstanding debt for refinancing opportunities. We can realize some efficiencies for costs of issuance savings by pairing a refunding opportunity with the new money bond issue. The one candidate for refunding at this time is the

Series 2015B Bond which may be optionally redeemed at par commencing 12/8/2025. This bond was originally issued for \$44.5 million through the Virginia Resources Authority (VRA) pooled loan program for a 30-year term. It currently has \$28.45 million remaining outstanding.

Currently, we are estimating \$29.02 million in proceeds will be needed for the refunding. The total cash flow savings are estimated to be \$2.24 million over a 20-year period (\$111,800 annually). This translates into an estimated net present value (NPV) savings of \$1.5 million or 5.28% of total debt service, which is well above our NPV target of 3% as stated in the Authority's Financial Policies.

The refunding will technically require an equity contribution of roughly \$2.4 million to add to the proceeds. These funds are already deposited in the principal and interest accounts being held at the Bank of New York. It is a resulting issue of the new bonds being sold between the April and the October normal payment due/defeasance dates for all bond repayments.

When we include the refunding with the new money needs, the following summary on Table 3 shows the total amounts for the 2026 Bond.

Table 3			2026
	<u>New Money</u>	<u>Refunding</u>	<u>Total Bond</u>
<u>Sources:</u>			
Par Value - Not to Exceed	<u>\$ 228,800,000</u>	<u>\$ 31,200,000</u>	<u>\$ 260,000,000</u>
<u>Uses:</u>			
Construction/Project Fund	\$ 212,400,000	\$ -	\$ 212,400,000
Refunding Reserve	-	29,020,000	29,020,000
Costs of Issuance	616,000	84,000	700,000
Underwriting Costs	1,144,000	156,000	1,300,000
Contingency for Discount	<u>14,640,000</u>	<u>1,940,000</u>	<u>16,580,000</u>
	<u>\$ 228,800,000</u>	<u>\$ 31,200,000</u>	<u>\$ 260,000,000</u>

Summary

As of the date of writing this memo, the current interest rate environment supports the refunding scenario for the 2015B Bond. That environment can change quickly and these estimates will change. Therefore, the accompanying documents that will need to be approved by the Board are written with estimated parameters for not-to-exceed amounts that allow the Director of Finance and the Executive Director the flexibility to make decisions as the bond issue is executed. Those not-to-exceed parameters are for the par amount of the bond will not exceed \$260 million to accommodate possible discount pricing, the total interest cost (TIC) will not exceed 5% and a net present value (NPV) savings on the 2015B Refunding will be greater than 3%.

This bond issue will be conducted as a competitive bond sale in late August and close on the sale of the bond by middle to late September. The gap between board meeting authorizations and actual transaction date is the reason flexibility is written into the official authorization documents at this

time to be reviewed and approved by the Board.

There are several documents attached with the agenda item-- the resolution and the forms of two financing documents that will be needed for the bond sale to proceed:

1. Resolution Authorizing the Sale and Award of up to \$260,000,000 Regional Water and Sewer System Revenue Bonds, Series 2026.
 - *This is the resolution allowing the Authority to issue revenue bonds as described in this memo. The resolution must be approved by the Board.*
2. Thirty-Fourth Supplemental Agreement of Trust between the Rivanna Water & Sewer Authority and The Bank of New York Mellon Trust Company, N.A.
 - *Each bond issue must be issued in parity with all other outstanding bonds within the original Agreement of Trust of 1979. This document achieves that parity and must be approved as to form by the Board.*
3. Preliminary Official Statement – Approved as part of and within the Resolution above.
 - *This is the Authority's prospectus prepared prior to the bond sale to publish and distribute to potential bidders on the bond.*

The two financing documents (items 2. and 3. above) are, by the terms of the resolution, being approved as to form with a delegation to Authority officers to finalize and execute such documents.

Our financial advisors with Davenport & Company, LLC (Ted Cole) and bond counsel with Hunton Andrew Kurth, LLP (Chris Kulp) will be at the Board meeting to provide summaries and information related to this bond issue.

Board Action Requested:

It is requested that the Board of Directors approve:

The attached *Resolution Authorizing the Sale and Award of Series 2026 Revenue Bonds* in the amount not to exceed \$260 million to fund the capital improvements within the Adopted FY 2027-2031 Capital Improvement Plan. The Resolution, by its terms, will also approve the forms of:

- (a) the *Thirty-Fourth Supplemental Agreement of Trust between the Rivanna Water & Sewer Authority and The Bank of New York Mellon Trust Company, N.A. and*
- (b) the *Preliminary Official Statement.*

Attachment

Appendix 1

Rivanna Water & Sewer Authority Bond 2026 Estimate

	CIP Budget	Bond issue 2026
RMR to OBWTP Raw Water Line	\$ 40,760,000	\$ 20,000,000
RMR to OBWTP Raw Water Pump Station	21,355,000	10,000,000
SRR to RMR Pipeline, Intake & Facilities	119,500,000	40,000,000
Central Water Line	79,000,000	50,000,000
Airport Rd. PS (New Pump) combine w/9-800-1227	1,000,000	*
Airport Rd. Tank No.1	7,250,000	8,900,000
S. Fork River Crossing	6,550,000	200,000
Emmet Street Betterment	7,400,000	5,000,000
Crozet PS Rehabilitation	12,630,000	4,400,000
MCAWRRF Admin Building Renovation and Addition	27,600,000	19,000,000
MCAWRRF Structural & Concrete Rehabilitation	15,500,000	7,800,000
MCAWRRF Building Upfits and GT Improvements	11,800,000	6,800,000
	350,345,000	172,100,000
Projects with no current Financing		
SRWTP Floc Basin Improvements	2,900,000	2,900,000
Dam Concrete and Steel Repairs	2,820,000	2,500,000
Northern Area Pressure Zone Work (multiple)	8,000,000	4,000,000
Beaver Creek Dam	33,485,000	2,000,000
Beaver Creek Raw W. PS and Intake	39,070,000	15,000,000
Crozet Full GAC	12,165,000	3,500,000
Crozet Disinfection Upgrades	1,000,000	1,000,000
Red Hill WTP Ugrades	2,150,000	1,500,000
Interceptor Sewer Manhole Repairs	2,285,000	1,600,000
Powell Creek Interceptor	16,400,000	2,500,000
Scottsville WW - Generator	1,363,000	800,000
Tank Painting	2,000,000	2,000,000
Glenmore WW Upgrades	9,933,000	1,000,000
	133,571,000	40,300,000
	\$ 483,916,000	\$ 212,400,000

NEW ISSUE/BOOK-ENTRY

RATINGS: Fitch: “—”
Moody’s: “—”
Standard & Poor’s: “—”
(See “Ratings” herein)

In the opinion of Bond Counsel, under current law and subject to conditions described in the section “TAX EXEMPTION,” interest on the Series 2026 Bonds (as defined herein) (1) is not included in gross income for federal income tax purposes, (2) is not an item of tax preference for purposes of the federal alternative minimum tax, (3) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the alternative minimum tax imposed on such corporations, and (4) is exempt from income taxation by the Commonwealth of Virginia. A holder may be subject to other federal tax consequences as described in the section “TAX EXEMPTION.”

\$ _____
*
**RIVANNA WATER AND SEWER AUTHORITY
(VIRGINIA)
REGIONAL WATER AND SEWER SYSTEM REVENUE AND REFUNDING BONDS
SERIES 2026**

Dated: Date of Delivery

Due: October 1, as shown on the inside cover

This Official Statement has been prepared by the Rivanna Water and Sewer Authority (the “Authority”) to provide information on the Series 2026 Bonds. Selected information is presented on this cover page for the convenience of the reader. To make an informed decision regarding the Series 2026 Bonds, a prospective investor should read this Official Statement in its entirety.

Security The Series 2026 Bonds are limited obligations of the Authority, payable from sources pledged for their payment under the terms of the Trust Agreement. See “SECURITY FOR THE SERIES 2026 BONDS.”

The Series 2026 Bonds and the interest thereon shall not be deemed to constitute a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the Political Subdivisions (each as defined herein). Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the Political Subdivisions, shall be obligated to pay the principal of or the interest on the Series 2026 Bonds or other costs incident thereto except from the revenues pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the Political Subdivisions, is pledged to the payment of the principal of or interest thereon or other costs incident thereto. The Authority has no taxing power.

Redemption The Series 2026 Bonds are subject to optional and mandatory sinking fund redemption as set forth herein.

Issued Pursuant to Agreement of Trust dated as of October 1, 1979, between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor trustee, as previously supplemented and amended and as further supplemented by a Thirty-Fourth Supplemental Agreement of Trust dated as of September 1, 2026.

Purpose Series 2026 Bond proceeds will be used to (a) finance various capital improvements to the Authority’s regional water and sewer system, (b) refund all or a portion of the outstanding maturities of the Authority’s Taxable Regional Water and Sewer System Revenue and Refunding Bond, Series 2015B, and (c) finance related issuance and refunding costs.

Interest Rates/Yields See inside cover

Interest Payment Dates April 1 and October 1, commencing April 1, 2027

Denomination \$5,000 or integral multiples thereof

Regular Record Date The 15th day of the month preceding each payment date

Closing/Delivery Date On or about September [], 2026

Registration Book-entry only through the facilities of The Depository Trust Company

Trustee The Bank of New York Mellon Trust Company, N.A., New York, New York, as successor trustee

Bond Counsel Hunton Andrews Kurth LLP, Richmond, Virginia

Financial Advisor Davenport & Company LLC, Richmond, Virginia

General Counsel Williams Mullen, PC, Richmond, Virginia

Conditions Affecting Issuance The Series 2026 Bonds are offered when, as and if issued, subject to, among other conditions, the approving legal opinion of Hunton Andrews Kurth LLP.

Dated: _____, 2026

* Preliminary, subject to change.

\$ _____ *

**RIVANNA WATER AND SEWER AUTHORITY
(VIRGINIA)
REGIONAL WATER AND SEWER SYSTEM REVENUE AND REFUNDING BONDS
SERIES 2026**

(October 1) Year	Amount	Interest Rate	Yield	CUSIP No.**
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* Preliminary, subject to change.

** Copyright 2026, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and none of the Issuer, the Company nor the Underwriters makes any representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

The Series 2026 Bonds will be exempt from registration under the Securities Act of 1933. As obligations of a political subdivision of the Commonwealth of Virginia, the Series 2026 Bonds also will be exempt from registration under the securities laws of Virginia.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Series 2026 Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Authority and other sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter.

All quotations from and summaries and explanations of provisions of law and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinion and not as representations of fact. This Official Statement speaks as of its date except where specifically noted otherwise and is subject to change without notice. Neither the delivery of this Official Statement, any sale made hereunder, nor any filing of this Official Statement shall under any circumstances create an implication that there has been no change in the affairs of the Authority since the date of this Official Statement or imply that any information herein is accurate or complete as of any later date.

The Trustee has neither reviewed nor participated in the preparation of this Official Statement.

This Official Statement contains statements that, to the extent they are not recitations of historical fact, constitute “forward-looking statements.” In this respect, the words, “estimate”, “project”, “anticipate”, “expect”, “intend”, “believe” and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the Authority’s operations and financial results could cause actual results to differ materially from those stated in the forward-looking statements.

Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Series 2026 Bonds, including transactions to (a) overalloc in arranging the sales of the Series 2026 Bonds and (b) make purchases and sales of the Series 2026 Bonds, for long or short account, on a when-issued basis or otherwise, at such prices, in such amounts and in such manner as the underwriter may determine.

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OFFICIAL STATEMENT

of the

RIVANNA WATER AND SEWER AUTHORITY (VIRGINIA)

\$ _____ *

REGIONAL WATER AND SEWER SYSTEM REVENUE AND REFUNDING BONDS SERIES 2026

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to set forth certain information in connection with the issuance of \$ _____ * Regional Water and Sewer System Revenue and Refunding Bonds, Series 2026 (the “Series 2026 Bonds”), by Rivanna Water and Sewer Authority (the “Authority”), a public body politic and corporate of the Commonwealth of Virginia. This introduction is qualified in its entirety by information found elsewhere in this Official Statement. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The Series 2026 Bonds will be offered for sale through electronic bidding on August [], 2026. The Official Notice of Sale dated August [], 2026, relating to the Series 2026 Bonds and describing the electronic bidding process, is included herein as **Appendix I**.

Proceeds from the sale of the Series 2026 Bonds will be used to provide funds to (a) finance various capital improvements to the Authority’s regional water and sewer system (the “System”) as further described herein (the “2026 Project”), (b) refund all or a portion of the outstanding maturities of the Authority’s Taxable Regional Water and Sewer System Revenue and Refunding Bond, Series 2015B (the “Series 2015B Bond”), and (c) finance related issuance and refunding costs. See the section “Plan of Financing.”

The Series 2026 Bonds will be issued and secured in accordance with the provisions of the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia of 1950, as amended (the “Enabling Act”), and pursuant to the provisions of an Agreement of Trust dated as of October 1, 1979, as previously supplemented and amended (the “Master Trust Agreement”), between the Authority and The Bank of New York Mellon Trust Company, N.A., New York, New York, as successor trustee (the “Trustee”), and as further supplemented and amended by a Thirty-Fourth Supplemental Agreement of Trust dated as of September 1, 2026 (the “Thirty-Fourth Supplemental Agreement,” and together with the Master Trust Agreement, the “Trust Agreement”). The Series 2026 Bonds, the \$252,822,068 principal amount of bonds presently outstanding pursuant to the Trust Agreement (collectively, the “Outstanding Bonds”), and any additional bonds that may hereafter be issued pursuant to the Trust Agreement (“Additional Bonds”), are referred to herein as the “Bonds.”

The Series 2026 Bonds will be limited obligations of the Authority payable solely from revenues derived from the System and other funds pledged for their payment under the terms of the Trust Agreement. Neither the faith and credit of the Commonwealth of Virginia nor the faith and credit of any county, city, town or other subdivision of the Commonwealth of Virginia, including the Authority and the Political Subdivisions (each as defined herein), are pledged to the payment of principal of or interest on the Series 2026 Bonds. See the section “Security for Series 2026 Bonds.”

In the Trust Agreement, the Authority covenants to fix, charge, collect and revise its rates, fees and other charges for the use of and for the services furnished by the System in each fiscal year ending on June 30 (each a “Fiscal Year”) so as to produce revenues sufficient to pay the cost of operation and maintenance, the cost of necessary replacements and improvements, and debt service on the Bonds and on all other indebtedness of the Authority, and to provide certain reserves therefor. See the section “Security for Series 2026 Bonds - Revenue Covenant.”

*Preliminary, subject to change.

The Bonds are payable primarily from revenues to be received by the Authority under an agreement (the “Service Agreement”), the form of which is appended hereto as **Appendix B**, between the Authority, the City of Charlottesville, Virginia (the “City”), Albemarle County, Virginia (the “County”), and the Albemarle County Service Authority (“ACSA”), political subdivisions of the Commonwealth of Virginia (the City, the County and ACSA are collectively referred to as the “Political Subdivisions”), dated June 12, 1973, as the same has been and may hereafter be amended from time to time, pursuant to which the Authority provides wholesale wastewater interception, treatment and discharge service and water impoundment, production, transmission and storage service through the System to those areas of the Political Subdivisions lying within the Service Area, as described in the section “The Service Area.” The Service Agreement provides that the Political Subdivisions shall not produce or sell potable water in any manner other than through the Authority and that the Political Subdivisions shall deliver to the Authority for treatment all sewage collected by them in the Service Area and shall not permit or provide for the treatment of sewage collected by them within the Service Area in any other manner.

The Service Agreement also provides that the Authority shall fix and determine charges for the use of the System sufficient to pay the costs of operations and maintenance of the System, the cost of necessary repairs and improvements to the System and any debt service payable by the Authority with respect to the System, including provisions for reasonable reserves therefor. The City and ACSA each covenant in the Service Agreement to fix and collect from the users of its water and sewer system charges sufficient to make the payments required of it under the Service Agreement. See the section “The Service Agreement.”

PLAN OF FINANCING

The 2026 Project

The new money portion of the proceeds of the Series 2026 Bonds, together with other available amounts, will be used to finance the acquisition, construction, equipping and planning of various capital improvements and extensions to the System (the “2026 Project”), including portions of the costs of the following project components:

Purpose	Estimated Cost
Urban Water Infrastructure	\$145,500,000
Urban Wastewater Infrastructure	42,100,000
Crozet Water Infrastructure	21,500,000
Scottsville Water Infrastructure	1,500,000
Scottsville Wastewater Infrastructure	800,000
Glenmore Wastewater Infrastructure	1,000,000
	\$212,400,000

The total costs of the 2026 Project are reflected in the Capital Improvement Program and are funded only in part from proceeds of the Series 2026 Bonds. See the section “Capital Improvement Program.” For a more detailed description of the 2026 Project components, see **Appendix G**.

Plan of Refunding

The Authority intends to refund the outstanding Series 2015B Bond, in whole or in part, to realize debt service savings. Depending on market conditions on the date of sale of the Series 2026 Bonds, the Authority may decide to postpone or cancel its plans to refund the Series 2015B Bond. Please refer to the final Official Statement for information concerning whether the Series 2015B Bond, if any, will be refunded.

A portion of the proceeds of the Series 2026 Bonds, together with other available debt service funds held by the Trustee with respect to the Series 2015B Bond, is expected to be used to refund all or a portion of the \$28,445,000 outstanding principal amount of the Series 2015B Bond (the “Refunded 2015B Bond”).

The principal installments of the Series 2015B Bond currently anticipated to constitute the Refunded 2015B Bond consists of the following installments bearing interest at the following coupon rates:

Refunded 2015B Bond*

Maturity (October 1)	Principal Amount	Interest Rate	Redemption Date	Redemption Price
2026	\$2,075,000	4.489%		
2027	2,170,000	4.484		
2028	2,265,000	4.489		
2029	1,450,000	3.125		
2030	1,160,000	3.125		
2031	1,120,000	4.482		
2032	1,170,000	4.524		
2033	1,225,000	3.886		
2034	1,275,000	3.926		
2035	1,080,000	3.968		
2036	1,080,000	3.785		
2037	1,130,000	4.802		
2038	1,185,000	4.644		
2039	1,240,000	4.687		
2040	1,300,000	4.681		
2041	1,365,000	4.803		
2042	1,430,000	4.803		
2043	1,500,000	4.808		
2044	1,575,000	4.804		
2045	1,650,000	4.807		

Should the refunding proceed, a portion of the proceeds of the Series 2026 Bonds will be held as cash or invested in U.S. government securities in an escrow fund (the "Series 2015B Escrow Fund") to be established and held by U. S. Bank Trust Company, National Association, as escrow agent, pursuant to an Escrow Deposit Agreement with the Authority and Virginia Resources Authority ("VRA"), as holder of the Series 2015B Bond. Such cash and/or securities will be sufficient to pay principal of the Refunded 2015B Bond, together with accrued interest thereon, on the date fixed for their redemption. A verification agent, selected by VRA (the "Verification Agent"), will verify the arithmetic accuracy of the mathematical computations of the adequacy of the cash and/or securities deposited to the Series 2015B Escrow Fund to pay the Refunded 2015B Bond through the date fixed for its redemption and to defease and redeem the corresponding bonds issued by VRA. See "*VERIFICATION OF MATHEMATICAL COMPUTATIONS.*"

Sources and Uses of Funds

The proceeds received from the sale of the Series 2026 Bonds are expected to be applied as follows:

Sources of Funds:

Par Amount of Series 2026 Bonds
Net Original Issue Premium
2015B Debt Service Funds
Total Sources of Funds

Uses of Funds:

Deposit to Construction Fund
Deposit to Series 2015B Escrow Fund
Costs of Issuance (including Underwriter's Compensation)
Total Uses of Funds

* Preliminary, subject to change.

Annual Debt Service Requirements

The following table sets forth, for each of the Authority's Fiscal Years, the amounts required in such year for the payment of principal of (by either maturity or mandatory sinking fund redemption) and interest on the Outstanding Bonds and the Series 2026 Bonds.

Fiscal Year Ending June 30	Outstanding Bonds ⁽¹⁾		Series 2026 Bonds		Total
	Principal	Interest	Principal	Interest	
2027	\$11,721,426	\$9,441,038			
2028	12,058,053	9,041,226			
2029	12,473,738	8,621,709			
2030	11,982,578	8,217,625			
2031	10,754,260	7,832,856			
2032	9,493,852	7,475,968			
2033	9,280,909	7,130,578			
2034	9,626,744	6,789,690			
2035	9,984,025	6,438,992			
2036	9,947,483	6,092,915			
2037	8,529,000	5,760,770			
2038	8,230,000	5,436,550			
2039	8,570,000	5,098,423			
2040	8,920,000	4,742,026			
2041	9,305,000	4,365,567			
2042	9,695,000	3,971,144			
2043	10,110,000	3,559,929			
2044	8,030,000	3,182,181			
2045	8,375,000	2,836,903			
2046	8,735,000	2,475,384			
2047	7,380,000	2,139,613			
2048	7,690,000	1,830,844			
2049	8,010,000	1,510,156			
2050	6,030,000	1,232,081			
2051	6,265,000	997,475			
2052	6,510,000	753,525			
2053	4,830,000	528,638			
2054	5,035,000	323,322			
2055	5,250,000	109,266			
Totals	\$252,822,068	\$127,936,393			

⁽¹⁾ The Outstanding Bonds consist of the outstanding principal amounts of the Authority's: Taxable Regional Water and Sewer System Revenue Bonds, Series 2005A, Series 2009A, Series 2010A, Series 2011A, Series 2011B, Series 2011D, Series 2011E, Series 2014A, Series 2015A, Series 2016, Series 2018, Series 2021, and Series 2024; Regional Water and Sewer System Revenue Bonds, Series 2012B, and Taxable Regional Water and Sewer System Revenue and Refunding Bonds, Series 2015B and Series 2019. The Outstanding Bonds column does not take into account the effects of the proposed refunding of the Series 2015B Bond.

THE SERIES 2026 BONDS

General Description

The Series 2026 Bonds will be dated their date of delivery, will bear interest from their date payable on April 1, 2027, and semiannually thereafter on each April 1 and October 1, at the rates set forth on the inside cover page of this Official Statement and will mature, subject to prior redemption as hereinafter described, in installments on October 1 in the years and amounts set forth on the cover page of this Official Statement.

The Series 2026 Bonds will be issued as fully registered bonds, in denominations of \$5,000 or integral multiples thereof, initially in book-entry form only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial ownership in the Series 2026 Bonds will be made in principal amounts of \$5,000 and multiples of \$5,000. Individual purchasers of beneficial ownership in the Series 2026 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. So long as the Series 2026 Bonds are in book-entry form, transfer of the Series 2026 Bonds and payment of principal of and premium, if any, and interest on the Series 2026 Bonds will be effected as described in **Appendix H - "Book-Entry Only System."** If the book-entry system is discontinued, bond certificates will be delivered as described in the Trust Agreement, and Beneficial Owners will become registered owners of the Series 2026 Bonds. Registered owners of the Series 2026 Bonds, whether Cede & Co. or, if the book-entry system is discontinued, the Beneficial Owners, will be defined in this Official Statement as the "Bondholders." **So long as Cede & Co. is the sole Bondholder, as nominee for DTC, reference in this Official Statement to Bondholders means Cede & Co. and does not mean the Beneficial Owners. See Appendix H - "Book-Entry Only System."**

Redemption*

Optional Redemption. The Series 2026 Bonds maturing on or after October 1, ____, will be subject to redemption prior to maturity at the option of the Authority on or after October 1, ____, in whole or in part (in integral multiples of \$5,000) at any time, upon payment of 100% of the principal amount of Series 2026 Bonds to be redeemed plus interest accrued to the date fixed for redemption.

[Mandatory Sinking Fund Redemption. The final Official Statement will contain the provisions for any Series 2026 Bonds subject to mandatory sinking fund redemption.]

[Mandatory Sinking Fund Redemption. The Series 2026 Bonds maturing on October 1, 20__, in the principal amount of \$_____ will be required to be redeemed prior to maturity, in part, on October 1 in the years and in the amounts set forth below, upon payment of 100% of the principal amount thereof to be redeemed, plus interest accrued to the date fixed for redemption:

Year	Amount	Year	Amount
------	--------	------	--------

* Final maturity

The Trust Agreement provides for a credit against payments required to be made on any mandatory sinking fund redemption date in an amount equal to the principal amount of Series 2026 Bonds of a like maturity that have been redeemed (other than by mandatory sinking fund redemption) before such mandatory sinking fund redemption date or that have been purchased by the Authority or the Trustee on behalf of the Authority and delivered to the Trustee for cancellation at least sixty (60) days before such mandatory sinking fund redemption date, provided such Series 2026 Bonds have not previously been applied as a credit against mandatory sinking fund redemption payments.]

*Preliminary, subject to change.

Manner of Redemption

If less than all of the Series 2026 Bonds are called for redemption, the Authority shall designate the maturities (or principal portions thereof) to be redeemed. If less than all of the Series 2026 Bonds of a particular maturity are called for redemption, the particular Series 2026 Bonds within such maturity to be redeemed shall be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, by the Trustee by lot in such manner as the Trustee in its discretion may determine, each portion of \$5,000 principal amount being counted as one bond for this purpose. If a portion of a Series 2026 Bond shall be called for redemption, a new Series 2026 Bond in the principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof. Provided that funds have been deposited with the Trustee for such purpose, each Series 2026 Bond duly called for redemption will cease to bear interest on its redemption date.

Notice to Bondholders

At the direction of the Authority, the Trustee shall cause notice of the call for redemption to be sent by facsimile transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner of the Series 2026 Bonds. The Authority shall not be responsible for mailing notice of redemption to anyone other than DTC or another qualified securities depository or its nominee unless no qualified securities depository is the registered owner of the Series 2026 Bonds. If no qualified securities depository is the registered owner of the Bonds, notice of redemption shall be mailed to the registered owners of the Series 2026 Bonds. Each notice of redemption shall identify the Series 2026 Bonds or portions thereof to be redeemed. Interest shall cease to accrue on any Series 2026 Bonds duly called for prior redemption, after the redemption date, if payment thereof has been duly provided. The Trustee shall not be required to transfer or exchange any Series 2026 Bond or portion thereof after the notice of redemption has been duly provided. During the period that DTC or the DTC nominee is the registered holder of the Series 2026 Bonds, the Trustee will not be responsible for mailing notices of redemption to the beneficial owners of the Series 2026 Bonds. See **Appendix H - "Book-Entry Only System."**

At the direction of the Authority, the Trustee may give a notice of redemption prior to a deposit of redemption moneys if such notice states that the redemption is to be funded with the proceeds of a refunding bond issue and is conditioned on the deposit of such proceeds. Provided that moneys are deposited on or before the redemption date, such notice shall be effective when given. If such proceeds are not available on the redemption date, such Series 2026 Bonds will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption. On presentation and surrender of the Series 2026 Bonds called for redemption at the place or places of payment, such Series 2026 Bonds shall be paid and redeemed.

Additional Bonds

As set forth in the Trust Agreement, the Authority may issue, subject to certain restrictions, one or more series of Additional Bonds, equally and ratably secured with the Series 2026 Bonds and the Outstanding Bonds, for the purpose of (1) paying the cost of completing the facilities, (2) acquiring or constructing improvements, extensions, additions or replacements to the System, (3) refunding any of the Bonds, or (4) any combination of such purposes. See the section **"The Trust Agreement--Additional Bonds."**

SECURITY FOR THE SERIES 2026 BONDS

The Series 2026 Bonds will be issued under, and, together with the Outstanding Bonds and any Additional Bonds, will be equally and ratably secured by the Trust Agreement. The Series 2026 Bonds will be limited obligations of the Authority payable solely from certain revenues derived from the ownership or operation of the System, including future improvements to be made thereto, except to the extent payable from the proceeds of the Series 2026 Bonds or Additional Bonds or the income, if any, derived from the investment thereof, income from investments or proceeds of insurance.

Under the Trust Agreement, the Authority pledges for the payment of principal of and premium, if any, and interest on the Bonds all revenues derived from the operation of the System and all amounts in the funds created by the Trust Agreement, subject only to the right of the Authority to make application of such revenues to other specified purposes.

The Trust Agreement does not provide for the conveyance or mortgaging of the System as the Authority is prohibited by the Enabling Act from doing so. The Authority has covenanted not to lease, sell, encumber or otherwise dispose of the System except as provided in the Trust Agreement.

The Series 2026 Bonds and the interest thereon shall not be deemed to constitute a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivisions thereof, including the Authority and the Political Subdivisions. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the Political Subdivisions, shall be obligated to pay the principal of or interest on the Series 2026 Bonds or other costs incident thereto except from the revenues pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the Political Subdivisions, is pledged to the payment of the principal of and interest on the Series 2026 Bonds or other costs incident thereto. The Authority has no taxing power.

Revenue Covenant; Priority of Payment; Enforcement of Charges

So long as any of the Bonds are outstanding, the Authority is required to (1) fix, charge and collect such rates and charges for the use of and for the services furnished by the System and will, from time to time and as often as shall appear necessary, revise such rates and charges so as to produce in each Fiscal Year revenues sufficient at all times to pay in the following priority: (a) the budgeted cost of operation and maintenance of the System, including reasonable reserves therefor, (b) the amount required by the Trust Agreement to be paid into the Improvement Fund, and (c) principal of and premium, if any, and interest on the Bonds, as the same become due, including any amount necessary to be paid into the Debt Service Reserve Fund to restore the balance therein to the amount of the Required Reserve (as defined herein) and (2) bill the City and ACSA for all such rates and charges no less frequently than monthly. If any such rates and charges are not paid within 30 days after presentation, the Service Agreement provides that such unpaid rates and charges shall accrue interest at the highest rate of interest payable by the Authority on any of the Bonds then outstanding until such unpaid charges and the interest thereon have been paid in full. The Authority may enforce payment by any remedy available at law or in equity.

Service Agreement

The rates and charges described above are payable by the City and ACSA pursuant to the terms of the Service Agreement. See the section **“The Service Agreement.”**

Debt Service Reserve Fund

The Trust Agreement provides that Bonds, on a series by series determination, may be secured by a parity debt service reserve fund or by a separate series reserve account created therein or may be issued without being secured by any debt service reserve fund or account. Currently, a single parity Debt Service Reserve Fund has been established to secure the following series of outstanding Bonds: the Series 2005A Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2011A Bonds, the Series 2011B Bonds, the Series 2011D Bonds and the Series 2011E Bonds.

The Debt Service Reserve Fund will not secure the Series 2026 Bonds, and no separate series reserve account will be established to secure the Series 2026 Bonds.

Additional Bonds, on a series by series determination, may be issued and secured by the existing parity Debt Service Reserve Fund or a separate series reserve account that may be created therein. The Trust Agreement requires the Authority to maintain an amount in the existing Debt Service Reserve Fund equal to the maximum amount payable on account of principal of (whether at maturity or by mandatory sinking fund redemption) and interest on the Bonds secured thereby, in the then current or any future Fiscal Year. See the section **“The Trust Agreement - Debt Service Reserve Fund”** for a discussion of the Debt Service Reserve Fund.

BONDHOLDERS' REMEDIES IN EVENT OF DEFAULT

In case of an Event of Default under the Trust Agreement (see the section **“The Trust Agreement--Default and Remedies on Default”**), the Trustee may, and upon the request of the holders of 25% in aggregate principal amount of Bonds then outstanding and upon indemnification to the Trustee as provided in the Trust Agreement shall, proceed to protect and enforce its rights and the rights of the holders of the Bonds by declaring the entire unpaid principal of and interest on the Series 2026 Bonds due and payable or by instituting a mandamus or other suit, action or proceeding at law or in equity, including any action for specific performance of any agreement contained in the Trust Agreement. The mandamus remedy, however, may be impracticable and difficult to enforce. Furthermore, the right to enforce payment of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

Chapter 9 of the United States Bankruptcy Code (the “Bankruptcy Code”) permits “municipalities,” if insolvent or otherwise unable to pay their debts as they become due, to file a voluntary petition for the adjustment of debts, provided that such municipality is “specifically authorized, in its capacity as a municipality or by name, to be a debtor...” Bankruptcy Code, Section 109(c)(2). Current Virginia statutes do not expressly authorize the Authority or municipalities generally to file under Chapter 9. Chapter 9 does not authorize the filing of involuntary petitions against municipalities such as the Authority.

Bankruptcy proceedings by the Authority could have adverse effects on holders of the Bonds, including (1) delay in the enforcement of their remedies, (2) subordination of their claims to claims of those supplying goods and services to the Authority after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings, and (3) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of any class of creditors such as the holders of the Bonds, such class of creditors will have the benefit of their original claim or the “indubitable equivalent” thereof, although such “equivalent” may not provide for payment of the Bonds in full. The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

THE AUTHORITY

Rivanna Water and Sewer Authority

History and Development

The Rivanna Water and Sewer Authority (the “Authority”) is a public body politic and corporate and a political subdivision of the Commonwealth of Virginia organized pursuant to the Virginia Water and Waste Authorities Act (the “Enabling Act”). The Authority was created by concurrent actions of the governing bodies of the City of Charlottesville, Virginia (the “City”), and Albemarle County, Virginia (the “County”), and was chartered by the Virginia State Corporation Commission (the “SCC”) on June 7, 1972. The Authority was created to serve as a single political entity authorized to acquire, finance, construct, operate and maintain facilities for the interception, treatment and discharge of wastewater and the impoundment, production, storage and transmission of potable water in the Service Area.

The Enabling Act provides that the Authority is authorized, among other things, to (1) acquire, construct, improve, operate and maintain any water system or sewage disposal system, (2) issue revenue bonds of the Authority, payable solely from revenues, to pay all or any part of the cost of a water system or sewage disposal system, (3) fix, charge and collect rates, fees and charges for the use of and for the services furnished by any system operated by the Authority, and (4) enter into contracts with any unit, including counties, cities and authorities, relating to the furnishing of services and facilities of any water system or sewage disposal system of the Authority. The Enabling Act also provides that the Authority is subject in all respects to the jurisdiction of the Virginia State Water Control Board (the “SWCB”) under the provisions of the State Water Control Law.

Pursuant to the Service Agreement, the Authority began operations on July 1, 1973, providing wholesale water and sewer service to the City and the Albemarle County Service Authority (“ACSA”) by assuming responsibility for the operation of certain existing facilities of the City and ACSA. See the subsection below “**Properties and Services**” and the Section below “**Service Agreement.**”

Organization and Administration

The powers of the Authority are exercised by a board of seven members consisting of the six persons holding the offices, from time to time, of City Manager and Director of Public Utilities from the City of Charlottesville, one City Councilor, the County Executive of Albemarle County, the Executive Director of the Albemarle County Service Authority, and one member of the Albemarle County Board of Supervisors. A seventh person is appointed by the concurrent action of the Council of the City of Charlottesville and the Board of Supervisors of Albemarle County.

The current members of the Authority board include the following individuals:

Directors	Background	Term Expires
Michael A. Gaffney, <i>Chair</i>	Citizen appointed by concurrent action of the City Council and the County Board of Supervisors	12/31/2026
Samuel Sanders, Jr., <i>Vice Chair</i>	City Manager of the City of Charlottesville	Ex-Officio
Jeffrey Richardson, <i>Secretary-Treasurer</i>	County Executive of Albemarle County	Ex-Officio
Lauren Hildebrand	Director of Public Utilities of the City of Charlottesville	Ex-Officio
Quin Lunsford	Executive Director of the Albemarle County Service Authority	Ex-Officio
Ann H. Mallek	Albemarle County Supervisor	12/31/2027
J. Lloyd Snook, III	Charlottesville City Councilor	12/31/2027

The daily activities of the Authority are conducted by a staff of approximately 104 employees under the direction of an Executive Director. The Authority and the Rivanna Solid Waste Authority (together, the “Rivanna Authorities”) share office space and administrative staff. Procedures are in place to ensure proper segregation of funds, purchasing activity, personnel and similar matters.

William I. Mawyer, Jr., PE, Executive Director. Mr. Mawyer has served as Executive Director of the Rivanna Authorities since November 2016. He holds a Bachelor of Science in Civil Engineering from the University of Virginia and a Master of Business Administration from Averett University. He is also a licensed Professional Engineer in the Commonwealth of Virginia. Mr. Mawyer has more than 40 years of experience in public utilities, engineering, and infrastructure management, including prior leadership roles with Henrico County Public Utilities, the University of Virginia Facilities Management Department, Albemarle County Engineering and Public Works, and the Naval Facilities Engineering Command in Norfolk, Virginia.

David Tungate, MS, Deputy Executive Director. Mr. Tungate has served as Deputy Executive Director of the Rivanna Authorities since 2024. He originally joined the Authority in 2012 as Water Manager and was promoted in 2018 to Director of Operations & Environmental Services, overseeing the Water, Wastewater, Water Resources, and Laboratory Departments. Mr. Tungate holds Bachelor of Science from Purdue University and a Master of Science from the University of Illinois. He is also an active member of the American Water Works Association Activated Carbon Committee. Prior to joining the Authority, Mr. Tungate spent 15 years with South Bend Water Works in Indiana, where he advanced from Water Quality Specialist to Water Utility Director.

Lonnie Wood, CPA, Director of Finance. Mr. Wood has led the Rivanna Authorities’ Finance department as its director since 1999. Mr. Wood holds a Bachelor of Science in Business Administration from Longwood University and is an active member of several state and national government finance and accounting organizations. He has implemented the Rivanna Authorities’ multi-year capital improvement planning (“CIP”) process, formal financial policies, and long-term financing strategies that supported a bond rating increase from Standard & Poor’s

from AA to AA+ and approximately \$500 million in revenue bond issuances for capital projects and refinancing efforts before the issuance of the Series 2026 Bonds. Prior to joining the Rivanna Authorities, Mr. Wood served as a Senior Auditor for the Commonwealth of Virginia Auditor of Public Accounts, Director of Finance for Louisa County, Virginia, and Chief Financial Officer for a local law firm.

Jennifer Whitaker, PE, Director of Special Projects. Ms. Whitaker has served in various roles for the Rivanna Authorities since 2003 and currently serves as Director of Special Projects. She holds a Bachelor of Science in Civil Engineering from the University of Virginia and is a licensed Professional Engineer in the Commonwealth of Virginia. Ms. Whitaker has extensive experience in infrastructure planning, water supply, hydraulic systems, dam operations, and emergency management. She leads regional special projects associated with infrastructure growth, long-term planning, and community development coordination.

Daniel Campbell, Director of Operations & Environmental Services. Mr. Campbell has served as Director of Operations & Environmental Services since 2025. He holds a Bachelor of Science from Ferrum College and joined the Rivanna Authorities in 2018 as a Water Supervisor overseeing operations at the organization's drinking water treatment facilities. In 2021, he was promoted to Water Manager with responsibility for municipal water treatment operations serving Albemarle County and the City of Charlottesville. Prior to joining the Rivanna Authorities, Mr. Campbell worked for the City of Staunton Department of Public Works, where he advanced from Water Treatment Operator to Water Treatment Plant Supervisor and Laboratory Director.

Leah Beard, MPA, Director of Administration & Communications. Ms. Beard has served as Director of Administration & Communications since 2025. She joined the Rivanna Authorities in January 2024 as Human Resources Manager. Ms. Beard holds a Bachelor of Arts in Education from Longwood University and a Master of Public Administration from Old Dominion University. She also holds the SHRM-SCP certification and earned a Graduate Certificate in Employment Law from Cornell University. Prior to joining the Rivanna Authorities, Ms. Beard served as Assistant Director of Diversity & Inclusion for the Dean's Office at the University of Virginia School of Medicine.

Williams Mullen, PC, Charlottesville, Virginia, serves as general counsel to the Authority.

Robinson, Farmer, Cox Associates, PLLC, Charlottesville, Virginia, serves as the Authority's outside certified public accountant.

Properties and Services

Pursuant to the Service Agreement, the Authority provides on a wholesale basis potable water to, and treats wastewater from, the City and ACSA, which serve a combined population of approximately 130,000 people in the Service Area. The Service Area comprises the City and the surrounding urban area of the County (collectively, the "Urban Area"), the Towns of Scottsville and Crozet in the County and the Glenmore/Keswick area of the County. Pursuant to the Service Agreement, the Authority assumed operating responsibility for and agreed to purchase certain existing publicly owned water production, transmission and storage facilities and wastewater interception and treatment facilities located in the City and the County and owned by the City, the County and ACSA (the "Existing Facilities"). The Existing Facilities include five water plants utilizing five reservoirs for water production, one ground water treatment system and four wastewater treatment facilities. Ownership of the reservoirs was not transferred to the Authority; however, the Authority has the right to use all water impounded by those reservoirs.

Water Facilities. Water for the Urban Area is provided by three water treatment plants. The Observatory Water Plant is a 10 million gallons per day (mgd) capacity facility upgraded in 1954 and again in 2024 bringing the plant to the new capacity from 7.5mgd previously. The Observatory Water Plant improvements in 2024 also included additional granular activated carbon (GAC) treatment, clarification treatment enhancements and upgraded chemical feed systems. The Observatory Water Plant uses the combined water reservoir system of the Sugar Hollow and Ragged Mountain Reservoirs. The South Rivanna Water Plant is a 12 mgd facility completed in 1966 and expanded in 1988, 1994, 2000 and most recently in 2024 with system upgrades. The plant is located adjacent to and utilizes the South Rivanna Reservoir. The North Rivanna Water Plant, completed in 1972, has a capacity of 2 mgd and is supplied by a diversion structure on the North Fork of the Rivanna River as its water source. All the water sources used for the Urban system have a combined safe yield capacity of 18.6 mgd. Improvements have recently been made to both the

Observatory and South Rivanna Water Plants. All five of the surface water treatment plants were upgraded with GAC adsorbers in a project that was completed in 2018. This treatment change was undertaken to meet the Disinfectant By-Product rules implemented by the Virginia Department of Health (VDH). The 2024 improvements at South Rivanna Water Plant included two new gravity filters, upgraded chemical feed systems and a new Administration Building.

The Authority operates two additional water plants to provide water service to areas in the County located outside the Urban Area. The Crozet Water Plant has a 1.61 mgd capacity and draws water from the Beaver Creek Reservoir, which has a total safe yield of 1.65 mgd. The Scottsville Water Plant has a capacity of .25 mgd and is supplied by the Totter Creek Reservoir, which has a total safe yield of one (1.0) mgd. There is also a small ground water (well) facility with a 6,800 gallons per day capacity that is operated for the Red Hill elementary school and a few surrounding homes.

In addition to the Crozet Water Plant, the Authority has constructed a two (2.0) million gallon ground level finished water storage tank and related transmission and treatment lines to serve the Crozet area. Construction of a five (5.0) million gallon water storage tank to serve the Urban Area was completed in 1983. A three (3.0) million gallon water storage tank was completed in 1987 for the Observatory Water Plant, replacing open basins.

Wastewater Facilities. Wastewater from the Urban Area is processed by the Moores Creek Wastewater Treatment Plant. The Moores Creek Plant, which uses the activated sludge process to provide biological secondary treatment, together with sludge dewatering and composting, became operational in December 1981, and was completed in April 1983. The Authority has undertaken major improvements to the Moores Creek Wastewater Treatment Plant to upgrade (Enhanced Nutrient Removal or ENR upgrade) the wastewater treatment processes in response to the regulations promulgated by the Virginia State Water Control Board in 2005 to allocate nutrient waste loads to wastewater facilities across the Chesapeake Bay watershed in Virginia. The Authority began meeting the allocation by incorporating more advanced treatment technology to significantly reduce the amount of nitrogen and phosphorus nutrients in the wastewater effluent by December 31, 2012. The Authority's improvement project was part of a massive effort across six states and the District of Columbia to clean up the Chesapeake Bay by reducing nitrogen and phosphorus, the two main nutrients that can lead to harmful algal blooms and deteriorated water quality.

The overall improvements to the Moores Creek Wastewater Treatment Plant addressed several aspects of the Authority's waste treatment process including nutrient reduction, rehabilitation of older infrastructure, renewable energy using biogas from the anaerobic digestion of biosolids, and improved wet weather capacity (which provides the ability to treat peak wet weather flow from an existing 18 mgd to an upgraded 45 mgd - a.k.a. Wet Weather Improvements) to address both collection system sanitary sewer overflows and plant overflows

The Authority has also undertaken improvements to the Meadow Creek Interceptor to address recurring sanitary sewer overflows occurring from this structure. The interceptor project included the design and construction of approximately 22,000 linear feet of new sewer facilities to replace the existing interceptor sewer built in the 1950s that was undersized for handling wet-weather flow events. The completion of the sewer installation occurred in June 2012. Project costs included design, permitting, easement acquisition, construction, construction observation/administration, landscaping, and project contingencies resulting in costs of approximately \$20 million dollars, which was funded in part by a Virginia State Revolving Loan through the Virginia Resources Authority.

The Authority has also completed a \$7.9 million wet-weather project identified in its Comprehensive Sanitary Sewer Study, conducted from 2006 through 2010, to determine the near and long-range needs of the entire Authority complex of sanitary sewers interceptor and treatment system. The City and ACSA, along with the Authority, have been working to replace aging infrastructure for the purposes of reducing wet weather inflow and infiltration with the Authority designing its transmission and treatment system to carry the remainder of the inflow and infiltration to avoid sanitary sewer overflows. These efforts were in response to an August 5, 2011 Consent Order issued on behalf of the State Water Control Board to Rivanna Water and Sewer Authority (the "Consent Order"), which included all three of the above mentioned projects (ENR upgrade of the Moores Creek WWTP, Meadow Creek Interceptor upgrade and the Moores Creek WWTP Wet-Weather upgrade). A fourth project to replace the Rivanna Pump Station was completed in 2018. The older pump station was located in a City park with a 24.5 mgd capacity. The new pump station was located on the Moores Creek plant and required a 1,600 foot tunnel to be bored under the Woolen Mills neighborhood from the old pump station to the newer pump station. The new pump station has a firm capacity of 53

mgd. Pursuant to the Consent Order, the Authority has also submitted additional plans and/or schedules for upgrades to the Crozet Interceptor and the Schenks Branch Interceptor. These last two items are still being pursued; however, they have local impacts to transportation that the Authority is working through which is delaying the execution of these projects. The Virginia Department of Environmental Quality (“VDEQ”) reviewed the progress made on the Consent Order and considered all items substantially completed and made a determination to terminate the Consent Order on January 15, 2019.

Outside the Urban Area, the Authority operates a wastewater treatment plant with a capacity of 200,000 gallon per day serving the Town of Scottsville. The Glenmore Wastewater Treatment Plant is a 0.381 mgd tertiary treatment plant using activated sludge biological treatment, sand filtration and ultra-violet light disinfection. The plant was constructed by a developer to support population growth in the eastern area of the County and was dedicated to ACSA. The Authority operates this facility under contract with ACSA. It is located in the Keswick area east of Charlottesville.

The Authority also owns and operates a series of four sewer pump stations that bring wastewater from Crozet to the Urban sewer system for treatment at Moores Creek Advanced Water Resource Recovery Facility (“Moores Creek AWRRF”). The westernmost pump station has a recently constructed sewage flow equalization tank system that allows the storage of up to 1 MG of sewage when the system becomes surcharged. The Authority operates a small package plant serving the Stone Robinson elementary school. The Camelot plant was decommissioned on August 15, 2012, and its wastewater flows are now being sent to the Moores Creek AWRRF. ACSA completed a new wastewater pumping station adjacent to where the Camelot plant was once located that replaced the need for that plant.

Current Supply and Treatment Capacities

	Plant	Capacity	Water Source	Safe Yield	FY 2025 Average Flow
Urban Area Water:				18.6 mgd	
	Observatory	10.00 mgd	Sugar Hollow and Ragged Mountain Reservoirs	*	1.216 mgd
	South Rivanna	12.00 mgd	South Rivanna Reservoir	*	8.006 mgd
	North Rivanna	2.000 mgd	North Fork of Rivanna River (including emergency supplemental lake)	*	0.244 mgd
Crozet Water:	Crozet	1.61 mgd	Beaver Creek Reservoir	1.65 mgd	0.649 mgd
Scottsville Water:	Scottsville	0.250 mgd	Totier Creek Reservoir	1.00 mgd	0.049 mgd
	Red Hill	0.0068 mgd	groundwater	N/A	0.002 mgd
Urban Wastewater:	Moores Creek	15.00 mgd	N/A	N/A	9.799 mgd
	Stone Robinson	0.005 mgd	N/A	N/A	0.002 mgd
Glenmore Wastewater:	Glenmore	0.381 mgd	N/A	N/A	0.130 mgd
Scottsville Wastewater:	Scottsville	0.200 mgd	N/A	N/A	0.058 mgd

* Safe yield for each Urban Water plant is not available.

Under the terms of the Service Agreement, the Authority agreed to purchase the Existing Facilities from the City and ACSA for a total purchase price of \$9,732,508, which was the appraised value of the Existing Facilities as of June 12, 1973. Settlement for the purchase of the City's Existing Facilities and certain of ACSA's Existing Facilities took place in June 1983 and May 1989. The debt attributable to ACSA's remaining Existing Facilities has been paid and transfer of these facilities to the Authority is in process. The purchase price paid by the Authority for the facilities transferred in 1983 and 1989 was reduced by the amounts paid by the Authority that represented principal payments on the debt attributable to such facilities. Since payments made by the Authority to ACSA under the Service Agreement were built into the rates being charged to ACSA, on August 19, 2004, ACSA adopted a resolution forgiving approximately \$557,000 of the existing obligations related to the remaining Existing Facilities owned by ACSA and other facilities constructed and financed through ACSA effective June 30, 2004. The Authority paid \$5,445,511 for those Existing Facilities that it purchased in 1983 with a portion of the proceeds of the Authority's revenue bonds issued in 1982. Therefore, the Existing Facilities purchased are fully paid with the retirement of the previously mentioned obligations. The Service Agreement provides that the Authority will seek to construct, if it is deemed necessary to serve the Service Area, additional water impoundment, production, transmission and storage facilities and wastewater interception, treatment and discharge facilities. See the section **"The Service Agreement."**

Required Permits

In order to operate its water facilities, the Authority is required to have Certificates to Operate, which have been granted by the Virginia Department of Health.

In order to operate its wastewater treatment plants, the Authority is required to have pollutant discharge permits. Pursuant to the provisions of the Federal Water Pollution Control Act, EPA has delegated the authority to issue National Pollution Discharge Elimination Permits for the facilities in Virginia to the Department of Environmental Quality ("VDEQ"), which has issued Virginia Pollution Discharge Elimination System ("VPDES") permits for the Authority's wastewater treatment plants. VPDES permits are issued for a term of no more than five years, and reissuance is conditioned upon the currently applicable limitations and water quality standards. The current permit for Glenmore WRRF is scheduled to expire in August 2026, and is currently in the renewal process. Permits for Stone Robinson, Scottsville WRRF and Moore's Creek A WRRF expire in November 2027, March 2029 and April 2031, respectively. Violation of the standards set forth in a VPDES permit may be grounds for injunctive sanctions, criminal and civil penalties and revocation of the permit. The Authority is required to implement provisions of the National Industrial Waste Pretreatment Program as a VPDES requirement.

The Authority currently has in place or is in the process of renewing all of the permits necessary to own and operate the System.

The Authority has undertaken a lengthy permitting process for the construction of the 2026 Project. The primary permits are from the Army Corp of Engineers and the Virginia Departments of Environmental Quality, Conservation and Recreation, and the Health Department. There are additional permits from agencies and other entities such as the County of Albemarle, the City, the Commonwealth Department of Transportation, and the Federal Highway Administration. All necessary permits have been properly obtained for the construction of the components of the 2026 Project to be financed or refinanced in part with proceeds of the Series 2026 Bonds. See **Appendix G** for more information regarding the 2026 Project and the permits necessary to undertake such project.

Billing and Collection Procedures

As a wholesale service provider, the Authority has and bills only two customers, the City and ACSA. Charges are billed monthly and are payable upon presentation. Charges vary depending on the service provided, geographic location of the point of delivery, facilities used to provide the service, the existing debt service on those facilities, and anticipated improvements or additions to the facilities. Rates and charges are established by the Authority at the beginning of each Fiscal Year based on its annual budget and are subject to revision during such year. Such rates and charges are based upon anticipated flows and treatment, debt service, and other costs. Rates are calculated per 1,000 gallons in the Urban rate centers and as a flat monthly charge for the Crozet and the two Scottsville and Glenmore rate centers. See the Section **"Authority's Rates and Charges."**

Accounting Records

The Authority's annual financial statements are reviewed by an independent firm of certified public accountants in accordance with generally accepted accounting principles. Robinson, Farmer, Cox Associates of Charlottesville, Virginia, has conducted these audits since Fiscal Year 1991. Robinson, Farmer, Cox Associates has not been asked to review and will not be reviewing any matters in connection with the issuance and sale of the Series 2026 Bonds.

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Operating Summary

The following table sets forth data on the water and wastewater services provided and revenues attributable to the Authority's service classifications for the five Fiscal Years ended June 30, 2021 through 2025, plus unaudited information through March 31 of the Fiscal Year ending June 30, 2026.

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 (unaudited through March 31)
Operating Flow Summary⁽¹⁾						
Urban Water	9.451	9.456	9.293	9.478	9.467	9.516
Crozet Water	0.641	0.674	0.598	0.631	0.649	0.625
Scottsville Water	0.055	0.057	0.053	0.048	0.049	0.059
Urban Wastewater	10.566	9.541	9.855	9.928	9.799	9.059
Glenmore Wastewater	0.117	0.100	0.111	0.133	0.130	0.141
Scottsville Wastewater	0.080	0.049	0.054	0.065	0.058	0.052
Operating Revenues Summary						
Urban Water	\$13,405,655	\$15,718,762	\$17,300,587	\$20,395,755	\$24,214,871	\$21,295,865
Crozet Water	2,340,120	2,906,688	3,358,788	3,620,472	4,011,012	3,499,632
Scottsville Water	649,560	653,592	719,856	815,196	932,400	837,051
Urban Wastewater	17,365,150	17,333,905	18,461,173	19,927,956	21,769,322	18,192,569
Glenmore Wastewater	374,304	411,444	464,124	544,596	581,892	613,647
Scottsville Wastewater	538,082	336,156	365,736	402,828	437,976	410,067
Total Operating Revenues	\$34,672,871	\$37,360,547	\$40,670,264	\$45,706,803	\$51,947,473	\$44,848,831

⁽¹⁾ In millions of gallons.

Treatment Capacity and Demand

The urban water distribution system is supplied by three water treatment plants: South Rivanna, Observatory, and North Rivanna. All three of such urban water treatment plants were upgraded to have granular activated carbon (GAC) treatment systems installed, which upgrades were substantially completed in the Spring of 2018. Another capital improvement project started in 2020 to update the South Rivanna Water Treatment Plant and to update and upgrade the Observatory Water Treatment Plant. The combined water production capacity of these two urban water treatment plants is 22 MGD upon completion of these projects in 2024, with the Observatory Plant increasing capacity from 5.5 to 10 MGD.

The urban water treatment plants have a combined water treatment capacity of 24 MGD. Two ongoing capital improvement projects are intended to improve the raw water pumping capacity and the finished water distribution piping network to supply the updated and upgraded Observatory and South Rivanna Water Treatment Plants with more raw water and allow the additional finished water to be distributed more efficiently and effectively in the water distribution system.

The Authority completed a project in 2014 to expand the Ragged Mountain Reservoir to store a total of 1.4 BG, with a current CIP project underway to add another 700 MG to the reservoir for a total of 2.1 BG of raw water storage. One of the raw water piping projects will connect the South Rivanna Reservoir (880 MG) with the Ragged Mountain reservoir (1.4 BG) with two separate pump station located adjacent to each reservoir. These pump stations will serve multiple purposes. Each pump station will be able to pump water to either South Rivanna or Observatory Water Treatment Plants and they will be able to pump raw water between each of the reservoirs. Once the project is complete, it will connect the two largest raw water reservoirs, which will increase the storage from 1.4 BG and 880 MG each to effectively one larger reservoir of 2.28 BG. Once the Ragged Mountain Reservoir project is complete to add the additional 700 MG of raw water in late 2031, the total connected raw water storage capacity will be approximately 3.0 BG. This raw water can be used at either the South Rivanna or Observatory Water Treatment Plants. This flexibility is intended to improve the resiliency and redundancy of the Authority's water supply and water treatment systems.

The Central Water Line project is a five mile long 26 inch water main project that will connect transmission water mains in the City and County. Once this is completed in 2029 the water distribution system will be better connected.

The Authority performs a water demand study every 10 years. The most recent study was completed in 2020, which was before the above listed projects were started. Based on the 2020 water demand study, the water demand will remain below the operational yield through 2060. However, when the South Rivanna Reservoir to Ragged Mountain Reservoir pipeline and pump stations and the Ragged Mountain Reservoir pool raise to increase storage by 700 MG projects are completed, the operations yield will meet demand projections through 2120.

The Strategic Plan

The Authority's current Strategic Plan represents the second iteration of a long-term organizational framework focused on operational excellence, workforce sustainability, infrastructure investment, environmental stewardship, and regional collaboration. The Strategic Plan articulates its vision: to serve the community as a recognized leader in environmental stewardship by providing exceptional water services. The work is guided by the Authority's core values: Integrity, Teamwork, Respect, and Quality. Overall, the plan's focus is organized around five strategic priorities: Communication and Collaboration; Environmental Stewardship; Workforce Development; Optimization and Resiliency; and Planning and Infrastructure.

Rather than serving as a static document, the Strategic Plan functions as an active management tool. Annual reviews and performance updates are integrated into budgeting, staffing, capital planning, and operational initiatives to ensure measurable progress toward long-term organizational goals. In addition, Authority staff have regularly provided updates to the Authority Board on the Strategic Plan, most recently in May 2026.

Communication and Collaboration

Fostering a culture that supports open communication and strengthens partnerships has been essential for regional projects, such as working with Albemarle County on public information dissemination and dam safety initiatives. The Authority's website provides an interactive and accessible source of information for the community.

Over the last several years, the Authority has leveraged regional relationships with other utilities and industry associations to implement best practices and has worked to increase its brand exposure through the Riverfest, Fix a Leak, and Imagine a Day Without Water campaigns.

The Authority makes a concerted effort to engage with the community through participation in local events and organization of educational tours of the Authority's facilities. In calendar year 2026, the Authority has already held six public information meetings, participated in five outreach events, and provided tours to over 350 community members (a 70% increase over calendar year 2025).

Existing strategies will continue to be leveraged over the coming years to refresh and build awareness of the Authority's brand identity, and the Authority will also continue to cultivate community engagement opportunities for employees with educational outreach, resources, and partnerships.

Environmental Stewardship

The Authority is committed to maintaining and enhancing the long-term health of the community and environment. The Authority has undertaken the following initiatives:

- Launched an internal Greenhouse Gas Dashboard to analyze data and identify patterns to increase efficiencies.
- Installed solar cells at the Ragged Mountain Raw Water Pump Station and the Moores Creek Administration Building.
- Eliminated 10 vehicles from the fleet and enhanced its vehicle maintenance capabilities to reduce trips to outside vendors for vehicle services.
- Expanded Granular Activated Carbon ("GAC") capacity at the Crozet Water Treatment Plant and Red Hill, which will increase treatment options for emerging contaminants.

PFAS. The Authority remains proactive to evolving regulations that impact the Authority's operations, capital planning, and organizational priorities. In particular, the Authority is focused on monitoring the levels of per- and polyfluoroalkyl substances ("PFAS") in its water treatment plants and improving treatment processes to continue remaining in compliance with updated regulations. The Authority began sampling PFAS at the water treatment plants in the first quarter of 2014 with the third Unregulated Contaminant Monitoring Rule (UCMR 3), and at least quarterly monitoring began in 2024.

The Authority has used GAC filters as a part of its water treatment process at all of its water treatment plants since 2018. These have been shown to be effective in removing most PFAS from the Authority's furnished drinking water.

The Authority is a member of the PFAS class action lawsuit and has received approximately \$1.2 million to date, with additional amounts expected in the future.

The Authority will continue to utilize its multi-barrier treatment processes, which include GAC filtering systems, to remove any undesirable substances, including PFAS, from the drinking water that is produced and to ensure that its drinking water is compliant with any new regulations.

Workforce Development

Recognizing that operational reliability and long-term resiliency depend on maintaining a skilled, engaged, and adaptable team, workforce development and succession planning have been key priorities for the Authority. In

FY 2026, the Authority continued to invest in workforce sustainability through 17 internal promotions and 10 employee licenses or certifications supporting operational advancement. Operational departments also implemented structured training plans for operator trainees, while expanded in-house safety training capabilities now provide advanced OSHA and safety coursework internally, improving organizational training capacity and generating estimated annual savings of approximately \$30,000. The Fiscal Year 2027 Budget was adopted with salary adjustments for 106 full-time equivalent employees that include a 2.5% increase for cost of living and an ~2% merit pool. The Authority also recently conducted its annual review of its Personnel Management Plan and adopted updates that were clarifying in nature and intended to improve consistency, transparency, and administrative efficiency. Going forward, the Authority will continue focusing on organizational growth and development by recognizing, developing, and retaining leadership talent and strategically planning for the future.

Optimization and Resiliency

The Authority has expressed its commitment to efficiency and innovation. Efforts to improve key business and operational processes, such as document management and process flows, have yielded greater operational efficiency. Initiatives that the Authority has undertaken include:

- Creation of a Standard Operating Procedure inventory and disaster recovery center for all business systems.
- Implementation and build-out of the CityWorks Asset Management System, which includes 4,273 horizontal and 4,634 vertical assets.
- Hiring of a full-time Safety Manager that is able to provide Arc Flash, Fall Protection, Confined Space, Trench Safety, and OSHA coursework to the Authority's employees.
- Adoption of the Total Kjeldahl Nitrogen Testing Method, which reduces labor time, hazardous waste, and cost while increasing testing capacity.
- Monitoring of the Authority's debt portfolio to take advantage of favorable interest rates and refinance bonds in support of effective financial management, such as the potential refunding of the 2015D Bond being considered as a part of the current financing.

Over the next several years, the Authority expects to continue fostering a work environment for employees to collaborate and increase efficiency by developing a cross-departmental program to pursue and celebrate innovation and performance improvements.

Planning and Infrastructure

Maintaining reliable infrastructure is a core function for the Authority. The Authority continues advancing several major generational capital improvement projects supporting long-term regional drinking water and wastewater reliability, including reservoir, pipeline, and pump station infrastructure projects designed to ensure dependable future system capacity and resiliency. Over the last several years, the Authority has created a strategic asset management plan, conducted a pilot for implementation, created a position to oversee asset management, and is now working to fully implement the Authority's program.

The Authority continues to expand integration of the CityWorks asset management platform to improve lifecycle tracking, maintenance planning, inventory management, and emergency response documentation for thousands of organizational assets. Additional modernization initiatives include implementation of a Laboratory Information Management System (LIMS), cloud-based storage for disaster recovery and business continuity, and other operational efficiency improvements. The Authority updates annually and plans to further enhance its CIP in the next year, which is currently a five-year planning document providing estimated budgets and schedules for projects as they advance through the design and construction process.

Capital Improvement Program

Each year a Capital Improvement Plan (“CIP”) is prepared as a strategic and financially responsible plan for the Authority to complete major infrastructure construction projects. The projects included in the CIP are necessary to achieve the Authority’s core mission of providing safe, high-quality drinking water and environmentally responsible wastewater treatment services for the City of Charlottesville and the County of Albemarle through the Albemarle County Service Authority. The CIP is a 5-year planning document which provides an estimated budget and schedule for projects as they advance through the planning, design, and construction process. In 2027, the Authority intends to establish a 10-year CIP to extend its planning horizon.

The infrastructure requirements of the CIP are developed through the Authority’s Asset Management and Master Planning programs to address water and wastewater capacity demands, regulatory mandates and rehabilitation needs. Each year, these projects are reviewed and prioritized by the Authority management team and brought forth for review by the Board of Directors. The Fiscal Years 2026 through 2031 CIP prioritizes completion of the community’s Water Supply Plan to increase the capacity and reliability of the drinking water system by 2030. The CIP will also advance water and wastewater infrastructure projects to support near term growth and maintain best management practices for water and wastewater storage, treatment and conveyance facilities.

In May 2026, the Authority adopted the following CIP covering Fiscal Years 2026 through 2031.

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Totals
Sources of Funds:							
Funds on Hand	35,845,692						\$35,845,692
Pay-Go	1,000,000						1,000,000
Reserves	2,000,000	\$2,450,000	\$2,250,000	\$2,200,000	\$1,500,000	\$1,500,000	11,900,000
Grants	500,000	9,064,670	10,605,754	8,149,444	2,946,132		31,266,000
Existing Bond Proceeds	69,639,400						69,639,400
Series 2026 Proceeds	97,156,508	73,848,779	41,394,713				212,400,000
Proceeds from Proposed Series 2028 Bonds			54,505,355	84,355,685			138,861,040
Proceeds from Proposed Series 2030 Bonds					66,769,368	36,488,000	103,257,368
Total Sources	\$206,141,600	\$85,363,449	\$108,755,822	\$94,705,129	\$71,215,500	\$37,988,000	\$604,169,500
Uses of Funds:							
Urban Water	\$81,750,000	\$64,439,549	\$75,497,822	\$58,878,129	\$42,964,500	\$23,978,000	\$347,508,000
Non-Urban Water	21,460,000	16,409,000	21,694,000	25,388,000	17,495,000	6,394,000	108,840,000
Urban Wastewater	95,185,000	3,335,000	10,092,000	9,054,000	8,994,000	1,892,000	128,552,000
Non-Urban Wastewater	3,367,000	912,000	1,472,000	1,385,000	1,762,000	5,724,000	14,622,000
Shared Projects	4,379,600	267,900					4,647,500
Total Uses	\$206,141,600	\$85,363,449	\$108,755,822	\$94,705,129	\$71,215,500	\$37,988,000	\$604,169,500

Financial Information

Five-Year Summary of Revenues, Expenses and Changes in Net Assets

The following is a statement of revenues, expenses and changes in net assets of the Authority for the four Fiscal Years ended June 30, 2025, and for the partial Fiscal Year ended June 30, 2026 (through May 31, 2026) (preliminary and unaudited). The statement of revenues, expenses and changes in net assets should be read in conjunction with the Annual Comprehensive Financial Report (“ACFR”) prepared by Robinson, Farmer, Cox Associates, PLLC, Charlottesville, Virginia, certified public accountants, for the Authority’s Fiscal Years ended June 30, 2025, which is included as **Appendix A** to this Official Statement.

	Fiscal Year Ended June 30,				2026 (Preliminary, unaudited)*
	2022	2023	2024	2025	
Operating Revenues					
Metered water sales	\$ 19,279,042	\$ 21,379,231	\$ 24,831,423	\$ 29,158,283	\$ 31,465,338
Wastewater service charges	18,694,954	19,940,509	21,543,857	23,389,349	23,445,721
Total operating revenues	\$ 37,973,996	\$ 41,319,740	\$ 46,375,280	\$ 52,547,632	\$ 54,911,059
Operating Expenses					
Personnel costs	\$ 9,478,916	\$ 10,175,840	\$ 11,348,943	\$ 12,450,596	\$ 12,962,200
Professional services	925,766	776,167	524,211	826,095	104,372
Other services and charges	4,275,419	5,755,381	5,750,823	6,041,256	5,759,500
Operations and maintenance	5,579,336	6,379,375	5,811,884	7,561,013	7,380,100
Depreciation and amortization	7,878,076	8,338,875	9,075,790	9,702,643	9,702,600
Total operating expenses	\$ 28,137,513	\$ 31,425,638	\$ 32,511,651	\$ 36,581,603	35,908,772
Operating Income	\$ 9,836,483	\$ 9,894,102	\$ 13,863,629	\$ 15,966,029	\$ 19,002,287
Nonoperating Revenues (Expenses)					
Investment earnings	\$ 222,088	\$ 2,270,001	\$ 2,724,527	\$ 5,917,204	\$ 4,309,800
Interest revenue – leases	19,058	18,184	18,317	17,164	17,200
Administrative reimbursement	557,071	712,403	789,695	920,375	920,400
Lease revenue	143,451	136,634	150,005	150,626	135,350
Other revenues	245,766	188,754	188,977	254,093	-
Interest expense	(6,132,303)	(6,119,472)	(5,839,130)	(9,367,613)	2,217,960
Arbitrage Rebate Expense	-	-	-	(721,514)	(9,822,500)
Debt issuance costs	(518,307)	-	-	(749,328)	(1,000,000)
Total Nonoperating Income (Expenses)	(\$ 5,463,176)	(\$ 2,793,496)	(\$ 1,967,609)	(\$ 3,578,993)	(\$ 3,221,790)
Income before capital grants and Contributions	\$ 4,373,307	\$ 7,100,606	\$ 11,896,020	\$ 12,387,036	\$ 15,780,497
Capital grants	315,557	1,104,838	79,850	468,797	1,200,000
Special items	-	-	(1,710,355)	-	-
Change in position	\$ 4,688,864	\$ 8,205,444	\$ 10,265,515	\$ 12,855,833	\$ 16,980,497
Net position, beginning of year	160,170,108	164,858,972	173,064,416	183,329,931	196,185,800
Net position, end of year	\$164,858,972	\$173,064,416	\$183,329,931	\$196,185,764	\$213,166,297

* Through May 31, 2026.

Management Discussion of Preliminary, Unaudited Fiscal Year 2026 Results

Revenues through May 31, 2026 (unaudited) have already surpassed the previous fiscal year by \$2.4 million. June operating revenues are estimated to add \$5.1 million in water and sewer rate revenues to complete the fiscal year. Revenues were projected to rise due to rate increases adopted in the Fiscal Year 2026 budget to fund the Capital Improvement Plan. Revenues related to debt service needs were expected to increase 22% because of the aforementioned rate increases to the City and ACSA.

Other revenues increased significantly in Fiscal Year 2026 due to the PFAS litigation payouts from 3M and DuPont. The Authority participated in a class action settlement against multiple parties, resulting in \$1.25 million received as of May 2026 and another \$200,000 received in June 2026. The Authority anticipates allocating such funds to reserve accounts until the capital implications are determined. Investment earnings decreased by over \$1 million due to the construction proceeds fund from the Series 2024 Bond being drawn down \$49.6 million since July 2025.

Operating expenses were projected higher for Fiscal Year 2026 due to the addition of two new staff positions, an IT Director and a Construction Inspector, and increases in employer-provided health insurance premiums. Information Technology continues to be a major driver of increased operating expenses. The Authority's water and wastewater treatment operations along with its asset management systems rely heavily upon information technology. Another contributing factor to the increase in operating expenses is the replacement of equipment that has deteriorated and reached the end-of-life cycle. Arbitrage rebate for excess yield earnings will be recognized in Fiscal Year 2026 for the Series 2024 Bond, which is estimated to be roughly \$1 million.

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Summary Budgets for Fiscal Years Ended June 30, 2026 and 2027

The following table sets forth the adopted budgets for Fiscal Years 2026 and 2027.

	FY 2026	FY 2027	
	Adopted Budget	Adopted Budget	% Change
Revenues:			
Operations Revenues:			
Operations Rate Revenue	\$28,565,850	\$30,752,930	7.66%
Interest Allocation	272,400	245,700	-9.80
Stone Robinson WWTP	19,650	23,600	20.10
Septage/Sludge Acceptance	620,000	600,000	-3.23
Leases	120,000	120,000	0.00
Administration	417,000	444,400	6.57
Finance	581,000	314,400	-45.89
Information Technology	-	262,300	
Nutrient Credits	50,000	50,000	0.00
Engineering	-	255,600	
Total Operational Revenues	\$30,645,900	\$33,068,930	7.91%
Debt Service Revenues:			
Debt Service Rate Revenue	\$31,290,300	\$36,983,320	18.19%
County MOU - Septage	109,440	109,440	0.00
Interest	2,003,500	1,964,000	-1.97
Leases	10,000	10,000	0.00
Total Debt Service Revenues	\$33,413,240	\$39,066,760	16.92%
Total Revenues	\$64,059,140	\$72,135,690	12.61%
Expenses:			
Operations			
Salaries and Benefits	\$13,833,170	\$15,073,600	8.97%
Other Personnel Costs	345,900	280,520	-18.90
Professional Services	777,950	859,500	10.48
Other Services and Charges	4,580,980	5,011,400	9.40
Communications	291,300	362,400	24.41
Information Technology	2,398,400	2,590,580	8.01
Supplies	60,030	55,700	-7.21
Operations and Maintenance	6,856,930	6,790,750	-0.97
Equipment Purchases	551,200	1,009,400	83.13
Depreciation	950,000	1,035,000	8.95
Total Operations Expenses	\$30,645,860	\$33,068,850	7.91%
Debt Service			
Debt Service Expenses	\$33,413,000	\$39,067,000	16.92%
Total Expenses	\$64,059,140	\$72,135,690	12.61%
Net Surplus (Deficit)	\$ -	\$ -	

Management Discussion of Fiscal Year 2027 Budget

A Fiscal Year 2026-2027 budget of \$72.1 million is proposed to support the quality of life and economic development desired by both the City and the County. To provide the capacity and reliability needed to appropriately serve its customers, the Authority has been guided by its Strategic Plan priorities of *Optimization and Resiliency*, *Communication and Collaboration*, *Planning and Infrastructure*, *Environmental Stewardship*, and *Workforce Development*. The proposed budget includes \$39.1 million for debt service charges and \$33 million for operating expenses, including a budget increase of \$8.1 million, or 12.6%. Debt service needs comprise \$5.7 million of that increase with the remaining \$2.4 million increase related to operating costs increases.

Current annual debt service to bond holders is budgeted to be \$21.2 million in total for Fiscal Year 2027. The Authority has programmed into the Fiscal Year 2027 budget \$39.067 million in revenues designated for debt service. Such increase is anticipated to generate the debt service coverage needed for future debt. For Fiscal Year 2027, the increase is budgeted to generate \$17.9 million in excess revenue.

	FY 2027
Debt service revenues	\$39,067,000
Bonded debt payments	21,162,000
Available for future debt	<u>17,905,000</u>

The Authority has a policy of estimating the debt service needs over a rolling five-year period as it relates to the CIP and existing debt obligations. The additional debt service needed to fund the CIP, if any, is averaged over that five-year period creating an even or consistent charge increase for the five years before the bond issues are needed. This averaging approach allows the Authority to create reserves while programming into the rates and charge the revenue needed to service the new debt – before that debt comes online. The reserves are used for the local contribution (pay-go) to meet the CIP funding goals, which is 10% of the project costs as targeted in the Authority’s Financial Policies.

The majority of the operating expense increases are related to personnel costs with three new positions for IT and Engineering. A 4.5% pay increase for existing staff has also been included in the budget for FY 2027. The two next biggest budget items are for biosolid handling (\$0.5 million) and chemicals (\$0.4 million). Currently the Authority composts biosolids and there is only one qualified contractor that provides these services.

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Indebtedness

Although the Trust Agreement requires the Authority to set rates and charges so as to achieve a minimum debt service coverage on all parity indebtedness of at least 1.0x, the Authority adopted a policy effective for FY 2024 requiring that the Authority achieve debt service coverage of at least 1.5x. The Authority's debt service coverage ratio for the past five fiscal years is set forth below.

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Operating Revenues					
Metered Water Sales	\$16,395	\$19,279	\$21,379	\$24,831	\$29,158
Wastewater Service Charges	18,887	18,695	19,941	21,544	23,389
Subtotal: Operating Revenues	35,282	37,974	41,320	46,375	52,548
Non-Operating Revenues/(Expenses)					
Investment Earnings	\$ 126	\$ 222	\$ 2,270	\$ 2,725	\$ 5,917
Interest Revenue-Leases	0	19	18	18	17
Buck Mountain Revenue	0	0	0	0	0
Administrative Reimbursement	561	557	712	790	920
Lease Revenue	101	143	137	150	151
Other Revenue	546	246	189	189	254
Other Revenue - Capital Grants and Contributions	78	316	1,105	80	469
Subtotal: Non-Operating Revenue	\$ 1,412	\$ 1,503	\$ 4,431	\$ 3,951	\$ 7,728
Total Revenue	\$36,694	\$39,477	\$45,751	\$50,327	\$60,276
Gross Revenue (1)	36,617	39,161	44,646	50,247	59,807
Direct Operating Expenses (2)	20,015	20,259	23,087	23,436	26,879
Net Income Before Debt Service	16,601	18,902	21,559	26,811	32,928
Required Debt Service Payments (3)	14,260	14,837	16,165	16,169	19,148
Net After Debt Service	\$ 2,341	\$ 4,065	\$ 5,394	\$10,642	\$13,780
Debt Service Coverage	1.2x	1.3x	1.3x	1.7x	1.7x

(1) Excluding grant revenue.

(2) Excluding depreciation expense.

Rate Regulation

The Enabling Act provides that the Authority is authorized to fix and revise from time to time rates, fees and other charges for the use of and for the services furnished or to be furnished by any water system, sewer system, sewage disposal system or garbage and refuse collection and disposal system owned, operated or maintained by the Authority, or facilities incident thereto, and on account of which the Authority has issued revenue bonds. Such rates, fees and charges are, under the Enabling Act, required to be fixed and revised so as to provide funds, together with other funds available for such purposes, sufficient at all times to (1) pay the cost of maintaining, repairing and operating the utility system, and facilities incident thereto, on account of which such bonds are issued, including reserves for such purposes and for replacement and depreciation and necessary extensions, (2) pay the principal of and the interest on the revenue bonds when due and reserves therefor, and (3) provide a margin of safety for making such payments. The Enabling Act requires the Authority to charge and collect the rates, fees and charges so fixed or revised.

The Enabling Act states that the rates, fees and charges of the Authority are subject to the jurisdiction of the SCC and any applicable regulation. However, the SCC ruled on November 15, 1963, in Case No. 16516, that it had no jurisdiction to review or revise rates of authorities such as the Authority, except that, upon the application of a bondholder, the SCC may require that rates be sufficient to comply with the above statutory requirements. That

decision was not appealed. Subject to the foregoing, the Authority's board has sole power to set rates, fees and charges, subject to a statutory requirement for a public hearing held by the Authority.

Authority's Rates and Charges

Although the Authority bills only two customers (the City and ACSA), the rates the Authority charges vary throughout the Service Area depending on the geographical location of the delivery points, the facilities utilized to provide the particular service, outstanding debt on those facilities, and anticipated construction/renovation programs needed to continue service. In establishing the total rates charged to the City or ACSA for each area within the Service Area, the Authority separately computes sub-rates for operations, existing debt service, future debt reserve and operating reserves.

Current Rates

The individual rates are set according to the annual budget prepared by the Authority's staff, based on estimated flows and operation expenses and debt service and reserve requirements. The rates adopted by the Authority for the Fiscal Year ending June 30, 2027, are as follows:

Water Rates			Wastewater Rates		
<u>Urban</u>			<u>Urban</u>		
Operations Rate (per 1,000 gallons)		\$3.942	Operations Rate (per 1,000 gallons)		\$3.921
Debt Service Charge (per month)			Debt Service Charge (per month)		
City		\$553,528	City		\$509,019
ACSA		\$1,046,862	ACSA		\$594,370
<u>Rural</u>			<u>Rural</u>		
Monthly Charge			Monthly Charge		
Crozet		\$454,191	Glenmore		\$85,673
Scottsville		\$121,838	Scottsville		\$55,367

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Projected Rates and Charges

The following table shows the Authority's projected rates and charges for the Fiscal Years ending June 30, 2028, through June 30, 2030. These projected rates are based on the Authority's estimates of operating expenses, debt service requirements and reserve accumulations for such years. The projected rates and charges take into account debt service requirements of the Outstanding Bonds and the Series 2026 Bonds. Such information is preliminary and is subject to change upon the adoption of each annual budget.

	FY 2028	FY 2029	FY 2030
Water Rates			
<u>Urban</u>			
Operations Rate ⁽¹⁾	\$4.336	\$4.770	\$5.247
Debt Service Charge ⁽²⁾			
City	\$ 627,787	\$ 705,127	\$ 764,704
ACSA	1,224,551	1,402,528	1,549,094
<u>Rural</u> ⁽³⁾			
Crozet	\$ 515,600	\$ 577,650	\$ 640,200
Scottsville	134,700	147,900	161,500
Wastewater Rates			
<u>Urban</u>			
Operations Rate ⁽¹⁾	\$4.313	\$4.744	\$5.219
Debt Service Rate ⁽²⁾			
City	\$ 530,533	\$ 555,543	\$ 571,641
ACSA	639,575	686,999	734,424
<u>Rural</u> ⁽³⁾			
Glenmore	\$ 100,860	\$ 116,300	\$ 131,950
Scottsville	62,300	69,400	76,700

Under the terms of the Trust Agreement and the Service Agreement, the Authority covenants to charge rates in each Fiscal Year sufficient to produce revenues equal to or greater than 100% of its budgeted operating and debt service requirements and required reserves therefor for each such Fiscal Year.

Employee Pension Plan, Voluntary Early Retirement Incentive Program, OPEB

All full-time, salaried permanent employees of the Authority are automatically covered by a Virginia Retirement System Retirement Plan upon employment. See Note 8 of the Authority's audited financial statements in **Appendix A** for information.

The Authority also has a Voluntary Early Retirement Incentive Program, which provides for monthly payments to eligible employees for a period of up to five years after early retirement or until age 65, whichever comes first. See Note 9 of the Authority's audited financial statements in **Appendix A** for information.

Information on other post-employment benefits available to the Authority's employees can be found in Note 11 of the Authority's audited financial statements in **Appendix A**.

Cyber Security

The Authority's cybersecurity program protects against financial loss, data theft, and—most critically—disruption or compromise of treatment, collection, and distribution systems. The program addresses threats from foreign non-state actors, ransomware groups, and domestic malicious actors targeting the water sector. The Authority manages a hybrid Information and Operational Technology environment supporting water, wastewater, and solid waste operations across multiple facilities. Administrative systems are hosted in a secure private cloud; SCADA and operational control systems are managed on-premises. The environment includes enterprise IT, SCADA/ICS, GIS, ERP, and cloud collaboration platforms.

The Service Area

General Description

The Authority provides wholesale water and wastewater service to the City through its Department of Public Utilities and to portions of the County through ACSA. The Service Area includes the entire City (an area of approximately 10.4 square miles) and the portions of the County immediately surrounding the City, north of the City to the Albemarle County-Greene County line, west of the City towards the Town of Crozet (including the Town of Crozet), east of the City towards the Keswick-Shadwell area, and the Town of Scottsville in the southeast section of the County. The Urban Wastewater service area includes the Town of Crozet and certain contiguous parts of the County. The total Service Area comprises approximately 99 square miles.

Location

The City and the surrounding County are located in north central Virginia, approximately 70 miles west of Richmond and 115 miles southwest of Washington, D.C. The Charlottesville-Albemarle County area encompasses approximately 740 square miles, with the Charlottesville metropolitan area accounting for about one-third of the land area. The area is traversed by three major highways: Interstate 64, connecting to Interstate 81 and Interstate 95, and U.S. 250 (East/West) and U.S. 29 (North/South). Rail service is provided by CSX, the Norfolk Southern Railway and AMTRAK. The area is served by the Charlottesville-Albemarle Airport, which has daily flights from a number of major airlines, as well as commuter flights to Washington, D.C., Pittsburgh, New York, Atlanta and other cities.

Population

The Charlottesville-Albemarle metropolitan area has experienced steady population growth in recent years. The population is concentrated generally in the areas in and around the City, northerly along U.S. 29, and westerly toward the Town of Crozet. The following table presents data concerning the population of the Charlottesville-Albemarle area:

Year	Charlottesville	Albemarle County	Total
2000	40,099	84,186	124,285
2010	43,435	99,010	142,445
2020	46,553	112,395	158,948
2021	46,597	113,535	160,132
2022	46,289	114,534	160,823
2023	45,863	115,676	161,539
2024	45,437	117,313	162,750
2025	46,923	119,479	166,402

Sources: U.S. Bureau of Census; Weldon Cooper Center for Public Service, University of Virginia as of February 24, 2026.

Income

The following table provides comparative information regarding per capita personal income in the City and in the County.

	Per Capita Income Comparison 2020-2025					
	2020	2021	2022	2023	2024	2025
Charlottesville/Albemarle County	75,950	88,988	95,588	104,898	110,137*	-
Richmond	62,644	69,384	72,510	76,702	80,007*	-
Roanoke	45,852	50,265	52,651	56,184	59,053*	-
Virginia	61,451	67,214	69,581	73,912	77,277	80,291
United States	59,151	64,692	66,303	70,013	73,227	76,393

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

*Latest available information.

Economic Activity and Employment

The Charlottesville–Albemarle region serves as a regional employment and activity center anchored by healthcare and advanced manufacturing, defense and intelligence operations and higher education. Albemarle County and Charlottesville sales tax revenues have increased roughly 22% and 12%, respectively, over the last 5 years according to the Virginia Department of Taxation’s recent estimates. This shows retail sales growth outpacing population growth and can reflect income, tourism and inflation growth over that period.

Key Indicators

Albemarle County

- Population: 118,356
- Unemployment rate: 3.0%
- Median household income: \$102,262

City

- Population: 44,767
- Unemployment rate: 2.6%
- Median household income: \$74,824

Recent and planned economic development activity within the Service Area is expected to support long-term employment growth and population inflows, which in turn may increase demand for water and wastewater services. While such growth may enhance the long-term revenue base of the system, it also necessitates ongoing investment in infrastructure to maintain capacity, reliability, resiliency and regulatory compliance.

Healthcare and Advanced Manufacturing Expansion

The most significant recent economic development in the region is AstraZeneca’s \$4.5 billion investment to establish two next-generation biopharmaceutical manufacturing facilities at the Rivanna Futures site in northern Albemarle County. Announced in October 2025, the project includes drug-substance manufacturing for chronic disease therapies and advanced antibody-drug conjugate production for oncology treatments. The facilities are expected to generate approximately 600 high-skill direct jobs and several thousand indirect and construction-related jobs, making this the largest single manufacturing investment in Albemarle County’s history.

This project significantly elevates Albemarle County’s position within Virginia’s life sciences and biotechnology ecosystem, complementing existing research assets and reinforcing the County’s strategic focus on innovation-driven growth. A flagship manufacturer can attract related firms (specialty suppliers, labs, QA/QC services, cold chain logistics) and strengthen the region’s life-sciences identity. It also drives substantial secondary impacts, including increased demand for utilities, transportation infrastructure, housing, and professional services.

Defense, Intelligence, and National Security Sector Growth

The region’s defense and intelligence sector continues to be a major economic pillar, centered on Rivanna Station and associated federal and contractor activity. A 2023 economic impact study conducted by the Weldon Cooper Center for Public Service estimated the defense industry’s annual regional economic impact at over \$1.2 billion, making it the second-largest economic driver in the area after the University of Virginia.

Recent County actions, including land acquisition and long-term planning under the “Rivanna Station Futures” initiative, are intended to support continued expansion of defense-related facilities and employment. This sector provides relatively stable, high-wage jobs and has proven resilient across economic cycles.

University of Virginia - Regional Economic Anchor

The University of Virginia remains the dominant economic engine for both Albemarle County and the City of Charlottesville. According to the University's FY 2024 Economic Impact Report, UVA generated \$11.9 billion in total statewide economic impact, supported more than 67,000 jobs, and produced \$455 million in government revenues. Much of that economic impact is within the Charlottesville/Albemarle area.

Locally, UVA Health, research initiatives, and federal contracts—particularly in data science, artificial intelligence, and national security—continue to stimulate private-sector spin-offs, workforce demand, and infrastructure investment. Construction funding over the next five years is expected to be approximately \$1.35 billion as reported in the University's capital improvement plan.

UVA also impacts the tourism industry with the recently completed Virginia Guesthouse Hotel and Conference center. This is a 214-room, 223,000 square foot hotel on the Emmet-Ivy Road corridor and serves as a grand gateway into the heart of UVA Grounds. It is in the heart of the city and sits adjacent to the newly constructed School of Data Sciences. This facility has over 25,000 square feet of meeting and event space and was recently opened on April 6, 2026.

AstraZeneca Biopharmaceutical Company

AstraZeneca, a manufacturer of prescription medicines, has announced plans to construct a multi-building complex located at the northern reach of the Authority's drinking water and wastewater systems off US Route 29 near the University of Virginia Foundation's North Fork Discovery Research Park. Initial estimates indicate the average day drinking water demand of the AstraZeneca complex will be about 1 MGD, a 10% increase in the demand to the Authority's, and the wastewater discharge of about 0.5 MGD will require on-site pretreatment by the development to maintain compliance with the discharge limits of the Authority's wastewater treatment processes, facilities, and VDEQ permit. The Authority anticipates construction of additional water pumping, piping and storage infrastructure totaling about \$40 million as well as about \$20 million in wastewater piping to support the development over the next five years. Such costs will be supported by the Authority's wholesale charges to the Albemarle County Service Authority, the retail provider directly serving AstraZeneca.

Tourism

Tourism is a major economic driver for both Charlottesville and Albemarle County, functioning as a key source of spending, employment, tax revenue, and broader business activity and results in nearly \$1.0 billion in annual visitor spending. Tourism supports roughly 7,100 jobs in the Charlottesville/Albemarle area, providing diversification away from institutional and public-sector employment reliance.

Tourism increases demand or promotes:

- Water and wastewater (hotels, restaurants, wineries, events);
- Peak-period usage (weekends, events, seasonal surges);
- Diversifies economic base:
 - Supports restaurants, wineries, breweries, and agritourism;
 - Drives demand for event services (weddings, conferences, festivals);
 - Benefits indirect sectors such as logistics, cleaning, and professional services; and
 - Enhances rate base utilization without requiring proportional population growth.

Major Employers

The following table provides information about some of the major employers in the Charlottesville-Albemarle area as of the fourth quarter of 2025:

Major Employers in the County

Employer Name	Type of Business	Approximate Number of Employees
University of Virginia/Blue Ridge Hospital	Educational Services / Hospital	1,000+
Albemarle County/Albemarle Schools	Local Government / Education	1,000+
Sentara Martha Jefferson Hospital	Hospital	1,000+
U.S. Department of Defense	Federal Government	500 – 999
Crutchfield Corporation	Retail	250 – 499
Northrup Grumman Corporation	Manufacturing	250 – 499
Walmart	Retail	250 – 499
Piedmont Virginia Community College	Educational Services	250 – 499
Atlantic Coast Athletic Club	Fitness	250 – 499
Boar's Head Inn	Hospitality	250 – 499

Source: The County's Annual Comprehensive Financial Report for Fiscal Year 2025.

Major Employers Located in the City

Name	Type of Business	Approximate Number of Employees
University of Virginia/Blue Ridge Hospital	Hospital	1,000+
UVA Health Services Foundation	Healthcare	1,000+
City of Charlottesville	Government Support	1,000+
Charlottesville City School Board	Educational Services	1,000+
Servicelink Management Com Inc.	Financial Services	500 to 999
Morrison Crothall Support	Healthcare	250 to 499
County of Albemarle	Government Support	250 to 499
ADP Totalsource	Human Resource Management	250 to 499
General Atomics	Technology	250 to 499
Integrity Cleaning Service LLC	Cleaning Service	250 to 499

Source: City of Charlottesville Comprehensive Annual Financial Report for fiscal year ended June 30, 2025.

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Unemployment Rates

The following table presents comparative information concerning unemployment rates in the Charlottesville-Albemarle area.

Average Annual Unemployment Rates

Year	Charlottesville	Albemarle County	Virginia	United States
2016	3.4%	3.6%	4.0%	4.9%
2017	3.1	3.3	3.6	4.4
2018	2.6	2.7	3.0	3.9
2019	2.4	2.5	2.8	3.7
2020	6.9	5.6	6.5	8.1
2021	3.7	3.3	3.9	5.3
2022	2.5	2.5	2.7	3.6
2023	2.3	2.5	2.7	3.6
2024	2.5	2.7	2.9	4.0
2025*	2.9	3.1	3.4	4.3

Source: U.S. Bureau of Labor Statistics.

Utility Systems Served by the Authority

City of Charlottesville

The operations of the water and sewer system of the City are administered by the City's Department of Public Utilities under the Director of the Department and the City Manager, who administers all of the City's daily operations. The City Manager is appointed by and serves at the pleasure of a five-member City Council elected at-large. Selected financial information regarding the City is included in this Official Statement as **Appendix C**.

The Department of Public Utilities is responsible for all maintenance, repairs and new installations of the City's approximately 179-mile water system and its approximately 169-mile wastewater collection system. The water utility has approximately 14,538 hook-ups with the wastewater utility having approximately 14,450 connections. The department employs approximately 36 persons in water/wastewater related capacities.

Charges for water and sewer services are billed monthly to customers by the City's Department of Finance and are payable upon presentation. Unpaid bills are charged a penalty of 1.5% per month after 30 days. Final notices are sent if charges remain unpaid after 45 days, with service subject to being disconnected if payment is not made within 10 days after notification. A reconnection fee of \$30 is charged.

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Data of the City's largest water and wastewater customers as of Fiscal Year 2025 and its utility rates for the new Fiscal Year 2027 are shown below.

**Largest Customers of City Water and Wastewater Systems
(Fiscal Year 2025)**

	Water		
	Water Consumption (in cubic feet)	Billed Revenue	Percentage of Total Revenue
Customer			
University of Virginia	55,276,196	\$4,385,058	24.0%
Pepsi Cola	4,253,940	345,217	1.9
KRE UP III Pavilion Owner, LLC	1,519,020	124,525	0.7
Charlottesville VA Student Housing Lease Co., LLC	1,288,960	104,427	0.6
Omni Charlottesville Hotel	1,259,960	106,435	0.6
PPF SH 853 West Main Street LLC	1,117,380	91,523	0.5
City Walk	1,018,080	85,543	0.5
Piedmont Family YMCA, Inc.	914,338	76,842	0.4
KRE UP III Grandmarc Owner LLC	893,040	70,905	0.4
Tiger Fuel Co	833,391	68,670	0.4
TOTALS	68,374,305	\$5,459,145	30.0%

	Wastewater		
	Wastewater Consumption (in cubic feet)	Billed Revenue	Percentage of Total Revenue
Customer			
University of Virginia	55,276,196	\$5,145,287	29.4%
KRE UP III Pavilion Owner, LLC	1,519,020	141,656	0.8
Charlottesville VA Student Housing Lease Co., LLC	1,288,000	121,271	0.7
PPF SH 853 West Main Street LLC	1,117,380	104,598	0.6
Piedmont Family YMCA, Inc.	914,338	84,224	0.5
KRE UP III Grandmarc Owner LLC	893,040	84,526	0.5
Tiger Fuel Co	833,391	77,567	0.4
Pepsi Cola	754,640	71,803	0.4
Allied Concrete	620,280	57,897	0.3
Albemarle Suites, LLC	612,732	57,187	0.3
TOTALS	63,829,017	\$5,946,016	33.9%

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The monthly service charges and volumetric rates imposed on City customers for water and wastewater are shown below. These rates became effective July 1, 2026.

City Water Rates for Fiscal Year 2027
(per 1,000 Cubic Feet)

Water:	
Summer	\$113.49
Winter	87.31

Water Meter Size (inches)	Monthly Service Charge
5/8	\$ 12.50
1	31.25
1.5	62.50
2	100.00
3	200.00
4	312.50
6	625.00
14	\$4,093.75

City Wastewater Rates for Fiscal Year 2027
(per 1,000 Cubic Feet)

Wastewater	\$99.20
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Water Meter Size (inches)	Monthly Service Charge
5/8	\$ 12.50
1	31.25
1.5	62.50
2	100.00
3	200.00
4	312.50
6	625.00
14	\$4,093.75

Source: Department of Finance, City of Charlottesville

Albemarle County Service Authority

The County currently provides all of its retail water and sewer service through ACSA. ACSA was created by the County Board of Supervisors in April 1964 to provide retail water and wastewater service to the areas of the County included in the Service Area. ACSA is administered by an Executive Director appointed by a six-person board of directors, the members of which are appointed by the County Board of Supervisors. ACSA employs approximately 88 persons. Selected financial information regarding ACSA is included in this Official Statement as **Appendix D**.

The ACSA systems include water distribution and wastewater collection facilities located in three service areas. These are the Urban Service Area in the Charlottesville vicinity, the Crozet Service Area and the Scottsville Service Area. The area served by ACSA encompasses approximately 90 square miles.

ACSA's system for finished water delivery currently comprises 380 miles of water lines, seven water storage tanks, eight water pumping stations and 3,146 fire hydrants supplying 23,064 service connections (approximately 38,420 equivalent residential units). For the fiscal year ended June 30, 2025, the Authority sold approximately 1.8 billion gallons of finished water.

The Authority's sewer system currently consists of 321 miles of sewer collector lines (including more than 2.5 miles of force mains) and 10 sewage pumping stations serving the same basic areas as the water system. Nearly all the sewerage collected by the Authority is treated at the Rivanna Authority's Moore's Creek Advanced Wastewater Treatment Plant Capacity 15 mgd. The Authority has 20,400 sewer connections. For the fiscal year ended June 30, 2025, customers were billed for approximately 1.6 million gallons of sewer collected.

Charges are billed by ACSA monthly and are due upon presentation. Bills remaining unpaid after 30 days are considered past due. Final notification of past due accounts are sent after the 30 days, with service subject to disconnection 15 days later. A reconnection fee of \$40 is charged during normal business hours; the reconnection fee is raised to \$90 after normal work hours and on weekends.

The following information provides data on ACSA's largest customers for Fiscal Year 2025 and the percent of its total sales.

**Largest Customers of ACSA Water and Wastewater Systems
(Fiscal Year 2025)**

Customer	Water		Wastewater	
	Billed (in gallons)	Percentage of Total Water Sales	Billed (in gallons)	Percentage of Total Water Sales
Martha Jefferson Hospital	\$ 26,121,926	1.45%	\$ 16,684,758	1.07%
PR Charger C'ville Holdings	25,905,902	1.44	25,905,902	1.66
University of Virginia	24,442,581	1.36	24,364,052	1.56
County of Albemarle ⁽¹⁾	21,801,642	1.21	-	-
Four Seasons Apartments	21,463,056	1.19	21,463,056	1.38
Southwood Mobile Homes	21,208,830	1.18	22,980,200	1.48
Turtle Creek Apartments	19,137,135	1.07	19,080,246	1.23
SEMF Charleston	17,751,621	0.99	17,751,621	1.14
Westminster Canterbury	17,259,880	0.96	16,445,880	1.06
Barracks West Apartments	16,889,102	0.94	16,799,102	1.08
Westgate Apartments ⁽²⁾	-	-	14,270,934	0.92
TOTALS	\$211,991,675	11.80%	\$195,745,751	12.57%

Source: Albemarle County Service Authority

⁽¹⁾ Top ten water customer, but not top ten wastewater customer.

⁽²⁾ Top ten wastewater customer, but not top ten water customer.

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ACSA Water and Sewer Rates

The following table provides water and sewer rates charged by ACSA for the five fiscal years ended June 30, 2027:

	2023	2024	2025	2026	2027
Monthly Service Charge⁽¹⁾	\$ 9.45	\$10.40	\$11.13	\$12.24	\$14.32
Water Volume (per 1,000 gallon metered consumption)					
Single-Family Residential					
0 – 3,000 gallons	\$ 5.05	\$ 5.56	\$ 5.95	\$ 6.55	\$ 7.66
3,001 – 6,000 gallons	10.14	11.15	11.93	13.12	15.35
6,001 – 9,000 gallons	15.19	16.71	17.88	19.67	23.01
Over 9,000 gallons	20.27	22.30	23.86	26.25	30.71
Multi-Family/Non-Residential					
All Metered Consumption	\$10.14	\$11.15	\$11.93	\$13.12	\$15.35
Sewer Volume	\$10.24	\$11.06	\$11.83	\$12.78	\$13.16

Source: Albemarle County Service Authority

⁽¹⁾ Monthly Service charge varies based on meter size. The amount represented here is for a standard 3/4" meter.

THE SERVICE AGREEMENT

The following is a summary of certain terms of the Service Agreement that was entered into by the Political Subdivisions (the City, the County, ACSA and the Authority) as of June 12, 1973. The form of the original Service Agreement is reproduced (without certain exhibits or supplements thereto) as **Appendix B** to this Official Statement.

Terms of Agreement

The initial term of the Service Agreement expires on the later of June 30, 2012, or on such date as all Bonds shall have been paid or provisions shall have been made for their payment. The Service Agreement will continue in effect past such date, however, until terminated by the City, the County, ACSA or the Authority. No such termination shall become effective until two years after written notice has been given to each of the other parties. The Service Agreement can be amended or modified only with the consent of each of the Political Subdivisions and the Trustee and only in a manner that does not impair the security afforded for payment of the principal of and premium, if any, and interest on the Bonds.

Purchase of Existing Facilities

Under the terms of the Service Agreement, the Authority was obligated to acquire, and the City and ACSA were required to sell, subject to certain conditions, certain water impoundment, production, transmission and storage facilities and certain wastewater interception, treatment and discharge facilities owned by the City or ACSA (the "Existing Facilities"). The purchase of each of the Existing Facilities was required to be consummated on June 12, 1983, or at such later time as the debts, if any, of the City or ACSA, as the case may be, attributable to such facility shall have been paid or provision shall have been made for their payment. Pending consummation of the purchase of the Existing Facilities, the Authority was required to lease the facilities from the City or ACSA, as the case may be. In consideration of the lease of each such facility, the Authority was required to pay to the City or ACSA an annual rental payment sufficient to pay the debt service on bonds of the City or ACSA, if any, attributable to such facility. The portion of the lease payments made by the Authority before settlement representing principal payments on debt of the City or ACSA attributable to each facility was required to be deducted from the purchase price to be paid by the Authority. The purchase price for each of the Existing Facilities was the fair market value of the facility as of June 12, 1973, as determined by the consulting engineers, less such amounts as were paid to the City or ACSA, as the

case may be, on account of debt retirement. If payment for any facility was not made when due, interest was imposed on the unpaid purchase price at the rate of 6% per annum until paid. The debt attributable to the City's facilities was paid in full and the City transferred its facilities to the Authority by Deed and Bill of Sale dated June 13, 1983. A portion of the debt attributable to the ACSA's facilities was paid and ACSA transferred to the Authority the North Rivanna facilities and the Camelot wastewater treatment plant (which plant became redundant and was subsequently taken out of service) by Deeds dated June 30, 1983 and May 9, 1989. The balance of the Authority's obligations to ACSA on the remaining facilities for Crozet and Scottsville were forgiven by ACSA retroactively effective June 30, 2004, by resolution of ACSA's Board of Directors adopted on August 19, 2004, and the ACSA debt on those remaining facilities was paid in 2008. The transfer of the remaining facilities from ACSA and the County has now been completed.

Construction of New Facilities

The Authority is required under terms of the Service Agreement to provide water facilities and wastewater facilities required by regulatory bodies. The Authority is also required to undertake to provide any additional water or wastewater facilities as may be agreed upon by the City, ACSA and the Authority. The obligation of the Authority to provide such facilities is subject to the availability of the necessary funds, including funds from the issuance of Bonds, upon terms the Authority deems reasonable. In the event the City or ACSA requests additional facilities, the Authority shall provide the requested facilities at the sole cost of the City or ACSA, as the case may be.

Production and Delivery of Water, Treatment of Wastewater

The Authority shall produce and deliver potable water to the City and ACSA at specified delivery points in accordance with their needs and within the limitations of available supply. The Political Subdivisions covenant not to produce or sell potable water obtained from any source other than the Authority.

The Authority shall accept and treat all wastewater delivered by the City and ACSA up to their allocated plant capacities. The City and ACSA shall not permit or provide for treatment of wastewater collected by them in any other manner. The City and ACSA each covenant not to exceed their respective allocated plant capacities. If the Authority advises the City or the County and ACSA, as the case may be, that the average flow for any three consecutive months has reached 95% of its allocated plant capacity, the City or County is required to suspend issuance of permits for construction in the affected area until its capacity is increased by reallocation or until it is advised that additional wastewater may be delivered to the Authority.

Production of water and treatment of wastewater shall meet or exceed all applicable standards of regulatory bodies.

Rates, Charges and Payments

The Authority shall fix and determine rates for water furnished to and wastewater delivered by the City and ACSA at levels necessary to provide funds, together with other funds that may be available, sufficient at all times to pay the costs of operation and maintenance of the System, as the same may exist from time to time, including debt service attributable to the Existing Facilities, and the principal of, premium, if any, and interest on the Bonds (and any Additional Bonds), as the same become due, and reserves therefor.

The Authority may present charges to the City and ACSA based on budget estimates and subject to adjustments on the basis of an independent audit at the end of each Fiscal Year. All charges by the Authority are payable upon presentation. (Rates and charges established by the Authority are based on various factors as discussed more fully in the section "**Authority's Rates and Charges.**") The City and ACSA covenant to pay such charges promptly when due; however, neither is obligated to pay such charges except from revenues received from the charges to be paid by the users of its water and sewer systems and available to it for such purposes, including availability, connection, consumption and service charge or fees and any other revenues of such systems. The City and ACSA covenant to fix and collect from the users of their water and sewer systems charges sufficient to make the payments to the Authority required under the Service Agreement. Under the Enabling Act, the Authority and ACSA are each

required to hold a public hearing before fixing any rate, fee or charge for sewage disposal. See the section **“Rate Regulation.”**

Supplements to the Service Agreement

From time to time, all four parties to the Service Agreement (the Authority, the City, the County and ACSA), or the Authority, the City and ACSA, have entered into various supplements or amendments to the Service Agreement and project agreements related to new water and wastewater facilities as contemplated by the Service Agreement (collectively, the “Supplements”) as follows:

(1) Joint Resolution dated January 1983, adopted by all four parties to the Service Agreement, as clarified by Resolution of ACSA dated March 17, 1983, and by Resolution of the City dated May 2, 1983, pursuant to which the County directed the Authority to administer certain functions required under the County’s Runoff Control ordinance and the City and ACSA directed the Authority under Section 4.3 of the Service Agreement to purchase certain properties along Buck Mountain Creek for a future reservoir. The City and ACSA agreed to collect a surcharge for new water service connections to finance, in part, such property acquisitions.

(2) Working Agreement on Urban Area Wholesale Flow Allocation and Billing Methodology dated January 24, 1983, pursuant to which the Authority, the City and ACSA agreed upon certain methods to implement the determination of water and wastewater charges under Section 7.5 of the Service Agreement.

(3) Agreement dated October 26, 1987, pursuant to which the City and ACSA directed the Authority under Section 4.3 of the Service Agreement to construct the Southern Loop Project extending its water storage transmission system around the southern side of the City and agreed to a cost allocation between the City and ACSA for the project.

(4) The Memorandum/Agreement dated December 1, 2003, pursuant to which the Authority, the City and ACSA agreed to certain water treatment plant capacity, safe yield and cost allocations for operational and capacity expansion upgrades at the South Rivanna Water Treatment Plant and a proposed increase in height of the South Fork Rivanna River Dam. The treatment plant upgrades were completed, but the City and ACSA subsequently agreed not to increase the height of the dam.

(5) Ragged Mountain Dam Project Agreement dated as of January 1, 2012, pursuant to which the City and ACSA directed the Authority under Section 4.3 of the Service Agreement to construct a new dam at the Ragged Mountain Reservoir and a pipeline between the South Fork Rivanna Reservoir and Ragged Mountain Reservoir.

(6) Water Cost Allocation Agreement dated January 1, 2012, pursuant to which the City, ACSA and the Authority agreed to a cost allocation for the Ragged Mountain Dam and South Fork Rivanna Reservoir to Ragged Mountain Reservoir pipeline.

(7) The Wastewater Projects Cost Allocation Agreement dated April 22, 2014, by and among the Authority, the City and ACSA, pursuant to which the City and ACSA allocated costs of both capacity and non-capacity related wastewater projects.

(8) Amendment No. 1 to Service Agreement dated October 27, 2015, among the City, ACSA, the County and the Authority, providing for the assessment of Debt Service Charges separate from water and wastewater rates.

(9) Observatory Water Treatment Plant, Raw Water Pumping and Piping Upgrade Cost and Capacity Allocation Agreement dated as of January 28, 2020, providing for allocation of non-capacity related portion of the project will be shared 48 percent to the City and 52 percent to ACSA, and allocation of the capacity related portion of the raw water pumpstation costs will be shared 28 percent to the City and 72 percent to ACSA.

(10) Northern Area Drinking Water Projects Agreement dated as of June 14, 2022, providing for all capital projects north of the South Rivanna River will be funded 100 percent by the ACSA through the debt service

charges applied to the ACSA payments, with the exception of the decommissioning of the North Rivanna Treatment Plant.

(11) First Amendment to Ragged Mountain Dam Project Agreement dated as of December 19, 2023 (as amended and supplemented), providing for removing the restriction on raising the Existing Reservoir Pool Level twelve (12) feet to the Additional Pool Level or 683 feet above mean sea level.

None of the Supplements amends or modifies the undertaking of the City and ACSA to pay the Authority's Rates and Charges as provided in the Service Agreement. Copies of the Supplements are available from the Trustee or from the Authority's Director of Finance, 695 Moores Creek Lane, Charlottesville, Virginia 22902-9016.

THE TRUST AGREEMENT

The following is a summary of certain provisions of the Trust Agreement. Other provisions are summarized in the section **"Security for the Series 2026 Bonds."** Such summaries do not purport to be comprehensive and definitive and are qualified by reference to the Trust Agreement, copies of which may be obtained at the office of the Authority.

Additional Bonds

Under certain conditions set forth in the Trust Agreement the Authority may, at any time while it is not in default under the Trust Agreement, issue one or more series of Additional Bonds, equally and ratably secured with the Outstanding Bonds (1) to pay the cost of completion of the initial Project, (2) to pay the cost of acquiring or constructing water storage, treatment and transmission facilities and sewage interception, transmission, treatment and disposal facilities or other improvements, extensions, additions or replacements to the System that are of such nature as to be chargeable to fixed capital account by generally accepted accounting principles, (3) to refund any of the Bonds then outstanding, or (4) for any combination of such purposes.

Among the required conditions set forth in the Trust Agreement provisions allowing the issuance of Additional Bonds are, (a) in the case of such Bonds issued to pay the cost of completing the initial Project or to acquire or construct additional facilities, evidence that the proceeds of such Bonds, together with other available amounts, is sufficient to pay such costs, that the Debt Service Reserve Fund will contain the Required Reserve and, if the issuance will increase the size of the Required Reserve by more than 20%, that the Authority has rates in effect or scheduled to go into effect sufficient to pay operating expenses and debt service (taking into account completion of the Project or such additional facilities and issuance of the Additional Bonds), and (b) in the case of refunding Bonds, evidence that the Authority has provided for the payment or redemption of all Bonds to be refunded and that proceeds of the Additional Bonds, other available amounts and earnings thereon will be sufficient to pay the principal of and premium, if any, and interest on the Bonds to be refunded and the expenses incident to such refunding, and (i) a determination by the Trustee that after issuance of such Additional Bonds, the annual debt service requirements for each Fiscal Year in which Bonds will be outstanding will not be more than such requirements before issuance of the Additional Bonds, or (ii) a report by a consulting engineer that projects the Authority's operating expenses and revenues for each of the three Fiscal Years following such issuance and states that, on the basis of such projection, the Authority has rates in effect or scheduled to go into effect sufficient to pay such operating expenses and debt service requirements on all Bonds outstanding after issuance of the Additional Bonds. For certain amendments affecting the application of the conditions to the issuance of Additional Bonds, see the section herein **"Proposed Amendments to Trust Agreement."**

Pledge of Moneys and Funds

The Authority pledges all moneys to be derived from the ownership or operation of the System and all moneys in the Construction Fund, the Operating Fund, the Bond Fund, the Debt Service Reserve Fund, and the Improvement Fund to the payment of the principal of and interest on the Bonds, subject only to the right of the Authority to make application thereof to other purposes as provided in the Trust Agreement.

Establishment of Funds

In addition to the Construction Fund into which proceeds of Bonds and other funds received by the Authority for construction are required to be deposited, the following funds are established by the Trust Agreement:

- (1) Operating Fund, held by the Authority;
- (2) Bond Fund, which contains an Interest Account, a Principal Account, a Sinking Fund Account and [several Series Accounts established for certain Bonds for which debt service is payable with a different frequency], held by the Trustee;
- (3) Debt Service Reserve Fund, held by the Trustee;
- (4) Facilities Lease Fund, which is held by the Authority but is no longer necessary to be funded;
- (5) Improvement Fund, held by the Authority; and
- (6) Rate Stabilization Fund (Urban Area Wastewater Facilities), which is held by the Authority but is no longer necessary to be funded.

Operating Fund

All revenues received by the Authority for the use of and for services furnished by the System (other than funds collected for and deposited into any rate stabilization fund) will be deposited in the Operating Fund as received. The Authority must pay operating expenses from the Operating Fund as the same become due and in accordance with the Annual Budget, as defined in the Trust Agreement. To the extent that moneys in the Operating Fund exceeds 20% of the operating expenses as estimated in the Annual Budget, or such smaller percentage as the Authority may from time to time determine, such excess moneys will be used to make the required transfers to the Bond Fund, the Debt Service Reserve Fund and the Improvement Fund. Such transfers will be made as of the first day of each month, but not later than the tenth day thereof.

Bond Fund

The Authority will transfer from available moneys in the Operating Fund to the Trustee for deposit in the Bond Fund such amounts as necessary to make the following deposits in the following order:

- (1) Series 2005A Debt Service Account. There will be deposited in the Series 2005A Debt Service Account the next finance payment, if any, as required by the Financing Agreement dated as of November 1, 2005, between the Authority and the Virginia Resources Authority due on the Series 2005A Bond within the next six succeeding months.
- (2) Series 2009A Debt Service Account. There will be deposited in the Series 2009A Debt Service Account the next finance payment, if any, as required by the Financing Agreement dated as of August 1, 2009, between the Authority and the Virginia Resources Authority due on the Series 2009A Bond, within the next six succeeding months;
- (3) Series 2010A Debt Service Account. There will be deposited in the Series 2010A Debt Service Account the next finance payment, if any, as required by the Financing Agreement dated as of June 1, 2010, between the Authority and the Virginia Resources Authority due on the Series 2010A Bond, within the next six succeeding months;
- (4) Series 2011A Debt Service Account. There will be deposited in the Series 2011A Debt Service Account the next finance payment, if any, as required by the Financing Agreement dated as of March 1, 2011, between the Authority and the Virginia Resources Authority due on the Series 2011A Bond, within the next six succeeding months;

(5) Series 2011B Debt Service Account. There will be deposited in the Series 2011B Debt Service Account the next finance payment, if any, as required by the Financing Agreement dated as of March 1, 2011, between the Authority and the Virginia Resources Authority due on the Series 2011B Bond, within the next six succeeding months;

(6) Series 2011D Debt Service Account. There will be deposited in the Series 2011D Debt Service Account the next finance payment, if any, as required by the Financing Agreement dated as of September 1, 2011, between the Authority and the Virginia Resources Authority due on the Series 2011D Bond, within the next six succeeding months;

(7) Series 2011E Debt Service Account. There will be deposited in the Series 2011E Debt Service Account the next finance payment, if any, as required by the Financing Agreement dated as of September 1, 2011, between the Authority and the Virginia Resources Authority due on the Series 2011E Bond, within the next six succeeding months;

(8) Series 2014A Debt Service Account. There will be deposited in the Series 2014A Debt Service Account the next finance payment, if any, as required by the Financing Agreement dated as of March 1, 2014, between the Authority and the Virginia Resources Authority due on the Series 2014A Bond, within the next six succeeding months;

(9) Series 2015A Debt Service Account. There will be deposited in the Series 2015A Debt Service Account the next finance payment, if any, as required by the Financing Agreement dated as of June 1, 2015, between the Authority and the Virginia Resources Authority due on the Series 2015A Bond, within the next six succeeding months;

(10) Series 2015B Debt Service Account. There will be deposited in the Series 2015B Debt Service Account the next finance payment, if any, as required by the Local Bond Sale and Financing Agreement dated as of September 25, 2015, between the Authority and the Virginia Resources Authority due on the Series 2015B Bond, within the next six succeeding months;

(11) Series 2018 Debt Service Account. There will be deposited in the Series 2018 Debt Service Account the next finance payment, if any, as required by the Local Bond Sale and Financing Agreement dated as of September 21, 2018, between the Authority and the Virginia Resources Authority due on the Series 2018 Bond, within the next six succeeding months;

(12) Series 2019 Debt Service Account. There will be deposited in the Series 2019 Debt Service Account the next finance payment, if any, as required by the Local Bond Sale and Financing Agreement dated as of October 22, 2019, between the Authority and the Virginia Resources Authority due on the Series 2019 Bond, within the next six succeeding months;

(13) Series 2021 Debt Service Account. There will be deposited in the Series 2021 Debt Service Account the next finance payment, if any, as required by the Local Bond Sale and Financing Agreement dated as of September 17, 2021, between the Authority and the Virginia Resources Authority due on the Series 2021 Bond, within the next six succeeding months;

(14) Series 2024 Debt Service Account. There will be deposited in the Series 2024 Debt Service Account the next finance payment, if any, as required by the Local Bond Sale and Financing Agreement dated as of June 14, 2024, between the Authority and the Virginia Resources Authority due on the Series 2024 Bond, within the next six succeeding months;

(15) Interest Account. There will be deposited in the Interest Account such amount, if any, as may be required to make the total amount on deposit therein equal to the amount of interest which will become due on the Bonds *other than* the Series 2005A Bond, the Series 2009A Bond, the Series 2010A Bond, the Series 2011A Bond, the Series 2011B Bond, the Series 2011D Bond, the Series 2011E Bond, the Series 2014A Bond, the Series 2015A, the Series 2015B Bond, the Series 2018 Bond, the Series 2019 Bond, the Series 2021, or the Series 2024 Bond, within

the next succeeding six months. The Trustee will pay interest on such Bonds from the Interest Account as the same becomes due.

(16) Principal Account. There will be deposited in the Principal Account such amount, if any, as may be required to make the total amount on deposit therein equal to the amount of principal of the Bonds, *other than* the Series 2005A Bond, the Series 2009A Bond, the Series 2010A Bond, the Series 2011A Bond, the Series 2011B Bond, the Series 2011D Bond, the Series 2011E Bond, the Series 2014A Bond, the Series 2015A Bond, the Series 2015B Bond, the Series 2018 Bond, the Series 2019 Bond, the Series 2021 Bond, or the Series 2024 Bond, maturing within the next succeeding twelve months. The Trustee will pay the principal of such Bonds from the Principal Account as they mature.

(17) Sinking Fund Account. There will be deposited in the Sinking Fund Account such amount, if any, as may be required to make the total amount on deposit therein equal to the amount of any sinking fund installment due within the next succeeding twelve months with respect to any Bonds which are issued as term bonds. The Trustee must redeem any Bonds which are issued as term bonds from the Sinking Fund Account. The Authority is entitled to a credit against sinking fund requirements for Bonds of a like maturity which have been redeemed or purchased and canceled (otherwise than through the operation of the sinking fund) or surrendered for cancellation and which have not theretofore been applied as a credit against any sinking fund requirement.

In the event balances in the accounts in the Bond Fund on any interest or principal payment date (whether at maturity or by mandatory sinking fund redemption) are insufficient for the purposes thereof, the Trustee must transfer to such accounts such amounts as may be necessary therefor (a) first from the appropriate rate stabilization fund, (b) then in the case of the Series 2005A Bond, the Series 2009A Bond, the Series 2010A Bond, the Series 2011A Bond, the Series 2011B Bond, the Series 2011D Bond and the Series 2011E Bond, from the Debt Service Reserve Fund and (c) then from the Improvement Fund. In the event the balances in any account in the Bond Fund on any interest or principal payment date (whether at maturity or by mandatory sinking fund redemption) exceed the amounts required by the Trust Agreement, such excess will be transferred to any other account in the Bond Fund the balance in which is insufficient for the purposes thereof in the following order of priority: Series 2005A Debt Service Account, Series 2009A Debt Service Account, Series 2010A Debt Service Account, Series 2011A Debt Service Account, Series 2011B Debt Service Account, Series 2011D Debt Service Account, Series 2011E Debt Service Account, Series 2014A Debt Service Account, Series 2015A Debt Service Account, Series 2015B Debt Service Account, Series 2018 Debt Service Account, Series 2019 Debt Service Account, Series 2021 Debt Service Account, Series 2024 Debt Service Account, Interest Account, Principal Account and Sinking Fund Account. If there is no insufficiency in any account in the Bond Fund, such excess will be transferred, if the Debt Service Reserve Fund does not then hold the Required Reserve to the Debt Service Reserve Fund and otherwise will be held in the account containing such excess to be credited against future deposits to such account.

Debt Service Reserve Fund

The Authority must maintain in the Debt Service Reserve Fund at all times the amount of the Required Reserve. The Debt Service Reserve Fund will be used to make transfers to the Bond Fund to the extent necessary to pay the principal of (whether at maturity or by mandatory sinking fund redemption) and interest on the Bonds as the same become due if the amounts on deposit therein are insufficient therefor. In the event the balance in the Debt Service Reserve Fund is less than the Required Reserve, the Trustee must transfer funds to the Debt Service Reserve Fund to restore the Required Reserve, to the extent and in the manner provided in the Trust Agreement, from excess funds in the Bond Fund. In the event the balance in the Debt Service Reserve Fund is less than the Required Reserve after transfers from the Bond Fund, the Trustee will so notify the Authority, which must deliver to the Trustee for deposit to the Debt Service Reserve Fund, as soon as practicable but in any event within ten days, funds sufficient to restore the Required Reserve, or such lesser amount as may be available, first, from any rate stabilization funds, then from the Improvement Fund, then from any other available source. In the event the balance in the Debt Service Reserve Fund exceeds the Required Reserve, at least semiannually, on April 1 and October 1, the excess will be transferred to the Bond Fund to be deposited, as directed by the Authority, in the Interest Account, the Principal Account or the Sinking Fund Account to be credited against future deposits to such accounts.

In lieu of the required amounts to be on deposit in the Debt Service Reserve Fund pursuant to the Trust Agreement, the Board may cause to be deposited to the credit of the Debt Service Reserve Fund a surety bond or an

insurance policy payable to the Trustee for the benefit of the Bondholders or a letter of credit entitling the Trustee to draw an amount equal to the difference between the Required Reserve and the sum then to the credit of the Debt Service Reserve Fund, if any, upon terms and conditions set forth in a supplement agreement.

By the terms of the Eighteenth Supplemental Agreement dated as of December 1, 2005, the Master Trust Agreement has been amended to permit the following: (1) the creation of series debt service reserve accounts that secure only a particular series of Bonds; (2) a particular series of Bonds to be issued without being secured by the existing Debt Service Reserve Fund or any series debt service reserve account created within such Fund; and (3) upon the substitution of a surety bond, insurance policy or letter of credit, any excess moneys on deposit in the Debt Service Reserve Fund (or any account therein) be transferred as directed by the Authority either (i) to the Bond Fund as a credit against future payments or (ii) to the Authority to be used for any lawful purpose that will not, in the opinion of Bond Counsel, adversely affect the tax-exempt status of any Bonds then outstanding the interest on which was intended upon issuance to be excluded from gross income for federal income tax purposes. Such amendments became effective on June 13, 2012. The Series 2026 Bonds will not be secured by the Debt Service Reserve Fund.

Improvement Fund

After making the transfers to the Bond Fund and the Debt Service Reserve Fund required by the Trust Agreement, the Authority will transfer to the Improvement Fund not less than \$50,000 per year from any available balance remaining in the Operating Fund until the balance in the Improvement Fund equals \$500,000 or such larger amount as may be determined by the Authority. Such amounts will be used (1) to pay the cost of operation, maintenance, repairs and replacements for the System for which the balance in the Operating Fund may be insufficient, (2) to pay the cost of replacements, extensions, or additions required to be charged to capital account by generally accepted accounting principles and which constitute or will constitute a part of the System; provided, however, that any such expenditure must be approved in writing by the Consulting Engineer in advance, and (3) upon notice by the Trustee that the balance in the Debt Service Reserve Fund is below the Required Reserve, for deposit in the Debt Service Reserve Fund to the extent and in the manner provided in the Trust Agreement. In the event the balance in the Improvement Fund is less than \$500,000, as a result of withdrawals therefrom, the Authority must charge and collect from the City and ACSA charges sufficient to reimburse the Improvement Fund within the later of four years of the period of time necessary to reimburse the Improvement Fund in annual installments of not less than \$50,000.

Investment of Funds

Any moneys held in the Construction Fund, the Operating Fund and the Improvement Fund will be separately invested and reinvested by the Authority or, in the case of the Construction Fund, by the Trustee as directed by an Authorized Representative of the Authority, in Investment Obligations, subject to the limitations stated below. Investment Obligations mean any of the following so long as such investments are authorized as investments for public funds by Section 2.2-4500 and 2.2-4501 of the Code of Virginia of 1950, as amended (the "Code of Virginia"), or other provision of law applicable to such investments:

(1) bonds, treasury notes and other evidences of indebtedness of the United States of America and securities unconditionally guaranteed as to the timely payment of principal and interest by the United States of America;

(2) obligations of Federal Land Banks, Federal Home Loan Banks, Federal Farm Credit Banks, Federal Intermediate Credit Banks, Federal Banks for Cooperatives, the Export-Import Bank, and such other U.S. government agencies as may be authorized with the consent of the Trustee;

(3) bonds, notes and other evidences of indebtedness of the Commonwealth of Virginia and securities unconditionally guaranteed as to the timely payment of principal and interest by the Commonwealth of Virginia;

(4) commercial paper with a maturity of 270 days or less rated by Moody's Investors Service, Inc. ("Moody's") within its ratings of prime 1 or prime 2, or by Standard & Poor's Corporation ("Standard & Poor's") within its ratings of A-1 or A-2, or by Fitch Investors Service within its ratings of F-1 or F-2, and which complies with the requirements of Section 2.2-4502 of the Code of Virginia;

(5) savings accounts, time deposits, certificates of deposit or other interest bearing accounts of any commercial bank, including the Trustee, within the Commonwealth of Virginia, provided that such funds are secured in the manner required by the Virginia Security for Public Deposits Act or any successor provision of law, and that no deposits made under this subsection must be made for a period in excess of 12 months;

(6) savings accounts and certificates of deposit of (a) savings and loan associations which are under supervision of the Commonwealth of Virginia and (b) Federal associations organized under the laws of the United States of America and under Federal supervision, but only to the extent that such accounts and certificates are fully insured by the Federal Savings and Loan Insurance Corporation or any successor Federal agency, provided that no deposits made under this subsection must be made for a period in excess of 12 months; and

(7) units representing beneficial interests in investment pools created pursuant to (a) the Investment of Public Funds and Local Government Investment Pool Act (Chapter 46, Title 2.2 of the Code of Virginia) or (b) the Government Non-Arbitrage Investment Act (Chapter 47, Title 2.2 of the Code of Virginia), or any successor provisions of law; provided, however, that the investment of such funds are restricted to investments listed in subsections (1) through (6) above.

Any moneys held in the Bond Fund and the Debt Service Reserve Fund will be separately invested and reinvested by the Trustee as directed by an Authorized Representative of the Authority in investments described in (1), (3), (5), (6) and (7), above, so long as such investments are authorized as investments of public sinking funds by Section 2.2-4500 of the Code of Virginia or other provision of law applicable to such investments.

An investment described in subsections (1), (2) and (3) above may be purchased by the Authority or the Trustee pursuant to a repurchase agreement that qualifies under the terms of the Trust Agreement.

All such investments will be held by or under the control of the holder of the funds created by the Trust Agreement and while so held will be deemed a part of the fund in which such moneys were originally held. The interest accruing from such investments and any profit realized thereon must be credited to such funds, and any loss resulting from such investments must be charged to such funds; provided, however, that the interest accruing from the investment of moneys held in the Debt Service Reserve Fund and any profit realized thereon must be deposited in the Interest Account in the Bond Fund.

Except as provided below, moneys in the funds created by the Trust Agreement may be invested in Investment Obligations (other than savings accounts, time deposits or certificates of deposits) without restriction as to maturities. Moneys in the Operating Fund and the Bond Fund may be invested in Investment Obligations of the following maturities:

- (a) Operating Fund - not to exceed one year;
- (b) Bond Fund - not to exceed the date on which such moneys will be needed to pay principal or interest on the Bonds; and
- (c) Debt Service Reserve Fund - not to exceed the later of ten years from the date of acquisition of the investment or the final maturity of the Bonds.

In computing the amount in any fund created by the Trust Agreement, obligations purchased as an investment of moneys therein must be valued at cost or the principal amount thereof, whichever is lower, exclusive of accrued interest other than accrued interest paid upon the purchase thereof but not yet received, except that investments in the Debt Service Reserve Fund must be valued at amortized cost. Amortized cost, when used with respect to securities purchased at a premium above or a discount below par, means the value as of any given date obtained by dividing the total premium or discount at which such securities were purchased by the number of interest payments remaining to maturity on such securities after such purchase and by multiplying the amount so calculated by the number of interest payment dates having passed since the date of such purchase; and (a) in the case of securities purchased at a premium by deducting the product thus obtained from the purchase price, and (b) in the case of securities purchased at a discount

by adding the product thus obtained to the purchase price. Valuation on any particular date will include the amount of interest then earned or accrued to such date on any moneys or investments in the Debt Service Reserve Fund.

Operation and Maintenance

The Authority must establish and enforce reasonable rules and regulations governing the use of and the services furnished by the System, maintain and operate the System in an efficient and economical manner pursuant to the Annual Budget of the Authority, maintain the System in good repair and sound operating condition and make all necessary repairs, replacements and renewals.

Consulting Engineer

The Authority must at all times employ as Consulting Engineer an engineering firm or individual engineer of recognized standing and experience in the field of public water and sewer systems.

Sale or Encumbrance and Creation of Liens

Neither the System nor any integral part thereof will be leased, sold, encumbered or otherwise disposed of, unless the proceeds of such disposition are sufficient to pay the principal of and premium, if any, and interest on all Bonds then outstanding and the proceeds are used for such purpose; with certain exceptions as stated in the Trust Agreement. The Authority must not create or suffer to be created any lien or charge upon the System or any part thereof or any lien or charge upon the revenues and other funds pledged in the Trust Agreement ranking equally with or prior to the lien and charge of the Bonds then outstanding, except as provided in the Trust Agreement

Insurance

The Authority must continuously maintain insurance (including a program of self insurance or use of a captive insurance company or association reasonably acceptable to the Trustee) against such risks as are customarily insured against by other public bodies owning and operating similar systems, paying as the same become due all premiums in respect thereto, including (1) insurance to the extent of the full replacement cost of all insurable portions of the System against loss or damage by fire and lightning, with broad form extended coverage endorsements, (2) insurance to the extent of \$1,000,000 per occurrence against liability for bodily injury and to the extent of \$100,000 per occurrence against liability for property damage, (3) workers' compensation insurance as required by the laws of the Commonwealth of Virginia, and (4) surety bonds on all members and employees of the Authority who may handle funds appertaining to the System. At the direction of the Authorized Representative of the Authority, the Trustee will apply so much as may be necessary of the net proceeds received on account of any damage or destruction of the System by fire or other casualty (a) to payment of the cost of the replacement, repair, rebuilding or restoration of the property damaged or destroyed to substantially its same condition as prior to such damage or destruction, with such alterations and additions as the Authority may determine as will not impair the capacity or character of the System, or (b) to payment of the principal of and premium, if any, and interest on any Bonds then outstanding.

Records and Accounts; Inspections and Reports

The Authority must keep proper books of records and accounts, separate from any of its other records and accounts, showing complete and correct entries of all transactions relating to the System, and any bondholder will have the right at all reasonable times to inspect the System and all records, accounts and data relating thereto. The Authority must also cause a certified audit of its records and accounts to be made by an independent certified public accountant at the end of each Fiscal Year, which reflects in reasonable detail the financial condition and record of operation of the System. At the request of the Trustee or of the holders of 25% in aggregate principal amount of Bonds then outstanding, the Authority must also cause an unaudited interim report reflecting in reasonable detail the financial condition and record of operation of the System to be made at the end of the quarter of the Fiscal Year following such request. The Authority will cause the Consulting Engineer at least once every three years to inspect the System and make a written report thereof.

Enforcement of Service Agreement

The Authority must observe and perform all its covenants, conditions and agreements under the Service Agreement and enforce the covenants, conditions and agreements of the Political Subdivisions under the Service Agreement for the benefit of the bondholders.

Discharge of Trust Agreement

The Trustee, at the expense of the Authority, will cancel and discharge the Trust Agreement and execute and deliver to the Authority such instruments in writing as will be requisite to cancel the lien of the Trust Agreement and assign and deliver to the Authority any property at the time subject to the Trust Agreement which may then be in the Trustee's possession (except funds or securities in which such funds are invested which are held by the Trustee for the payment of principal of or premium, if any, or interest on the Bonds), when (1) all Bonds have become due and payable in accordance with their terms or otherwise as provided in the Trust Agreement or have been duly called for redemption or irrevocable instructions to call the Bonds for redemption or to pay them at maturity have been given to the Trustee, (2) the Trustee holds for such purpose cash or noncallable direct obligations of the United States of America the principal of and the interest on which at maturity will be sufficient (a) if Bonds have been called for redemption, to redeem in accordance with the Trust Agreement all Bonds then outstanding on the date set for such redemption, (b) to pay at maturity all outstanding Bonds, or, if Bonds have been called for redemption, all outstanding Bonds not called for redemption, (c) to pay interest accruing on all Bonds prior to their redemption or payment at maturity, and (d) to pay the Trustee's reasonable fees and expenses and any other fees and expenses for which the Authority may be responsible under the Trust Agreement, and (3) the Authority has observed and performed all its covenants, conditions and agreements under the Trust Agreement and in the Bonds.

Bonds and coupons, if any, will be deemed to be paid and no longer outstanding provided that cash or noncallable direct obligations of the United States of America the principal of and interest on which will be sufficient therefor have been deposited with the Trustee; provided, however, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption will be given or arrangements satisfactory to the Trustee will have been made for such notice to be given.

Default and Remedies on Default

Each of the following events are an "Event of Default" upon the conditions and subject to the limitations provided in the Trust Agreement: (1) default in the due and punctual payment of any interest on any Bond, (2) default in the due and punctual payment of the principal of or premium, if any, on any Bond (whether at maturity, by mandatory sinking fund redemption or otherwise), (3) subject to certain conditions, default in the observance or performance of any other covenant, condition or agreement on the part of the Authority under the Trust Agreement or in the Bonds then outstanding, (4) abandonment of the System by the Authority, (5) failure of the Authority for any reason to fulfill its obligations under the Trust Agreement, (6) failure promptly to repair, replace or reconstruct any substantial part of the System the destruction of which has impaired the efficient operation of, or substantially adversely affected the generation of revenues by the System, (7) failure to take specific corrective action within 60 days after any final judgment for the payment of money is entered as the result of the Authority's ownership or operation of the System, and (8) certain events of bankruptcy, assignment, dissolution, liquidation or reorganization by or against the Authority.

Certain of the Authority's obligations other than the obligation to make all payments on the Bonds may be suspended if by reason of acts of God or certain other events not reasonably within the control of the Authority, the Authority is unable to carry out such obligations.

Upon the occurrence of an Event of Default, the Trustee may proceed to protect and enforce its rights and the rights of the bondholders by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance of any covenant or agreement of the Authority contained in the Trust Agreement. Upon the occurrence of an Event of Default, if request to do so by the holders of 25% in aggregate principal amount of Bonds then outstanding and if indemnified as provided in the Trust Agreement, the Trustee will exercise such rights and powers conferred by the Trust Agreement as the Trustee deems most expedient in the interest of the bondholders;

provided, however, that nothing in the Trust Agreement is to be construed to give the Trustee or any bondholder authority to compel a foreclosure or sale of the System or any part thereof.

Supplemental Agreements

The Authority and the Trustee may, without the consent of or notice to the bondholders, enter into supplemental agreements to the Trust Agreement as will not be inconsistent with the terms and provisions thereof for any one or more of the following purposes: (1) to cure any ambiguity or formal defect or omission in the Trust Agreement, (2) to grant to or confer upon the Trustee for the benefit of the bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the bondholders or the Trustee, (3) to add to the covenants and agreements to be observed by the Authority, (4) to modify, amend or supplement the Trust Agreement to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar Federal statute, (5) to provide for the issuance, sale and delivery of Additional Bonds pursuant to the terms of the Trust Agreement, and (6) to make any other change in the Trust Agreement which, in the opinion of the Trustee, does not prejudice in any material respect the rights of the holders of the Bonds then outstanding or the coupons, if any, appertaining thereto. In addition, the Authority and the Trustee may, with the consent of the holders of two-thirds in aggregate principal amount of Bonds then outstanding, enter into supplemental agreements to the Trust Agreement as may be deemed necessary or desirable; provided, however, that in no event will the Trust Agreement be amended without the written consent of each holder whose rights are affected thereby to permit (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of or premium, if any, on any Bond or the rate of interest thereon, or (c) an extension of time or a reduction in amount of any payment required by any sinking fund that may be applicable to any Bonds, or (d) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of Bonds required for consent to such supplemental agreements.

Amendments to Service Agreement

The Trustee will consent to any amendment of the Service Agreement which does not: (1) cause the Authority to be in violation of any applicable statutes, regulations or rulings applicable to the System, or (2) prejudice in any material respect the rights of the holders of the Bonds then outstanding or the coupons, if any, appertaining thereto. The Trustee will not consent to any amendment to the section of the Service Agreement that permits amendments to the Service Agreement without the consent of the Trustee.

LITIGATION

There is no litigation of any nature pending or, to the best knowledge of the Authority, threatened against the Authority in any way questioning or affecting the validity of the Series 2026 Bonds, the Authority's power and authority to issue or make payments on the Series 2026 Bonds or the collection of revenues of the System to pay principal of and interest on the Series 2026 Bonds.

In addition, there is no litigation pending or, to the best knowledge of the Authority, threatened against the Authority that would have a material adverse effect on the condition of the Authority, financial or otherwise, its contractual arrangements with third parties for water supply and wastewater treatment capacity, or its ability to undertake the 2026 Project.

LEGALITY FOR INVESTMENT

Under the Enabling Act, the Series 2026 Bonds are made securities in which all public officers and public bodies of the Commonwealth of Virginia and all political subdivisions thereof, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations in the Commonwealth of Virginia, may properly and legally invest funds in their control.

LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2026 Bonds will be subject to the approving opinion of Hunton Andrews Kurth LLP, Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the Authority upon delivery of the Series 2026 Bonds, in substantially the form set forth in **Appendix E** (the “Bond Opinion”). The Bond Opinion will be limited to matters relating to the authorization and validity of the Series 2026 Bonds and to the tax-exempt status of interest on them as described in the section “**Tax-Exemption.**” Bond Counsel has not been engaged to investigate the financial resources of the Authority or its ability to provide for payment of the Series 2026 Bonds, and the Bond Opinion will make no statement as to such matters or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making a decision to purchase the Series 2026 Bonds.

Certain legal matters will be passed on for the Authority by its general counsel, Williams Mullen, Richmond, Virginia, and for each of the Political Subdivisions by its respective County Attorney, City Attorney or general counsel.

TAX EXEMPTION

Opinion of Bond Counsel

In the opinion of Bond Counsel and in accordance with customary opinion practice, under current law, interest[, including any accrued original issue discount (“OID”),] on the Series 2026 Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax, (c) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations, and (d) is exempt from income taxation by the Commonwealth. [Except as discussed below regarding OID,] no other opinion will be expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Series 2026 Bonds.

Bond Counsel’s opinion is given in reliance upon [(a) computations provided to _____, the mathematical accuracy of which has been verified by them, relating to the sufficiency of the cash deposited to the Series 2015B Escrow Fund to pay when due the principal of and interest on the Refunded 2015B Bond and the yield on the Series 2026 Bonds, and (b)] certifications by representatives of the Authority as to certain facts relevant to both the opinion and requirements of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder (the “Code”), and is subject to the condition that there is compliance subsequent to the issuance of the Series 2026 Bonds with all requirements of the Code that must be satisfied in order for interest thereon to remain excludable from gross income for federal income tax purposes. The Authority has covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Series 2026 Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Series 2026 Bonds. Failure by the Authority to comply with such covenants, among other things, could cause interest, including accrued OID, on the Series 2026 Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue. The Authority may in its discretion, but has not covenanted to, take any and all such actions as may be required by future changes in the Code and applicable regulations in order that interest on the Series 2026 Bonds remain excludable from gross income for federal income tax purposes.

Customary practice in the giving of legal opinions includes not detailing in the opinion all the assumptions, limitations and exclusions that are a part of the conclusions therein. See “*Statement on the Role of Customary Practice in the Preparation and Understanding of Third-Party Legal Opinions*”, 63 Bus. Law. 1277 (2008), and “*Legal Opinion Principles*”, 53 Bus. Law. 831 (May 1998), updated by “*Statement of Opinion Practices*”, 74 Bus. Law. 801, 807 (2019). Purchasers of the Series 2026 Bonds should seek advice or counsel concerning such matters as they deem prudent in connection with their purchase of Series 2026 Bonds.

Bond Counsel's opinion represents its legal judgment based in part upon the representations and covenants referenced therein and its review of current law, but is not a guarantee of result or binding on the Internal Revenue Service (the "Service") or the courts. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may come to Bond Counsel's attention after the date of its opinion or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

[Original Issue Discount]

[The initial public offering prices of each maturity of the Series 2026 Bonds maturing in the years [____ and ____] (the "OID Bonds") will be less than their stated principal amount. In the opinion of Bond Counsel, under current law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of such Series 2026 Bonds is sold will constitute OID. The offering prices set forth on the inside cover of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of such Series 2026 Bonds will be sold.

Under the Code, for purposes of determining a Bondholder's adjusted basis in an OID Bond, OID treated as having accrued while the Bondholder holds such Series 2026 Bond will be added to the Bondholder's basis. OID will accrue on a constant yield-to-maturity method. The adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond.

Prospective purchasers of the OID Bonds should consult their own tax advisors with respect to the calculation of accrued OID and the state and local tax consequences of owning or disposing of such Series 2026 Bonds.]

[Original Issue Premium]

[Series 2026 Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for federal income tax purposes as having amortizable bond premium. A holder's basis in such a Series 2026 Bond must be reduced by the amount of premium that accrues while such Series 2026 Bond is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Series 2026 Bonds while so held. Purchasers of such Series 2026 Bonds should consult their own tax advisors as to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of holding such Series 2026 Bonds.]

Other Tax Matters

In addition to the matters addressed above, prospective purchasers of the Series 2026 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including without limitation financial institutions, property and casualty insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2026 Bonds should consult their tax advisors as to the applicability and impact of such consequences.

The Service has a program to audit state and local government obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the Service does audit the Series 2026 Bonds, under current Service procedures, the Service will treat the Authority as the taxpayer, and the owners of the Series 2026 Bonds will have only limited rights, if any, to participate.

Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors as to the status of interest on the Series 2026 Bonds under the tax laws of any state other than the Commonwealth.

RATINGS

The Series 2026 Bonds have been rated “___” by Fitch Inc. (“Fitch”), “___” by Moody’s Investors Service, Inc., (“Moody’s”), and “___” by S&P Global Ratings. Further explanation of the significance of these ratings may be obtained from Fitch, Moody’s and S&P, as the case may be. The ratings are not a recommendation to buy, sell or hold the Series 2026 Bonds and should be evaluated independently. There is no assurance that the ratings will not be withdrawn or revised downward by Fitch, Moody’s or S&P. Such action may have an adverse effect on the market price of the Series 2026 Bonds.

Such ratings reflect only the respective view of such organizations. Reference should be made to the individual rating agency for a fuller explanation of the significance of the rating assigned by the rating agency. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be changed, suspended or withdrawn entirely by either or both of the rating agencies if, in the judgment of either or both, changes in or unavailability of, information so warrant. Any such downward revision of withdrawal of ratings may have an adverse effect on the market price of the Series 2026 Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

[The arithmetical accuracy of certain computations included in the schedules provided by the Financial Advisor on behalf of the Authority relating to the adequacy of the cash deposited into the Series 2015B Escrow Fund to make the forecasted payments of principal and interest on the Refunded 2015B Bond on the date fixed for redemption, and supporting the conclusion of Bond Counsel that the Series 2026 Bonds do not constitute “arbitrage bonds” under Section 148 of the Internal Revenue Code of 1986, as amended, was examined by the Verification Agent. Such computations were based solely upon assumptions and information supplied by the Financial Advisor on behalf of the Authority. The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.]

SALE AT COMPETITIVE BIDDING

The Series 2026 Bonds will be offered for sale at competitive bidding on ____, 2026, unless changed pursuant to the terms of the Notice of Sale for the Series 2026 Bonds. A copy of the Notice of Sale for the Series 2026 Bonds is attached to this Preliminary Official Statement as **Appendix I**.

After the Series 2026 Bonds have been awarded to the winning bidder(s), the Authority will issue an Official Statement in final form. The Authority will deem the Official Statement final as of its date, and the Official Statement in final form will include, among other things, the identity or identities of the winning bidder(s), the final principal amounts as adjusted, the expected selling compensation to the winning bidder(s) and other information on the interest rates and offering prices or yields, all as provided by the winning bidder(s).

FINANCIAL ADVISOR

Davenport & Company LLC, Richmond, Virginia, serves as financial advisor to the Authority with respect to the sale of the Series 2026 Bonds. The financial advisor has assisted in the preparation of this Preliminary Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2026 Bonds.

CONTINUING DISCLOSURE

To permit compliance by the Underwriter with the continuing disclosure requirements of the Rule, the Authority will execute a Continuing Disclosure Agreement (the “CDA”) at closing agreeing to provide certain annual financial information (“Annual Disclosure”) and event notices required by the Rule. Such information will be filed through the Electronic Municipal Market Access System (“EMMA”) maintained by the Municipal Securities Rulemaking Board and may be accessed through the Internet at emma.mrsb.org. As described in **Appendix F**, the CDA requires the Authority to provide only limited information at specific times, and the information provided may

not be all the information necessary to value the Series 2026 Bonds at any particular time. The Authority may from time to time disclose certain information and data in addition to that required by the CDA. If the Authority chooses to provide any additional information, the Authority shall have no obligation to continue to update such information or to include it in any future disclosure filing.

Failure by the Authority to comply with the CDA is not an event of default under the Series 2026 Bonds or the Trust Agreement. The sole remedy for a default under the CDA is to bring an action for specific performance of the Authority's covenants hereunder, and no assurance can be provided as to the outcome of any such proceeding.

During the past five years, the Authority has complied in all material respects with its previous continuing disclosure undertakings pursuant to the Rule with the exception of a late filing for the City's water and sewer system information for the fiscal year ended June 30, 2025. The City's information was not available on January 22, 2026, when the Authority's annual disclosure was due. The Authority filed such disclosure with EMMA on July 10, 2026.

MISCELLANEOUS

The financial statements of the Authority as of June 30, 2025, have been examined to the extent set forth in their report by Robinson, Farmer, Cox Associates, independent certified public accountants, and are included as **Appendix A** in reliance upon such report. Robinson, Farmer, Cox Associates has not been asked to review, and will not be reviewing, any matters in connection with the issuance of the Series 2026 Bonds.

[Remainder of page intentionally left blank.]

The foregoing summaries or descriptions of the provisions of the Enabling Act, the Series 2026 Bonds, the Service Agreement and the Trust Agreement are brief outlines of certain provisions thereof and do not purport to be complete statements of such provisions. Reference is hereby made to the Enabling Act, the Series 2026 Bonds, the Service Agreement and the Trust Agreement for complete information.

So far as any statements made in this Preliminary Official Statement and the appendices attached hereto involve matters of opinion or of estimates, whether or not expressly so stated, they are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The Authority has duly authorized the execution of this Preliminary Official Statement. The Authority has deemed this Preliminary Official Statement final as of its date within the meaning of the Rule, except for the omission of certain pricing and other information permitted to be omitted by the Rule.

RIVANNA WATER & SEWER AUTHORITY

By: _____
Executive Director

APPENDIX A

Basic Financial Statements of the Rivanna Water and Sewer Authority for Fiscal Year Ended June 30, 2025

APPENDIX B

Form of the Original Service Agreement

Form of the Original Service Agreement

THIS AGREEMENT, made as of the 12th day of June, 1973, by and between the CITY OF CHARLOTTESVILLE, a municipal corporation (the City), ALBEMARLE COUNTY SERVICE AUTHORITY, a public body politic and corporate duly created pursuant to the Virginia Water and Sewer Authorities Act (the Service Authority), the BOARD OF COUNTY SUPERVISORS OF ALBEMARLE COUNTY, acting for and on behalf of Albemarle County (the County), and RIVANNA WATER AND SEWER AUTHORITY, a public body politic and corporate duly created pursuant to the Virginia Water and Sewer Authorities Act (Rivanna), provide that:

WHEREAS, the City owns and operates water supply and wastewater treatment facilities which furnish water and provide wastewater treatment for all of the City and certain outlying areas in the County, and the County, acting through the Service Authority, owns and operates water supply and wastewater treatment facilities which furnish water and provide wastewater treatment for certain areas in the County; and

WHEREAS, in the interest of efficient water quality management for the upper Rivanna River Basin, the City and the County caused Rivanna to be formed on June 7, 1972, for the purpose of acquiring, financing, constructing and maintaining facilities for developing a supply of potable water for the City and the County and for the abatement of pollution resulting from sewage in the upper Rivanna River Basin; and

WHEREAS, the parties desire to enter into this Agreement to provide for the acquisition of certain existing facilities, the construction of new facilities and the financing, operation and maintenance of all such facilities and recognize that this Agreement will be used to facilitate the obtaining of interim financing and the issuance of revenue bonds by Rivanna to finance a portion of the cost of such acquisition and construction;

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

ARTICLE I

Definitions and Warranties

Section 1.1. *Definitions.* The following words as used in this Agreement shall have the following meanings:

“Act” shall mean the Virginia Water and Sewer Authorities Act (Chapter 28, Title 15.1, Code of Virginia of 1950, as amended).

“Bonds” shall mean the revenue bonds issued by Rivanna to obtain funds, together with other available funds, to pay the cost of the Project and shall include any notes or other obligations issued for such purpose

“City” shall mean the City of Charlottesville, a municipal corporation of the Commonwealth of Virginia.

“Cost”, when used with respect to the Project, shall have the meaning specified in Sections 15.1-1240(m) and (n) of the Act.

“County” shall mean Albemarle County, a county of the Commonwealth of Virginia, and shall include the Board of County Supervisors as its governing body.

“Points of Delivery” shall mean such points as Rivanna may establish from time to time for delivery of treated water to or receipt of wastewater from the City and the Service Authority.

“Political Subdivisions” shall mean the City, the Service Authority and the County.

“Project” shall mean the facilities to be acquired by Rivanna pursuant to Article III, whether by purchase, lease or otherwise, and the facilities to be provided by Rivanna pursuant to Article IV, as the same may from time to time exist.

“Rivanna” shall mean Rivanna Water and Sewer Authority, a public body politic and corporate duly created pursuant to the Act.

“Service Authority” shall mean Albemarle County Public Service Authority, a public body politic and corporate duly created pursuant to the Act.

“Trustee” shall mean the trustee under the resolution or indenture authorizing or securing the Bonds.

Section 1.2. *Representations and Warranties.* Each of the parties represents and warrants that it has full power and authority to enter into and perform this agreement.

ARTICLE II

Term of Agreement

Section 2.1. *Initial Term.* This Agreement shall be in full force and effect from the date of its execution until June 30, 2012; provided, however, that if on such date the Bonds have not been paid or provision made for their payment the term of this Agreement shall continue until the Bonds shaft have been paid or provision made for their payment.

Section 2.2. *Continuation of Agreement.* This Agreement shall continue in effect beyond June 30, 2012 (or such later date as provided above), until terminated by the City, the Service Authority, the County or Rivanna. No such termination shall become effective until two years after written notice thereof shall have been given to each of the other parties hereto.

ARTICLE III

Acquisition of Existing Facilities

Section 3.1 *Agreement to Acquire.* Rivanna agrees to acquire and the Political Subdivisions agree to sell, lease or otherwise make available to Rivanna the water impoundment, production, transmission and storage facilities and the wastewater interception and treatment facilities set forth herein upon the terms and conditions set forth herein.

Section 3.2. *City Facilities—Water.* (a) The City will sell and Rivanna will purchase the water production, transmission and storage facilities described on Exhibit I attached hereto [*not shown herein*]. Pending the consummation of such sale and purchase, the City will lease such facilities to Rivanna.

(b) The City will assign and Rivanna will accept the City’s rights under a ground lease between the City and the University of Virginia dated April 18, 1922, whereby the University of Virginia leases to the City the site on which is located the City’s Observatory Mountain Filtration Plant; provided, however, that the City will continue to furnish water to the University of Virginia pursuant to such ground lease as may be in effect (from time to time. The City will sell and Rivanna will purchase the facilities other than land constituting the Observatory Mountain Filtration Plant located on such site. Pending the consummation of such sale and purchase, the City will lease such facilities to Rivanna.

(c) The City will lease to Rivanna for the term of this Agreement all water rights in and to the Sugar Hollow Reservoir, the two Ragged Mountain Reservoirs and the South Rivanna Reservoir, which rights shall be the right to maintain and operate all impoundment and pumping facilities, and the right to withdraw all water that may be available. Rivanna will undertake to maintain all dams and other facilities at such reservoirs for the production of water but will not be required to maintain areas at such reservoirs used for municipal purposes.

Section 3.3. *City Facilities—Wastewater.* (a) The City will sell and Rivanna will purchase the wastewater interception and treatment facilities described on Exhibit 2 attached hereto [*not shown herein*]. Pending the consummation of such sale and purchase, the City will lease such facilities to Rivanna.

(b) The City will lease to Rivanna the Riverside Pump Station and the Meadow Creek Wastewater Treatment Plant until Rivanna has placed its proposed advanced wastewater treatment plant into operation,

Section 3.4. *Service Authority Facilities—Water.* (a) The Service Authority will sell and Rivanna will purchase the water production, transmission and storage facilities described on Exhibit 3 attached hereto [*not shown herein*]. Pending the consummation of such sale and purchase, the Service Authority will lease such facilities to Rivanna.

(b) The Service Authority will assign and Rivanna will accept the Service Authority's rights under agreement with the County to use the wells, pumps and other facilities at Mint Springs.

(c) The Service Authority will lease to Rivanna the wells, pumps and other facilities at Flordon, Jefferson Village, Colthurst and West Leigh for so long as any of them may be needed by Rivanna.

(d) The Service Authority will assign and Rivanna will accept the Service Authority's rights under leases between the County and the Service Authority or such other rights as the Service Authority may have to the Beaver Creek Reservoir and the Totier Creek Reservoir.

(d) The County will join in each such sale or lease to the extent of its interest, if any, in any of such facilities.

Section 3.5. *Service Authority Facilities—Wastewater.* (a) The Service Authority will sell and Rivanna will purchase the wastewater interception and treatment facilities described on Exhibit 4 attached hereto [*not shown herein*]. Pending the consummation of such sale and purchase, the Service Authority will lease such facilities to Rivanna.

(b) The Service Authority will lease to Rivanna the Brownsville School, Berkeley and Woodbrook wastewater treatment facilities for so long as any of them may be needed by Rivanna.

Section 3.6. *Consummation of Sales and Purchases.* The sale and purchase of each of the facilities enumerated in Sections 3.2 through 3.5, inclusive, shall be consummated ten years from the date of this Agreement or at such later time as the debts, if any, of the City or the Service Authority, as the case may be, attributable to any of such facilities shall have been paid or provision made for their payment. It is intended that the purchase and sale of each facility shall be closed promptly upon the satisfaction of the conditions hereinabove stated. At each closing Rivanna shall pay the purchase price as determined pursuant to Section 3.7 and the City, the Service Authority or the County, as the case may be, shall deliver:

(a) a good and sufficient deed or deeds in form reasonably satisfactory to Rivanna conveying to Rivanna, with special warranty, fee simple title to all real estate constituting a part of such facilities;

(b) an assignment or assignments in form reasonably satisfactory to Rivanna assigning to Rivanna all other interests in real estate constituting a part of such facilities;

(c) a bill or bills of sale in form reasonably satisfactory to Rivanna conveying to Rivanna all tangible personal property constituting a part of such facilities;

(d) all engineering data and other records relating to such facilities; and

(e) such other documents transferring title of any part of such facilities from the City, the Service Authority or the County, as, the case may be, to Rivanna which Rivanna may reasonably determine to be necessary or desirable.

Section 3.7. *Purchase Price.* The sale and purchase price of the facilities shall be their fair value as of the date of this Agreement as determined by Paul B. Krebs and Associates and McNair and Associates, consulting engineers, less such amounts as may be paid to the City or the Service Authority, as the case may be, pursuant to Section 3.8 on account of debt retirement. If such consulting engineers are unable to agree on the fair value of any of such facilities within one year from the date of this Agreement, the two consulting engineers shall elect a third consulting engineer, and the decision of two of the three consulting engineers shall be binding. All expenses of determining such fair values shall be divided equally between the City, the Service Authority and Rivanna. The parties recognize that payment of such purchase price by Rivanna will be made either from excess operating revenues or from borrowed funds and that the use of funds from either source may be limited by the resolution or indenture authorizing and securing the Bonds. If payment for any facilities is not made when the same is due and payable, the unpaid purchase price shall bear interest from such due date at the rate of 6% per year until paid.

Section 3.8. *Lease of Facilities.* As consideration for the lease of the facilities enumerated in Sections 3.2 through 3.5, inclusive, Rivanna shall pay to the City or the Service Authority, as the case may be, an annual rental of \$1.00 plus an amount sufficient to pay the debt service, if any, attributable to such facilities and coming due within the next succeeding twelve months. Each such lease shall require Rivanna to maintain such facilities in good working order. In the event the City or the Service Authority determines that it is prohibited from entering into leases of any such facilities, it shall make every reasonable effort to eliminate such prohibition and, if it is unable to do so, it shall enter into use agreements or make similar arrangements under which Rivanna may operate such facilities as a part of its regional facilities for water impoundment, production, transmission and storage and wastewater interception and treatment. The County shall join in any such lease, use agreement or similar arrangement to the extent of its interest, if any, in any such facilities.

ARTICLE IV

Construction of New Facilities

Section 4.1. *New Facilities.* Rivanna will provide (a) the additional water facilities described on Exhibit 5 attached hereto [*not shown herein*] and (b) the additional wastewater facilities described on Exhibit 6 attached hereto [*not shown herein*], as the same may be modified to meet requirements of appropriate regulatory bodies. Rivanna shall also undertake the provision of such additional facilities as may be agreed upon from time to time by the City, the Service Authority and Rivanna.

Section 4.2. *Payment for New Facilities.* The obligation of Rivanna to provide the facilities described in Section 4.1 is limited to the funds available to it from time to time for such purpose. Rivanna shall be under no obligation to provide funds for such purpose except in accordance with Section 5.1.

Section 4.3. *Additional Facilities.* In the event that the City or the Service Authority determines the need for additional water impoundment, production, transmission and distribution facilities or wastewater interception and treatment facilities, Rivanna shall provide the requested facilities at the sole cost of the City or the Service Authority, as the case may be.

ARTICLE V

Obligations of Authority

Section 5.1. *Sale of Bonds.* Rivanna shall, as soon as may be practicable and with all reasonable dispatch, issue and sell the Bonds pursuant to the Act in an amount, together with other available funds, which will be sufficient to pay the cost of constructing and placing the Project in operation; provided, however, that nothing contained in this Agreement shall require Rivanna to issue the Bonds except upon terms deemed reasonable by it.

Section 5.2. *Acquisition and Construction of Project.* Rivanna shall, as soon as may be practicable and with all reasonable dispatch after the necessary funds are made available to it, acquire, construct and place the Project in operation.

Section 5.3. *Production and Delivery of Water.* Rivanna shall produce and deliver potable water to the City and the Service Authority at Points of Delivery in accordance with their needs and within the limitations of available supply. Rivanna shall provide water to the City and the Service Authority in quantities and at pressures at least equal to the quantities and pressures available on the date hereof.

Section 5.4. *Acceptance and Treatment of Wastewater.* Rivanna shall accept and treat all sewage delivered by the City and the Service Authority at Points of Delivery up to their respective allocated plant capacities in accordance with rules and regulations adopted by Rivanna from time to time. Rivanna shall be under no obligation to treat wastewater delivered by the City or the Service Authority in excess of their allocated daily plant capacities.

Section 5.5. *Operation of Project.* Rivanna shall operate and maintain the Project in an efficient and economical manner, making all necessary and proper repairs, replacements and renewals, consistent with good business and operating practices for comparable facilities and in accordance with applicable standards of regulatory bodies. Production of water and treatment of wastewater shall meet or exceed all applicable standards of regulatory bodies.

Section 5.6. *Adoption and Enforcement of Rules and Regulations.* Rivanna shall adopt and enforce such reasonable rules and regulations as may be necessary or desirable to insure the efficient operation and maintenance of its facilities and the compliance with applicable regulations and orders of regulatory bodies.

ARTICLE VI

Obligations of the Political Subdivisions

Section 6.1. *Rivanna to Produce All Water.* The Political Subdivisions will not produce or sell potable water from any source other than Rivanna.

Section 6.2. *Rivanna to Treat All Wastewater.* All publicly owned wastewater treatment facilities in the Political Subdivisions, except (a) facilities of the Albemarle County School Board and the Commonwealth of Virginia and (b) septic tank tile field systems, shall be operated by Rivanna under this Agreement. The City and the Service Authority shall deliver to Rivanna at Points of Delivery all wastewater collected by them and shall not permit or provide for the treatment of wastewater collected by them in any other manner.

Section 6.3. *Limitation on Plant Capacity.* The Political Subdivisions recognize that the capacity of Rivanna's proposed advanced wastewater treatment plant will be regulated by the State Water Control Board and that allocations of plant capacity may have to be made in order to avoid overloading. The City and the Service Authority each covenants and agrees not to exceed its plant capacity as allocated from time to time. The City and the Service Authority have the primary responsibility for the necessary actions to insure that their wastewater flows remain within their allocations. At such time as the City or the County and the Service Authority are advised by Rivanna that the average flow of the City or the Service Authority, as the case may be, for any three consecutive months has reached 95% of its allocated daily plant capacity, the City or the County, as the case may be, shall suspend the issuance of permits which allow start of construction on projects in the affected area until capacity is increased by reason of reallocation or it is advised by Rivanna that additional wastewater may be delivered to Rivanna.

Section 6.4. *Payment of Charges.* The City and the Service Authority each covenants and agrees to pay promptly when due the charges of Rivanna as determined pursuant to Article VII and billed to it from time to time; provided, however, that the City and the Service Authority shall not be obligated to pay such charges except from revenues received by the City and the Service Authority, respectively, from the charges to be paid by the users of its water and sewerage systems and available to them for such purposes, including availability, connection, consumption and service charges or fees and any other revenues of such systems. The City and the Service Authority each covenants and agrees to fix and collect from the users of its water and sewerage systems charges sufficient to make the payments required of it under this Agreement. Rivanna shall provide the City and the Service Authority with information as to the minimum charges necessary for their respective required payments.

Section 6.5. *Observance of Regulations.* The Political Subdivisions each covenant and agree to observe all reasonable rules and regulations respecting the use of and services furnished by the Project in accordance with Section 5.6 or legally required by any other authorized regulatory body.

ARTICLE VII

Rates and Charges

Section 7.1. *Rates in General.* Rivanna shall fix and determine from time to time rates for water furnished to and wastewater delivered by the City and the Service Authority. Such rates shall be established by Rivanna at such levels as may be necessary to provide funds, together with other funds that may be available, sufficient at all times to pay (a) the cost of operation and maintenance of the Project, including debt service attributable to facilities to be acquired by Rivanna, and reserves for such purposes and for replacements and improvements and (h) the principal of, premium, if any, and interest on the Bonds, as the same become due, and reserves therefor.

Section 7.2. *Rates for Urban Area.* Rivanna shall establish an urban area which shall include all of the City and designated portions of the County. The boundaries of this area may be changed from time to time. Rivanna shall establish rates for furnishing water to and treating wastewater from the urban area as follows:

(a) Water rates shall be uniform throughout the urban area, except as provided in subsection (c) below. Rivanna shall compute the cost per 1000 gallons for the operation and maintenance of facilities for the impoundment, production, treatment and transmission of water. Rivanna shall compute the cost per 1000 gallons for debt service on the existing facilities to be acquired pursuant to Sections 3.2 and 3.4 and the cost of new facilities to be constructed pursuant to Section 4.1. The water rate per 1000 gallons shall be determined on the basis of the sum of the operational costs and debt service figures.

(b) Wastewater treatment rates for the urban area shall not be uniform. Rivanna shall compute the cost per 1000 gallons for the operation and maintenance of facilities for the interception and treatment of wastewater, which rate shall be the same for the City and the Service Authority. Rivanna shall compute the cost per 1000 gallons for debt service on the existing facilities to be acquired pursuant to Sections 3.3 and 3.5 and the cost of new facilities to be constructed pursuant to Section 4.1 on a basis whereby the City pays one-half as much per 1000 gallons as the Service Authority. The wastewater treatment rate per 1000 gallons shall be determined on the basis of the sum of the operational costs and debt service figures.

(c) In the case of (1) the Powell's Creek Interceptor and (2) additional water impoundment, production, transmission or distribution facilities or wastewater interception or treatment facilities provided by Rivanna at the request of the City or the Service Authority pursuant to Section 4.3, the full amount of debt service thereon shall be added to the water or wastewater treatment rates determined in accordance with subsections (a) or (b).

Section 7.3. *Rates in Other Areas.* Rivanna shall establish separate rates for water now being furnished and wastewater now being treated at Brownsville, Crozet, Scottsville and at such other areas in the County outside of the urban area to which Rivanna may in the future provide water or from which it may treat wastewater.

Section 7.4. *Uniformity in Debt Service Charges.* The parties recognize that there will be substantial variations from year to year in the cost per 1000 gallons for both water and wastewater treatment for debt service on both existing facilities to be acquired and new facilities to be constructed. In an effort to maintain reasonable uniformity of rates from year to year, the parties agree that Rivanna will, to the best of its ability, compute such debt service charges at a uniform rate throughout ten year periods from the date of this Agreement. The parties understand and agree that this procedure will result in excess collections for debt service in certain periods but in other periods the amount collected for debt service will be less than actually required. Rivanna agrees to apply the excess collections to make up deficiencies during periods where debt service costs exceed debt service revenues.

Section 7.5. *Determination of Charges.* Water and wastewater treatment charges shall be determined by applying the rates determined pursuant to Sections 7.2 and 7.3 to the total amount of water delivered to the City and the Service Authority as obtained by their respective customer meter readings.

Section 7.6. *Payment of Charges.* Rivanna may present charges based on budget estimates, subject to adjustment on the basis of an independent audit at the end of each fiscal year. All charges of Rivanna shall be payable upon presentation. In the event the City or the Service Authority shall fail to make payment in full within 30 days after presentation, interest on such unpaid amounts shall accrue at the highest rate of interest payable by Rivanna on any of the Bonds then outstanding. Rivanna shall bill the City and the Service Authority, and no one else, for water furnished and wastewater treated.

ARTICLE VIII

Miscellaneous

Section 8.1. *Amendments.* It is recognized by the parties hereto that this Agreement will constitute an essential part of Rivanna's financing plan and that, after the Bonds have been sold, this Agreement cannot be amended, modified, or otherwise altered in any manner that will impair or adversely affect the security afforded hereby-for the payment of the principal of, premium, if any, and interest on the Bonds, but that this Agreement can be modified or amended only with the consent of the Political Subdivisions, Rivanna and the Trustee given in accordance with the resolution or indenture under which it has been designated.

Section 8.2. *Books and Records.* Rivanna shall keep proper books and records in accordance with accepted accounting practices which shall be available for inspection at all reasonable times by the Political Subdivisions through their duly authorized agents. Rivanna shall cause an annual audit of its books and records to be made by an independent certified public accountant at the end of each fiscal year and a certified copy thereof to be filed promptly with the governing bodies of the Political Subdivisions.

Section 8.3. *Transfer of Customers.* To the extent permitted by existing bond resolutions and other contractual obligations, the City will offer to the Service Authority all existing customers of the City located in the County and, upon any enlargement of the City's boundaries, the Service Authority will offer to the City all existing customers of the Service Authority located in the City. As a part of any such offer the City or the Service Authority will offer to sell to the other party all of its facilities which provide service with respect to any customers to be transferred. The purchase price of any such facilities shall be their fair market value as part of a going business which shall be determined by appraisal in the manner prescribed in Section 3.7. The City or the Service Authority, as the case may be, will have six months after the date of any such offer, which shall state the purchase price, to accept and pay for or reject. Rejection of any such offer shall be final. In the event the Service Authority rejects the offer of the City, the City shall be entitled to serve exclusively those areas so delineated on a map entitled "Service Areas," and on a map entitled "Service Area Boundary Line," attached hereto as Exhibits 7 and 7b respectively [*not shown herein*], and as further described in Exhibit 7c attached hereto [*not shown herein*].

Section 8.4. *Successors and Assigns.* This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

Section 8.5. *Severability.* If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not affect any other provision hereof.

Section 8.6. *Counterparts.* This Agreement shall be executed in several counterparts, any of which shall be regarded for all purposes as one original.

APPENDIX C

Selected Financial Information Regarding the Department of Public Utilities of the City of Charlottesville

JUNE 30, 2025

	Business - Type Activities - Enterprise Funds						Internal
	Water	Sewer	Gas	Stormwater	Golf	Total	Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ -	\$ 5,390,835	\$ 9,559,719	\$ 4,730,719	\$ 856,664	\$ 20,537,937	\$ 20,970,565
Accounts receivable, net	1,068,660	833,907	840,198	354,294	174,625	3,271,684	61,263
Unbilled accounts receivable	1,508,650	1,425,444	1,423,659	-	-	4,357,753	-
Inventories	-	-	-	-	18,613	18,613	1,214,566
Prepaid Items	-	-	2,914,703	-	49,941	2,964,644	93,128
Restricted cash and investments	1,834,932	586,596	-	1,443,682	-	3,865,210	-
Total current assets	4,412,242	8,236,782	14,738,279	6,528,695	1,099,843	35,015,841	22,339,522
Noncurrent assets:							
Land	-	-	584,291	-	1,337,432	1,921,723	-
Easements	12,625	95,600	34,100	-	-	142,325	-
Buildings and improvements	-	39,014	-	-	1,828,030	1,867,044	48,364
Vehicles	901,694	1,381,781	3,002,559	860,800	94,436	6,241,270	25,200
Transmission lines and mains	67,256,248	57,731,886	44,863,204	1,016,826	-	170,868,164	-
Storm drainage	-	-	-	14,338,867	-	14,338,867	-
Equipment	442,359	421,005	1,794,562	19,374	373,547	3,050,847	10,336,669
Lease assets	32	32	2,417	-	3,334	5,815	7,426
SBITA assets	-	-	-	-	-	-	2,449
Accumulated depreciation	(23,615,393)	(18,059,930)	(38,284,889)	(2,734,523)	(1,855,232)	(84,549,967)	(10,279,557)
Total noncurrent assets	44,997,565	41,609,388	11,996,244	13,501,344	1,781,547	113,886,088	140,551
Total assets	49,409,807	49,846,170	26,734,523	20,030,039	2,881,390	148,901,929	22,480,073
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charges on refunding losses	4,094	16,703	-	-	-	20,797	-
Deferred charges-pension	628,282	509,863	2,171,064	270,181	82,752	3,662,142	812,608
Deferred charges-OPEB	148,518	112,544	460,805	65,494	14,919	802,280	141,654
Total deferred outflows of resources	780,894	639,110	2,631,869	335,675	97,671	4,485,219	954,262
LIABILITIES							
Current liabilities:							
Accounts payable	1,895,388	1,916,239	1,568,867	118,540	16,485	5,515,519	1,799,689
Accrued liabilities	381,208	1,224,463	1,498,398	292,216	173,533	3,569,818	3,973,811
Accrued interest payable	211,102	188,172	-	70,017	-	469,291	-
Customer deposits	297,805	-	684,348	-	-	982,153	-
Due to other funds	-	-	-	-	-	-	3,526,656
Liabilities due in less than one year	2,227,597	2,056,065	116,790	579,520	-	4,979,972	26,246
Total current liabilities	5,013,100	5,384,939	3,868,403	1,060,293	190,018	15,516,753	9,326,402
Noncurrent liabilities:							
Liabilities due in more than one year	24,732,634	18,477,798	858,869	8,216,577	2,089	52,287,967	199,444
Net pension liability	1,316,929	986,327	4,834,816	57,606	452,384	7,648,062	2,665,908
Net OPEB liability	173,692	75,817	526,031	(97,583)	120,863	798,820	999,827
Total noncurrent liabilities	26,223,255	19,539,942	6,219,716	8,176,600	575,336	60,734,849	3,865,179
Total liabilities	31,236,355	24,924,881	10,088,119	9,236,893	765,354	76,251,602	13,191,581
DEFERRED INFLOWS OF RESOURCES							
Deferred charges on refunding gains	79,681	151,612	-	-	-	231,293	-
Deferred charges-pension	172,603	232,810	845,679	60,230	20,123	1,331,445	287,447
Deferred charges-OPEB	134,322	158,561	610,174	27,824	15,526	946,407	181,147
Total deferred inflows of resources	386,606	542,983	1,455,853	88,054	35,649	2,509,145	468,594
NET POSITION							
Net investment in capital assets	18,336,267	21,049,107	11,993,836	4,782,869	1,779,413	57,941,492	133,580
Unrestricted	231,474	3,968,310	5,828,585	6,257,897	398,645	16,684,911	9,640,582
Total net position	\$ 18,567,741	\$ 25,017,417	\$ 17,822,421	\$ 11,040,766	\$ 2,178,058	\$ 74,626,403	\$ 9,774,162
Total net position						\$ 74,626,403	
Allocated internal services:							
Warehouse assets						1,134,359	
Warehouse deferred outflows						59,667	
Warehouse liabilities						(796,407)	
Warehouse deferred inflows						(52,053)	
Total allocation of warehouse net position						345,566	
Net position of business-type activities						\$ 74,971,969	

The accompanying notes are an integral part of the basic financial statements.

	Business - Type Activities - Enterprise Funds						Internal Service Funds
	Water	Sewer	Gas	Stormwater	Golf	Total	
OPERATING ACTIVITIES							
Receipts from customers	\$ 17,313,675	\$ 17,408,444	\$ 31,144,891	\$ 2,305,124	\$ 239,926	\$ 68,412,060	\$ 27,526,734
Payments to suppliers	(11,405,336)	(9,826,446)	(16,352,302)	(544,126)	(382,620)	(38,510,830)	(29,918,766)
Payments to employees	(1,639,839)	(1,615,645)	(6,837,804)	(1,012,368)	-	(11,105,656)	(2,038,809)
Net cash provided by (used for) operating activities	4,268,500	5,966,353	7,954,785	748,630	(142,694)	18,795,574	(4,430,841)
NONCAPITAL FINANCING ACTIVITIES							
Insurance recovery	1,809	-	-	-	-	1,809	392,404
Transfers in	1,858,544	2,937,858	143,633	758,416	-	5,698,451	3,500,000
Transfers out	(2,874,909)	(3,995,492)	(5,048,027)	(579,147)	-	(12,497,575)	-
Net cash provided by (used for) noncapital financing activities	(1,014,556)	(1,057,634)	(4,904,394)	179,269	-	(6,797,315)	3,892,404
CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of capital assets	(2,957,528)	(2,418,804)	(478,018)	(1,780,048)	(60,767)	(7,695,165)	(18,195)
Capacity fees	252,650	435,975	-	-	-	688,625	-
Bond proceeds	2,874,276	1,348,953	-	716,133	-	4,939,362	-
Bond principal paid	(2,200,523)	(2,080,132)	-	(570,000)	-	(4,850,655)	-
Interest paid	(987,664)	(680,228)	(25,161)	(320,545)	-	(2,013,598)	-
Bond issuance expenses	(19,887)	(8,922)	-	(3,786)	-	(32,595)	-
Premium on bonds issued	345,133	162,026	-	86,133	-	593,292	-
Net cash provided by (used for) capital and related financing	(2,693,543)	(3,241,132)	(503,179)	(1,872,113)	(60,767)	(8,370,734)	(18,195)
INVESTING ACTIVITIES							
Interest on investments	66,869	138,514	235,235	208,966	-	649,584	215,811
Net cash provided by investment activities	66,869	138,514	235,235	208,966	-	649,584	215,811
Net increase (decrease) in cash and cash equivalents	627,270	1,806,101	2,782,447	(735,248)	(203,461)	4,277,109	(340,821)
Balances - July 1, 2024	1,207,662	4,158,629	6,682,870	6,909,650	1,060,125	20,018,936	21,315,740
Balances - June 30, 2025	\$ 1,834,932	\$ 5,977,431	\$ 9,559,719	\$ 6,174,401	\$ 856,664	\$ 24,403,147	\$ 20,970,565
Reconciliation of operating income (loss) to net cash used in operating activities							
Operating Income (Loss)	\$ 1,660,215	\$ 3,186,364	\$ 6,911,926	\$ 87,722	\$ (71,344)	\$ 11,774,883	\$ (7,275,440)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	1,795,625	1,483,976	1,188,296	520,751	57,341	5,045,989	142,111
(Increase) decrease in accounts receivable	(37,572)	(58,098)	(880,745)	622	(47,133)	(1,022,926)	(37,475)
(Increase) decrease in inventories	-	-	-	-	(2,926)	(2,926)	(266,197)
(Increase) decrease in prepaid expenses	-	-	(794,217)	-	(15,308)	(809,525)	-
Increase (decrease) in accounts payable	855,819	1,428,383	1,763,114	173,601	(40,260)	4,180,657	2,282,099
Increase (decrease) in accrued liabilities	11,287	26,408	41,351	2,585	-	81,631	(101,122)
Increase (decrease) in customer deposits	43,409	-	2,591	-	-	46,000	-
Increase (decrease) in unredeemed gift certificates	-	-	-	-	(37,265)	(37,265)	-
Increase (decrease) in compensated absences	44,072	(2,897)	73,682	13,945	-	128,802	(73,524)

Increase (decrease) in insurance claims payable	-	-	-	-	-	-	946,560
Net pension liability change for measurement year	(3,177)	4,295	1,816	(5,328)	20,903	18,509	50,195
Net OPEB liability change for measurement year	(101,178)	(102,078)	(353,029)	(45,268)	(6,702)	(608,255)	(98,048)
Net cash provided by (used for) operating activities	<u>\$ 4,268,500</u>	<u>\$ 5,966,353</u>	<u>\$ 7,954,785</u>	<u>\$ 748,630</u>	<u>\$ (142,694)</u>	<u>\$ 18,795,574</u>	<u>\$ (4,430,841)</u>

The accompanying notes are an integral part of the basic financial statements.

APPENDIX D

Selected Financial Information Regarding the Albemarle County Service Authority

ALBEMARLE COUNTY SERVICE AUTHORITY
STATEMENT OF NET POSITION
June 30, 2025

	2025	(For Comparative Purposes Only) 2024
ASSETS		
Current assets		
Cash and cash equivalents (Note 2)	\$ 26,384,489	\$ 29,934,220
Accounts receivable, net (Note 3)	6,037,392	6,046,030
Lease receivable (Note 3)	17,342	18,418
Inventory	686,105	835,623
Prepays	503,813	346,047
Cash and cash equivalents, restricted (Notes 1,2)	798,092	758,057
Total current assets	34,427,233	37,938,395
Noncurrent assets		
Investments (Note 2)	33,042,180	31,405,020
Non-current lease receivable (Note 3)	12,052	27,742
Capital assets: (Note 4)		
Nondepreciable	20,803,028	14,926,582
Depreciable and amortizable, net	172,213,087	170,210,288
Total noncurrent assets	226,070,347	216,569,632
Total assets	260,497,580	254,508,027
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	9,146	10,671
Deferred outflows related to pensions (Note 7)	1,985,199	1,019,374
Deferred outflows related to other postemployment benefits (Notes 8,9)	231,886	136,668
Total deferred outflows of resources	2,226,231	1,166,713
LIABILITIES		
Current liabilities		
Accounts payable	4,703,368	4,060,035
Accrued liabilities	13,535	21,582
Customer deposits	316,920	298,114
Interest payable	38,117	28,956
Compensated absences (Note 5)	323,315	320,015
Unearned revenues	3,406,210	3,511,903
Other post-employment benefits liability due in one year (note 9)	17,933	50,989
Current maturities of long-term debt (Note 5)	543,978	605,544
Total current liabilities	9,363,376	8,897,138
Long-term liabilities		
Compensated absences (Note 5)	1,712,089	1,617,733
Net pension liability (Note 7)	4,150,155	3,030,688
Net other post-employment benefits liability (Notes 8,9)	1,233,560	1,037,734
Long-term debt – due in more than one year (Note 5)	3,038,800	3,582,778
Total long-term liabilities	10,134,604	9,268,933
Total liabilities	19,497,980	18,166,071
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions (Note 7)	566,156	294,420
Deferred inflows related to other postemployment benefits (Notes 8,9)	294,002	460,562
Deferred inflows - leases (Note 3)	27,813	44,148
Total deferred inflows of resources	887,971	799,130
NET POSITION		
Net investment in capital assets	187,525,026	178,591,470
Restricted for debt service	337,603	331,089
Unrestricted	54,475,231	57,786,980
Total net position	\$ 242,337,860	\$ 236,709,539

The Notes to Financial Statements are
an integral part of this statement.

ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2025

	2025	(For Comparative Purposes Only) 2024
OPERATING REVENUES		
Water sales	\$ 22,876,443	\$ 21,719,767
Sewer service	18,362,595	17,399,595
Water and sewer connection fees	175,477	178,849
Total operating revenues	<u>41,414,515</u>	<u>39,298,211</u>
OPERATING EXPENSES		
Purchase of bulk water (Note 10)	19,012,443	16,266,189
Purchase of sewer treatment (Note 10)	12,356,107	11,319,500
Depreciation and amortization	4,792,018	4,354,813
Administration	1,301,385	1,179,165
Engineering	2,545,829	2,233,966
Finance	2,782,629	2,708,841
Information Technology	1,818,914	1,610,566
Maintenance	4,562,685	4,215,771
Total operating expenses	<u>49,172,010</u>	<u>43,888,811</u>
Operating loss	<u>(7,757,495)</u>	<u>(4,590,600)</u>
NONOPERATING REVENUES (EXPENSES)		
Miscellaneous revenues	546,330	424,691
Lease Revenue - GASB 87	16,335	16,334
Lease/Subscription interest expense	(2,260)	(4,421)
Investment income	2,880,166	2,810,568
Miscellaneous expenses	(71,255)	(676,936)
Bond interest charges	(74,029)	(82,250)
Total nonoperating revenues (expenses)	<u>3,295,287</u>	<u>2,487,986</u>
Loss before capital contributions	<u>(4,462,208)</u>	<u>(2,102,614)</u>
CAPITAL CONTRIBUTIONS (Note 6)	<u>10,090,529</u>	<u>10,495,354</u>
Change in net position	5,628,321	8,392,740
NET POSITION – BEGINNING AT JULY 1, as restated (Note 14)	<u>236,709,539</u>	<u>228,316,799</u>
NET POSITION – ENDING AT JUNE 30	<u><u>\$ 242,337,860</u></u>	<u><u>\$ 236,709,539</u></u>

The Notes to Financial Statements are
an integral part of this statement.

ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF CASH FLOWS
Year Ended June 30, 2025

	2025	(For Comparative Purposes Only) 2024
OPERATING ACTIVITIES		
Cash received from customers	\$ 41,628,912	\$ 38,220,407
Cash paid for goods and services	(34,234,706)	(32,746,840)
Cash paid to employees	(8,782,002)	(8,353,476)
Other receipts	545,519	423,433
Net cash (used in) operating activities	<u>(842,277)</u>	<u>(2,456,476)</u>
CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributed by developers, customers, and local governments	8,480,456	11,347,105
Principal collected on leases	16,766	15,697
Acquisition of capital assets	(11,820,740)	(7,308,224)
Principal paid on long-term borrowings	(505,784)	(483,169)
Interest paid on long-term borrowings	(165,363)	(192,701)
Proceeds from sale of capital assets	84,240	28,242
Net cash provided by (used in) capital and related financing activities	<u>(3,910,425)</u>	<u>3,406,950</u>
INVESTING ACTIVITIES		
Purchase of investment securities	(21,030,901)	(23,717,083)
Proceeds from sale and maturity of investment securities	17,848,374	22,624,274
Interest received	4,425,533	2,299,029
Net cash provided by investing activities	<u>1,243,006</u>	<u>1,206,220</u>
Net increase (decrease) in cash and cash equivalents	<u>(3,509,696)</u>	<u>2,156,694</u>
CASH AND CASH EQUIVALENTS		
Beginning at July 1	<u>30,692,277</u>	<u>28,535,583</u>
Ending at June 30	<u><u>\$ 27,182,581</u></u>	<u><u>\$ 30,692,277</u></u>
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash and cash equivalents	\$ 26,384,489	\$ 29,934,220
Cash and cash equivalents, restricted	798,092	758,057
	<u><u>\$ 27,182,581</u></u>	<u><u>\$ 30,692,277</u></u>

(Continued)

The Notes to Financial Statements are
an integral part of this statement.

ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF CASH FLOWS
Year Ended June 30, 2025

	2025	(For Comparative Purposes Only) 2024
	<u>2025</u>	<u>2024</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (7,757,495)	\$ (4,590,600)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	4,792,018	4,354,813
Excess of employer contributions over pension expense	425,378	316,743
Excess of employer contributions over other postemployment benefits expense	(99,008)	(165,560)
Other nonoperating revenues/expenses	407,447	349,462
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	8,638	(960,612)
Inventory	149,518	(266,928)
Prepays	(157,766)	(68,946)
Increase (decrease) in:		
Accounts payable	1,093,625	(1,295,051)
Accrued liabilities	(8,047)	(102,580)
Customer deposits	18,806	13,913
Compensated absences	97,656	89,975
Unearned connection fees	186,953	(131,105)
	<u>\$ (842,277)</u>	<u>\$ (2,456,476)</u>
 NONCASH CAPITAL, INVESTING AND RELATED FINANCING ACTIVITIES		
Contributions of capital assets	<u>\$ 1,317,427</u>	<u>\$ 842,890</u>
 Capital asset additions financed by accounts payable	<u>\$ 1,917,457</u>	<u>\$ 2,367,749</u>
 Increase (decrease) in fair value of investments	<u>\$ (1,545,367)</u>	<u>\$ 511,539</u>

The Notes to Financial Statements are
an integral part of this statement.

APPENDIX E

Form of Bond Counsel Opinion

*Set forth below is the proposed form of bond counsel opinion.
It is preliminary and subject to change prior to delivery of the Series 2026 Bonds.*

_____, 2026

Rivanna Water and Sewer Authority
Charlottesville, Virginia

Rivanna Water and Sewer Authority
\$ _____ Regional Water and Sewer System
Revenue and Refunding Bonds, Series 2026

Ladies and Gentlemen:

We have examined the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) (the “Act”) and certified copies of proceedings and documents relating to the organization of the Rivanna Water and Sewer Authority (the “Authority”) and the issuance by the Authority of its \$ _____ Regional Water and Sewer System Revenue and Refunding Bonds, Series 2026 (the “Bonds”). The Bonds are being issued to (a) finance various capital improvements to the Authority’s regional water and sewer system, (b) refund all or a portion of the outstanding maturities of the Authority’s Taxable Regional Water and Sewer System Revenue and Refunding Bond, Series 2015B (the “Refunded 2015B Bond”), and (c) finance related issuance and refunding costs. Reference is made to the form of the Bonds for information concerning their details, including payment and redemption provisions, and the proceedings pursuant to which they are issued.

The Bonds are issued under and are equally and ratably secured by an Agreement of Trust dated as of October 1, 1979, as supplemented and amended from time to time (the “Trust Agreement”), between the Authority and The Bank of New York Mellon Trust Company, as successor trustee (the “Trustee”), on a parity with certain outstanding revenue bonds of the Authority (collectively, the “Parity Bonds”), as provided in the Trust Agreement. Additional bonds on a parity with the Bonds and the Parity Bonds may be issued on the terms provided in the Trust Agreement.

Reference is made to the opinions of counsel for the Authority, the City of Charlottesville, Virginia (the “City”), Albemarle County, Virginia (the “County”), and Albemarle County Service Authority (“ACSA”) as to the due authorization, execution, delivery and enforceability of a Service Agreement dated as of June 13, 1973, as supplemented and amended, relating to, among other things, the sale and transmission of water and the treatment of wastewater by the Authority and payments to the Authority for such water furnished to and

wastewater delivered by the City and ACSA, upon which you are relying as to matters therein. No opinion as to such matters is expressed herein.

Without undertaking to verify the same by independent investigation, we have relied on (a) computations provided to _____ a firm of independent public accountants and consultants, the mathematical accuracy of which was verified by it, relating to (i) the sufficiency of the cash and/or securities in the escrow account established in connection with the refunding of the Refunded 2015B Bond to pay when due the principal of and interest on the Refunded 2015B Bond through the date fixed for its redemption and to defease and redeem the corresponding bonds issued by Virginia Resources Authority, and (ii) the yield on the 2026 Bonds, and (b) certifications by representatives of the Authority, ACSA, the City and the County as to certain facts relevant to both our opinion and requirements of the Internal Revenue Code of 1986, as amended (the "Code"). The Authority has covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds, all as set forth in the proceedings and documents providing for the issuance of and security for the Bonds (the "Covenants").

Based on the foregoing and in accordance with customary opinion practice, and assuming the due authorization, execution and delivery of the Trust Agreement by the Trustee, we are of the opinion that:

1. The Authority is a public body politic and corporate, created under the Act, is in good standing under the laws of the Commonwealth of Virginia as of _____, 2026, based on a certificate of the State Corporation Commission, and has lawful authority to acquire, construct, expand, own and operate the System.

2. The issuance of the Bonds is permitted under the terms of the Trust Agreement. The Bonds have been duly authorized and issued in accordance with the Constitution and statutes of the Commonwealth of Virginia and constitute valid and binding limited obligations of the Authority payable as to principal and interest solely from certain revenues and other moneys pledged by the Trust Agreement to secure payment of the Bonds, and are secured on a parity with the Parity Bonds and any additional bonds subsequently issued on a parity with the Bonds and the Parity Bonds as provided in the Trust Agreement. The Bonds and the interest thereon do not constitute a pledge of the faith and credit of the Commonwealth of Virginia or of any political subdivision thereof, including the Authority, the City, the County and ACSA.

3. The Authority is required to fix, revise, charge and collect such charges for the use of and services furnished by the System so that such charges will be sufficient in each fiscal year to pay when due the cost of operation and maintenance of the System and the principal of and interest on the Bonds, the Parity Bonds and any additional bonds subsequently issued on a parity therewith, and to provide certain reserves therefor.

4. The Thirty-Fourth Supplemental Agreement of Trust dated as of _____, 2026, between the Authority and the Trustee, supplementing the Trust Agreement, is authorized and permitted by the Trust Agreement and complies with its terms, has been duly authorized, executed and delivered by the Authority, constitutes a valid and binding agreement of the Authority, and is enforceable against the Authority in accordance with its terms.

5. The Trust Agreement has been duly authorized, executed and delivered by the Authority, constitutes a valid and binding agreement of the Authority, pledges as security for payment of the principal of and interest on the Bonds certain revenues derived from the ownership or operation of the System, moneys in certain funds created by the Trust Agreement, income from investments and proceeds of insurance, and is enforceable against the Authority in accordance with its terms.

6. The rights of the holders of the Bonds and the enforceability of such rights, including the enforcement by the Trustee of the obligations of the Authority under the Trust Agreement, may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity.

7. Under current law, interest, [including accrued original issue discount (“OID”),] on the Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax, and (c) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations. The opinions in clauses (a) and (b) of the preceding sentence are subject to the condition that there is compliance subsequent to the issuance of the Bonds with all requirements of the Code that must be satisfied in order that interest, [including accrued OID,] on the Bonds not be included in gross income for federal income tax purposes. Failure by the Authority to comply with the Covenants, among other things, could cause interest, [including accrued OID,] on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue. The Authority may in its discretion, but has not covenanted to, take any and all such actions as may be required by future changes in the Code and applicable regulations in order that interest, [including accrued OID,] on the Bonds remain excludable from gross income for federal income tax purposes. [In the case of the Bonds maturing in the years ____ (the “OID Bonds”), the difference between (i) the stated principal amount of each maturity of the OID Bonds and (ii) the initial offering price to the public (excluding bond houses and brokers) at which a substantial amount of each such maturity of the OID Bonds is sold will constitute OID; OID will accrue for federal income tax purposes on a constant-yield-to-maturity method based on regular compounding; and a holder’s basis in such an OID Bond will be increased by the amount of OID treated for federal income tax purposes as having accrued on the OID Bond while the holder holds the OID Bond.] We express no opinion regarding other federal tax consequences of the ownership of or receipt or accrual of interest, [including accrued OID,] on the Bonds.

8. Under current law, interest[, including accrued OID,] on the Bonds is exempt from income taxation by the Commonwealth of Virginia.

The opinions set forth above are based on current law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. Our services as bond counsel to the Authority have been limited to delivering the foregoing opinions based on our review of such proceedings and documents as we deem necessary to approve the validity of the Bonds and the tax-exempt status of the interest thereon. Our services have not included any financial or other non-legal advice. We express no opinion herein as to the financial resources of the Authority, its ability to provide for payment of the Bonds or the accuracy or completeness

of any information, including the Authority's Preliminary Official Statement dated _____, 2026, and its Official Statement dated _____, 2026, that may have been relied upon by anyone in making the decision to purchase Bonds. We assume no duty to update or supplement these opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law or the interpretation thereof that may hereafter occur or become effective.

Very truly yours,

APPENDIX F

Form of Continuing Disclosure Agreement

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated _____, 2026 (the “Disclosure Agreement”), is executed and delivered by the Rivanna Water and Sewer Authority (the “Issuer”) in connection with the issuance by the Issuer of its \$_____ Regional Water and Sewer System Revenue and Refunding Bonds, Series 2026 (the “Bonds”). The Issuer hereby covenants and agrees as follows:

Section 1. Purpose. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the holders of the Bonds and in order to assist the original purchasers of the Bonds in complying with the provisions of Section (b)(5)(i) of Rule 15c2-12, as amended (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”) by providing certain annual financial information and material event notices required by the Rule (collectively, “Continuing Disclosure”).

Section 2. Annual Disclosure. (a) The Issuer shall provide annually financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as follows:

(i) audited financial statements of the Issuer, the City of Charlottesville, Virginia (the “City”), and the Albemarle County Service Authority (the “Service Authority”), prepared in accordance with generally accepted accounting principles; and

(ii) with respect to the Issuer, the operating data of the type described in the tables entitled “Current Supply and Treatment Capacities,” “Operating Summary” and “Current Rates” within the Section entitled “The Authority,” all contained in the Issuer’s Official Statement dated _____, 2026;

(iii) with respect to the City’s water and sewer system, (A) monthly rate schedules and (B) the ten largest customers of such systems detailed by name, cubic feet of water consumed and annual billings; and

(iv) with respect to the Service Authority’s water and sewer systems, (A) monthly rate schedules and (B) the ten largest customers of such systems detailed by name, gallons of water consumed and percentage of total water sales.

If the financial statements filed pursuant to Section 2(a)(i) are not audited, the Issuer shall also file such statements as audited when available.

(b) The Issuer shall file annually with the Municipal Securities Rulemaking Board (“MSRB”) the financial information and operating data described in subsection (a) above (collectively, the “Annual Disclosure”) no later than the January 31 following the end of the Issuer’s preceding fiscal year, commencing with the Issuer’s fiscal year ending June 30, 2026.

(c) Any Annual Disclosure may be included by specific reference to other documents previously provided to the MSRB or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

(d) The Issuer shall file with the MSRB in a timely manner notice specifying any failure of the Issuer to provide the Annual Disclosure by the date specified.

Section 3. Event Disclosure. The Issuer shall file with the MSRB in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancement reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions; the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of the holders of the Bonds, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasance of all or any portion of the Bonds;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation (hereinafter defined) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect Bondholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 4. Termination. The obligations of the Issuer hereunder will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all the Bonds.

Section 5. Amendment. The Issuer may modify its obligations hereunder without the consent of Bondholders, provided that the Issuer receives an opinion of nationally recognized bond counsel to the effect that this Disclosure Agreement as so modified complies with the Rule as it exists at the time of modification. The Issuer shall within a reasonable time thereafter file with the MSRB a description of such modification(s).

Section 6. Defaults. (a) If the Issuer fails to comply with any covenant or obligation regarding Continuing Disclosure specified in this Disclosure Agreement, any holder (within the meaning of the Rule) of Bonds then outstanding may, by notice to the Issuer, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the Issuer’s covenant to provide the Continuing Disclosure.

(b) Notwithstanding anything herein to the contrary, any failure of the Issuer to comply with any obligation regarding Continuing Disclosure specified in this Disclosure Agreement (i) shall not be deemed to constitute an event of default under the Bonds or the resolution providing for the issuance of the Bonds and (ii) shall not give rise to any right or remedy other than that described in Section 6(a) above.

Section 7. Filing Method. Any filing required hereunder shall be accompanied by identifying information as prescribed by the MSRB and shall be made by transmitting such disclosure, notice or other information in an electronic format to the MSRB through the MSRB's Electronic Municipal Market Access ("EMMA") system pursuant to procedures promulgated by the MSRB.

Section 8. Additional Disclosure. The Issuer may from time to time disclose certain information and data in addition to the Continuing Disclosure. Notwithstanding anything herein to the contrary, the Issuer shall not incur any obligation to continue to provide, or to update, such additional information or data.

Section 9. Counterparts. This Disclosure Agreement may be executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10. Governing Law. This Disclosure Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

RIVANNA WATER AND SEWER AUTHORITY

Chair

Executive Director

APPENDIX G

**Consulting Engineer's Report on Capital Improvements and Operations
Associated With the Rivanna Water & Sewer Authority Series 2026 Bond Issue**

APPENDIX H

Book-Entry Only System

BOOK-ENTRY ONLY SYSTEM

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2026 Bonds, payments of principal and interest on the Series 2026 Bonds to DTC, its nominee, Direct or Indirect Participants (each as defined herein) or Beneficial Owners, confirmation and transfer to beneficial ownership interests in the Series 2026 Bonds and other bond-related transactions by and between DTC, Direct and Indirect Participants and Beneficial Owners is based solely on information furnished by DTC.

The Depository Trust Company (“DTC”) will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2026 Bond certificate will be issued for each respective maturity of the Series 2026 Bonds of each series in the aggregate principal amount of such maturity, and such certificates will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited Series 2026 Bonds, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of Series 2026 Bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2026 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices

of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2026 Bond documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of amounts with respect to the Series 2026 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of amounts with respect to the Series 2026 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2026 Bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2026 Bond certificates will be printed and delivered.

NONE OF THE AUTHORITY, THE TRUSTEE, ANY POLITICAL SUBDIVISION OR ANY UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE SERIES 2026 BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; (IV) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER; OR (V) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2026 BONDS.

So long as Cede & Co. is the registered owner of the Series 2026 Bonds, as nominee of DTC, references in this Official Statement to the Owner or Owners of the Series 2026 Bonds or Owners shall mean Cede & Co. and shall not mean the Beneficial Owners, and the Trustee will treat Cede & Co. as the only Owner or Bondholder of the Series 2026 Bonds for all purposes under the Indenture.

The Authority may enter into amendments to its agreement with DTC or any successor depository without the consent of the Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

APPENDIX I

Official Notice of Sale

NOTICE OF SALE

\$ _____^{*}
RIVANNA WATER AND SEWER AUTHORITY
(VIRGINIA)
REGIONAL WATER AND SEWER SYSTEM REVENUE AND REFUNDING BONDS
SERIES 2026

Electronic Bids, via BiDCOMP/Parity Competitive Bidding System (“**BiDCOMP/Parity**”) only, will be received by the Rivanna Water and Sewer Authority (the “**Authority**”), until ____ a.m., prevailing Eastern Time, on _____, 2026^{*}

for the purchase of all, but not less than all, of the Authority’s \$ _____^{*} Regional Water and Sewer System Revenue and Refunding Bonds, Series 2026 (the “**Series 2026 Bonds**”), dated the date of their delivery and maturing, subject to the right of prior redemption as hereinafter set forth, on the 1st day of October in the following years and in the following amounts, respectively:

Initial Maturity Schedule*

<u>Year</u> <u>(October 1)*</u>	<u>Principal</u> <u>Amount*</u>	<u>Year</u> <u>(October 1)*</u>	<u>Principal</u> <u>Amount*</u>
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Immediately thereafter, the bids will be publicly announced, and the Chair or Vice Chair of the Authority will act upon the bids by 5:00 p.m., prevailing Eastern Time.

The Authority reserves the right to change the date for receipt of bids (the “**Scheduled Bid Date**”) in accordance with the section of this Notice of Sale entitled “Change of Bid Date and Closing Date; Other Changes to Notice of Sale.”

All capitalized terms used but not otherwise defined herein shall have the meanings given in the Authority’s Preliminary Official Statement dated the date hereof (the “**Preliminary Official Statement**”).

[Remainder of page intentionally left blank.]

^{*} Preliminary, subject to change.

BID PARAMETERS TABLE FOR THE SERIES 2026 BONDS*

INTEREST		PROCEDURAL	
Dated Date:	Date of Delivery	Sale Date and Time:	Bids due _____, 2026, at ____ a.m., prevailing Eastern Time
Anticipated Delivery Date:	_____, 2026	Bid Submission:	Electronic bids through Parity only
Interest Payments Dates:	April 1 and October 1	All or None?	Yes
First Interest Payment Date:	_____, ____	Bid Award Method:	Lowest TIC – Dated Date excluding Accrued Interest
Coupon Multiples:	1/8 or 1/20 of 1%	Good Faith Deposit:	\$_____. See “Good Faith Deposit.”
Zero Coupons:	Not Permitted	Establishment of Issue Price – Competitive Sale Requirements	The Authority intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Series 2026 Bonds) will apply to the initial sale of the Series 2026 Bonds (the “competitive sale requirements”).
Split Coupons:	Not Permitted		
Coupons per Maturity:	One		
		Establishment of Issue Price – Alternative Approach	If the competitive sale requirements are not met because at least three qualifying bids are not received, the Authority intends to treat the Initial Public Offering Price (as hereinafter defined) of each maturity of the Series 2026 Bonds as of the Sale Date (as hereinafter defined) as the issue price of that maturity.

PRINCIPAL			
Due Date:	October 1, ____ – October 1, ____	Term Bonds:	Permitted
Optional Redemption:	Series 2026 Bonds maturing on and after October 1, ____, are callable on October 1, ____, and thereafter at par		
PRICING			
Max, Aggregate Bid Price:	No Limit	Low Coupon per Maturity:	3%
Min. Aggregate Bid Price:	100%	High Coupon per Maturity:	5%
Max. Price per Maturity:	No Limit	Maximum True Interest Cost:	5%
Min. Price per Maturity:	No Limit	Underwriter’s Discount	Not to exceed 200 basis points (2%)

* Subject to the detailed provisions of this Notice of Sale.

DETAILS AND TERMS OF SERIES 2026 BONDS

Changes to Initial Maturity Schedule

The Initial Maturity Schedule set forth above represents an estimate of the principal amount of Series 2026 Bonds to be sold. The Authority hereby reserves the right to change the Initial Maturity Schedule, based on market conditions prior to the sale, by announcing via BiDCOMP/Parity@/www.i-dealprospectus.com or TM3 (www.tm3.com) any such change not later than 30 minutes prior to the announced time and date for receipt of bids. The resulting schedule of maturities will become the “**Bid Maturity Schedule**.” If no such change is announced, the Initial Maturity Schedule will become the Bid Maturity Schedule.

Changes to Bid Maturity Schedule

The Authority hereby further reserves the right to change the Bid Maturity Schedule after the determination of the successful bidder, by increasing or decreasing the aggregate principal amount of the Series 2026 Bonds.

THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING TERMS (AS HEREINAFTER DEFINED) AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the final aggregate principal amount of the Series 2026 Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter’s discount and original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Series 2026 Bonds from the selling compensation that would have been received based on the purchase price in the successful bid and the Initial Reoffering Terms. The interest rates specified by the successful bidder for the various maturities at the Initial Reoffering Terms will not change. The Authority anticipates that the final annual principal amounts and the final aggregate principal amount of the Series 2026 Bonds will be communicated by the Authority to the successful bidder within twenty-four hours of the Authority’s receipt of the Initial Public Offering Prices and yields of the Series 2026 Bonds (together, the “**Initial Reoffering Terms**”).

Book-Entry System

The Series 2026 Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (“**DTC**”), registered in the name of Cede & Co., nominee of DTC. The book-entry system will evidence beneficial ownership interests of the Series 2026 Bonds in the principal amount of \$5,000 and any multiple thereof, with transfers of beneficial ownership interests effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The Series 2026 Bonds shall be held by the Trustee in safekeeping on behalf of DTC. Interest on the Series 2026 Bonds will be payable on each April 1 and October 1, the first interest payment date being _____, _____, and principal of the Series 2026 Bonds will be payable at maturity or upon prior redemption, to DTC or its nominee as registered owner of the Series 2026 Bonds. Transfer of principal, interest and any redemption payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption payments to beneficial owners of the Series 2026 Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Authority will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the Series 2026 Bonds or (b) the Authority determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2026 Bonds would adversely affect the interests of the beneficial owners of the Series 2026 Bonds, the Authority will discontinue the book-entry system with DTC. If the Authority fails to select another qualified securities depository to replace DTC, the Authority will deliver replacement Series 2026 Bonds in the form of fully registered certificates.

Security for the Series 2026 Bonds

The Series 2026 Bonds will be issued and secured in accordance with the provisions of the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia of 1950, as amended (the “**Enabling Act**”), and pursuant to the provisions of an Agreement of Trust dated as of October 1, 1979, as previously supplemented and

amended (the “**Master Trust Agreement**”), between the Authority and The Bank of New York Mellon Trust Company, N.A., New York, New York, as successor trustee (the “**Trustee**”), and as further supplemented and amended by a Thirty-Fourth Supplemental Agreement of Trust dated as of ____, 2026 (the “Thirty-Fourth Supplemental Agreement,” and together with the Master Trust Agreement, the “Trust Agreement”).

The Series 2026 Bonds will be limited obligations of the Authority payable solely from revenues derived from the System and other funds pledged for their payment under the terms of the Trust Agreement. Neither the faith and credit of the Commonwealth of Virginia nor the faith and credit of any county, city, town or other subdivision of the Commonwealth of Virginia, including the Authority and the Political Subdivisions (as defined in the Preliminary Official Statement), are pledged to the payment of principal of or interest on the Series 2026 Bonds.

A more detailed description of the security for the Series 2026 Bonds is set forth in the Preliminary Official Statement.

Serial Bonds and/or Term Bonds; Mandatory Sinking Fund Redemption

Bidders may provide that all of the Series 2026 Bonds be issued as serial bonds or may provide that any two or more consecutive annual principal amounts be combined into one or more term bonds.

If the successful bidder designates principal amounts of Series 2026 Bonds to be combined into one or more term bonds, each such term Series 2026 Bond shall be subject to mandatory sinking fund redemption commencing on October 1 of the first year that has been combined to form such term Series 2026 Bond and continuing on October 1 in each year thereafter until the stated maturity date of that term Series 2026 Bond. The amount redeemed in any year shall be equal to the principal amount of serial bonds that would otherwise have matured in such year. Series 2026 Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from among the Series 2026 Bonds then subject to redemption. The Authority, at its option, may credit against any mandatory sinking fund redemption requirement term Series 2026 Bonds of the maturity then subject to redemption that have been purchased and cancelled by the Authority or that have been redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

Optional Redemption

The Series 2026 Bonds maturing on or after October 1, ____, will be subject to redemption prior to maturity at the option of the Authority on or after October 1, ____, in whole or in part (in integral multiples of \$5,000) at any time, upon payment of 100% of the principal amount of Series 2026 Bonds to be redeemed) plus interest accrued to the date fixed for redemption.

If less than all of the Series 2026 Bonds are called for redemption, the Authority shall designate the maturities (or principal portions thereof) to be redeemed. If less than all of the Series 2026 Bonds of a particular maturity are called for redemption, the particular Series 2026 Bonds within such maturity to be redeemed shall be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, by the Trustee by lot in such manner as the Trustee in its discretion may determine, each portion of \$5,000 principal amount being counted as one bond for this purpose. If a portion of a Series 2026 Bond shall be called for redemption, a new Series 2026 Bond in the principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof. Provided that funds have been deposited with the Trustee for such purpose, each Series 2026 Bond duly called for redemption will cease to bear interest on its redemption date.

At the direction of the Authority, the Trustee shall cause notice of the call for redemption to be sent by facsimile transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner of the Series 2026 Bonds. The Authority shall not be responsible for mailing notice of redemption to anyone other than DTC or another qualified securities depository or its nominee unless no qualified securities depository is the registered owner of the Series 2026 Bonds. If no qualified securities depository is the registered owner of the Series 2026 Bonds, notice of redemption shall be mailed to the registered owners of the Series 2026 Bonds. Each notice of redemption shall identify the Series 2026 Bonds or portions thereof to be redeemed. Interest shall cease to accrue on any Series 2026 Bonds duly called for prior redemption, after the redemption date, if payment thereof has been duly provided. The Trustee shall not be required to transfer or exchange any Series 2026 Bond or portion thereof after the notice of redemption has been duly provided.

During the period that DTC or the DTC nominee is the registered holder of the Series 2026 Bonds, the Trustee will not be responsible for mailing notices of redemption to the beneficial owners of the Series 2026 Bonds. See Appendix H - "Book-Entry Only System."

At the direction of the Authority, the Trustee may give a notice of redemption prior to a deposit of redemption moneys if such notice states that the redemption is to be funded with the proceeds of a refunding bond issue and is conditioned on the deposit of such proceeds. Provided that moneys are deposited on or before the redemption date, such notice shall be effective when given. If such proceeds are not available on the redemption date, such Series 2026 Bonds will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption. On presentation and surrender of the Series 2026 Bonds called for redemption at the place or places of payment, such Series 2026 Bonds shall be paid and redeemed.

ELECTRONIC BIDDING REQUIREMENTS AND PROCEDURE

Registration to Bid

All prospective bidders must be contracted customers of i-Deal LLC's BiDCOMP/Parity Competitive Bidding System. If you do not have a contract with BiDCOMP/Parity, call (212) 849-5021 to inquire about becoming a customer. By submitting a bid for the Series 2026 Bonds, a prospective bidder represents and warrants to the Authority that such bidder's bid for the purchase of the Series 2026 Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Series 2026 Bonds. By contracting with BiDCOMP/Parity, a prospective bidder is not obligated to submit a bid in connection with the sale.

IF ANY PROVISIONS OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BiDCOMP/PARITY AS APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE, AS IT MAY BE AMENDED BY THE AUTHORITY AS DESCRIBED WITHIN, SHALL CONTROL. Further information about BiDCOMP/Parity, including any fee charged, may be obtained from BiDCOMP/Parity at (212) 849-5021.

Disclaimer

Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Authority nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Authority nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, BiDCOMP/Parity. The Authority is using BiDCOMP/Parity as a communication mechanism, and not as the Authority's agent, to conduct the electronic bidding for the Series 2026 Bonds. The Authority is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid specifications hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders, and the Authority is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Series 2026 Bonds, it should telephone BiDCOMP/Parity and notify Davenport & Company LLC, the Authority's financial advisor (the "**Financial Advisor**"), by telephone at (804) 697-2900. After receipt of bids is closed, the Authority through BiDCOMP/Parity will indicate the apparent successful bidder. Such message is a courtesy only for viewers and does not constitute the award of the Series 2026 Bonds. Each bid will remain subject to review by the Authority to determine its true interest cost rate and compliance with the terms of this Notice of Sale.

Bidding Procedures

Bids must be submitted electronically for the purchase of all, but not less than all, of the Series 2026 Bonds by means of the Rivanna Water and Sewer Authority, AON (all or none) Bid Form (the "**Bid Form**") via Parity. Bids

must be communicated electronically to Parity by ____ a.m., prevailing Eastern Time on the Scheduled Bid Date unless postponed as described below (see “*Change of Bid Date and Closing Date; Other Changes to Notice of Sale*”). Prior to that time, a prospective bidder may input and save the proposed terms of its bid in BiDCOMP. Once the final bid has been saved in BiDCOMP, the bidder may select the final bid button in BiDCOMP to submit the bid to Parity. Once the bids are released electronically via Parity to the Authority, each bid will constitute an **IRREVOCABLE** offer to purchase the Series 2026 Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP shall constitute the official prevailing Eastern Time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Authority, as described under “Award of Bonds” below, represented by the rate or rates of interest and the bid price specified in their respective bids.

By submitting a bid for the Series 2026 Bonds, each underwriter represents and certifies that it has an established industry reputation for underwriting new issuances of municipal bonds. The Authority will not accept bids from firms without an established industry reputation for underwriting new issuances of municipal bonds.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via Parity. No bid will be received after the time for receiving such bids specified above.

Good Faith Deposit

After receipt of bids is closed and prior to the award, the apparent successful bidder indicated on BidCOMP/Parity must submit to the Authority by wire transfer a good faith deposit (the “**Deposit**”) equal to \$ _____. The award to the apparent successful bidder is contingent upon receipt of the Deposit, and the Series 2026 Bonds will not be awarded to such bidder until the Authority has received confirmation of receipt of the Deposit.

Wire instructions for the Deposit will be provided to the apparent successful bidder in a timely fashion after receipt of the bids is closed.

Award or rejection of bids will be made by the Authority on the date above stated for the receipt of bids. The proceeds of the Deposit will be held as security for the performance of the successful bidder’s bid and applied to the purchase price of the Series 2026 Bonds, but, in the event the successful bidder shall fail to comply with the terms of its bid, the Deposit will be retained as and for full liquidated damages. No interest earned thereon will be allowed as a credit against the purchase price of the Series 2026 Bonds.

Award of Bonds

Award or rejection of bids will be made by the Chair or Vice Chair of the Authority, prior to 5:00 p.m., prevailing Eastern Time on the date of receipt of bids. ALL BIDS SHALL REMAIN FIRM UNTIL 5:00 P.M., PREVAILING EASTERN TIME, ON THE DATE OF RECEIPT OF BIDS. An award of the Series 2026 Bonds, if made, will be made by the Chair or Vice Chair of the Authority within such time period (____ a.m. – 5:00 p.m.).

The Series 2026 Bonds will be awarded to the bidder offering to purchase the Series 2026 Bonds at the lowest “True” or “Canadian” interest cost (“**TIC**”), such cost to be determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount the payments of the principal of and the interest on the Series 2026 Bonds from their payment dates to the dated date of the Series 2026 Bonds and to the aggregate price bid of the Series 2026 Bonds. If two or more bidders offer to purchase the Series 2026 Bonds at the same lowest TIC, the Authority will have the right to select by lot the successful bidder from among such bidders. There will be no auction.

Bids for the Series 2026 Bonds shall not be conditioned upon obtaining municipal bond insurance or any other credit enhancement. If a bidder proposes to obtain a policy of municipal bond insurance or any other credit enhancement, any such purchase of insurance or commitment therefor shall be at the sole option and expense of the bidder, and the bidder must pay any increased costs of issuance of the Series 2026 Bonds as a result of such insurance or commitment. Any failure by the bidder to obtain such a policy of insurance or other credit enhancement shall not in any way relieve such bidder of its contractual obligations arising from the acceptance of its bid for the purchase of the Series 2026 Bonds.

Right of Rejection

The Authority expressly reserves the right (i) to waive any informalities, (ii) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein and (iii) to solicit new bids or proposals for the sale of the Series 2026 Bonds or otherwise provide for the public sale of the Series 2026 Bonds if all bids are rejected or the successful bidder defaults, including, without limitation, sale of the Series 2026 Bonds to one or more of the losing or rejected bidders without regard to their original bid or its relationship to any other bid.

Change of Bid Date and Closing Date; Other Changes to Notice of Sale

The Authority reserves the right to postpone, from time to time, the date and time established for the receipt of bids and will undertake to announce any such change via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 (www.tm3.com).

Any postponement of the bid date will be announced via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 not later than 30 minutes prior to the announced time for the receipt of bids. An alternative bid date and time will be announced via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 at least 18 hours prior to such alternative bid date.

On such alternative bid date and time, the Authority will accept bids for the purchase of the Series 2026 Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for bidding and any other changes announced via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 at the time the bid date and time are announced.

The Authority may change the scheduled delivery date for the Series 2026 Bonds by notice given in the same manner as set forth for a change in the date for the receipt of bids.

The Authority reserves the right to otherwise change this Notice of Sale. The Authority anticipates that the Authority would communicate any such changes via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 by 5:00 p.m., prevailing Eastern Time, on the date prior to the scheduled date for the receipt of bids but no later than 30 minutes prior to the scheduled time and date for receipt of bids.

TERMS AND CONDITIONS APPLICABLE TO BIDDERS

Conflict Waiver

Hunton Andrews Kurth LLP is serving as Bond Counsel in connection with the issuance and sale of the Series 2026 Bonds. By placing a bid, each bidder represents that it understands that Hunton Andrews Kurth LLP, in its capacity as Bond Counsel, represents the Authority and that, if successful, the bidder waives any conflict of interest that Hunton Andrews Kurth LLP's involvement in connection with the issuance and sale of the Series 2026 Bonds presents to the successful bidder.

Undertakings of the Successful Bidder

The successful bidder shall make a bona fide public offering of all of the Series 2026 Bonds to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers who are not purchasing for their own account as ultimate purchasers without a view to resell).

Within one hour of being notified of the award of the Series 2026 Bonds, the successful bidder must furnish to the Authority, the following information to complete the Official Statement in final form, as described below:

- A. The Initial Public Offering Prices of the Series 2026 Bonds (expressed as the price or yield per maturity).

B. Selling compensation (aggregate total anticipated compensation to the underwriter(s) expressed in dollars, based on the expectation that all Series 2026 Bonds are sold at the prices or yields described in Subpart A above).

C. The identity of the underwriters if the successful bidder is a part of a group or syndicate.

D. Any other material information necessary to complete the Official Statement in final form but not known to the Authority.

Prior to delivery of the Series 2026 Bonds, the successful bidder shall furnish to the Authority a certificate, in form acceptable to Bond Counsel, to the effect that the successful bidder has complied with Rule G-37 of the Municipal Securities Rulemaking Board (the “**MSRB**”) with respect to the Authority.

Establishment of Issue Price

The successful bidder shall assist the Authority in establishing the “issue price” of the Series 2026 Bonds and shall execute and deliver to the Authority prior to the Closing Date a certificate acceptable to Bond Counsel setting forth the reasonably expected Initial Public Offering Prices, or the sales price or prices of the Series 2026 Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A-1 or Exhibit A-2, as applicable, with such modifications as may be appropriate or necessary in the reasonable judgment of the successful bidder, the Authority or Bond Counsel.

The Authority intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Series 2026 Bonds) will apply to the initial sale of the Series 2026 Bonds (the “**competitive sale requirements**”) because:

A. the Authority will disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

B. all bidders will have an equal opportunity to bid;

C. the Authority anticipate receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

D. the Authority anticipates awarding the sale of the Series 2026 Bonds to the bidder that submits a firm offer to purchase the Series 2026 Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Series 2026 Bonds, as specified in the bid.

In the event the Authority receives less than three (3) bids that conform to the parameters contained herein such that the competitive sale requirements are not satisfied, the Authority intends to treat the Initial Public Offering Price of each maturity of the Series 2026 Bonds as of the Sale Date as the issue price of that maturity (the “**hold-the-offering-price rule**”). Consequently, bidders should prepare their bids on the assumption that all of the maturities of the Series 2026 Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series 2026 Bonds. The Authority will advise the apparent successful bidder within one hour of receipt of bids if the hold-the-offering-price rule will apply.

The following procedures shall apply with respect to the hold-the-offering-price rule. By submitting a bid, the successful bidder shall, on behalf of the underwriter(s) participating in the purchase of the Series 2026 Bonds, (i) confirm that the underwriter(s) have offered or will offer each maturity of the Series 2026 Bonds to the public on or before the date that the Series 2026 Bonds are awarded by the Authority to the successful bidder (“**Sale Date**”) at the initial public offering price or prices (the “**Initial Public Offering Prices**”) set forth in the bid submitted by the successful bidder, and (ii) agree that the underwriter(s) will neither offer nor sell any maturity of the Series 2026 Bonds to any person at a price that is higher than the Initial Public Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- A. the close of the fifth business day after the Sale Date; or
- B. the date on which the underwriter(s) have sold at least 10% of that maturity of the Series 2026 Bonds to the public at a price that is no higher than the Initial Public Offering Price for such maturity.

The successful bidder shall promptly advise the Authority when the underwriter(s) have sold 10% of that maturity of the Series 2026 Bonds to the public at a price that is no higher than the Initial Public Offering Price if that occurs prior to the close of the fifth (5th) business day after the Sale Date. The successful bidder agrees to provide supporting pricing wires or equivalent communications reflecting such information.

The Authority acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2026 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or a dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2026 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2026 Bonds.

By submitting a bid, each bidder confirms that:

A. Any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the sale of the Series 2026 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to:

- (1) (a) report the prices at which it sells to the public the unsold Series 2026 Bonds of each maturity allocated to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Series 2026 Bonds of that maturity or all Series 2026 Bonds of that maturity have been sold to the public and (b) comply with the hold-the-offering-price rule, in each case if and for so long as directed by the successful bidder and in the related pricing wires;
- (2) promptly notify the successful bidder of any sales of Series 2026 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2026 Bonds to the public (each such term being used as defined below); and
- (3) acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

B. Any agreement among underwriters or any selling group agreement relating to the initial sale of the Series 2026 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2026 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (1) report the prices at which it sells to the public the unsold Series 2026 Bonds of each maturity allocated to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Series 2026 Bonds of that maturity or all Series 2026 Bonds of that maturity have been sold to the public and (2) comply with the hold-the-offering-price rule, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Series 2026 Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale.

Further, for purposes of this Notice of Sale:

A. “public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,

B. “underwriter” means (1) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2026 Bonds to the public and (2) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1) to participate in the initial sale of the Series 2026 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2026 Bonds to the public), and

C. a purchaser of any of the Series 2026 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

CLOSING; MISCELLANEOUS TERMS

Delivery of Series 2026 Bonds and Closing Certificates

The Series 2026 Bonds will be delivered at the expense of the Authority in New York, New York, through the facilities of DTC (through its FAST Program) on or about _____, 2026.

Concurrently with the delivery of the Series 2026 Bonds, the Authority will furnish to the successful bidder without cost (a) a certificate dated the date of delivery of the Series 2026 Bonds, signed by the appropriate Authority officials and stating that no litigation of any kind is then pending or, to the best of their information, knowledge and belief, threatened against the Authority to restrain or enjoin the issuance or delivery of the Series 2026 Bonds or the levy or collection of revenues and (b) certificates dated the date of delivery of the Series 2026 Bonds, stating that the descriptions and statements in the Official Statement (except in the section entitled “Tax Exemption” and in the columns “Yield” and “CUSIP No.” on the inside cover), on the date of the Official Statement and on the date of delivery of the Series 2026 Bonds, were and are true and correct in all material respects, did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such descriptions and statements, in light of the circumstances under which they were made, not misleading. Such certificates will also state, however, that such Authority officials did not independently verify the information indicated in the Official Statement as having been obtained or derived from sources other than the Authority and its officers but they have no reason to believe that such information is not accurate.

CUSIP Numbers

CUSIP numbers for the Series 2026 Bonds will be applied for by the Financial Advisor, but the Authority will not assume any obligation for the assignment or printing of such numbers on the Series 2026 Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any of the Series 2026 Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of or make payment for the Series 2026 Bonds.

Official Statements

Copies of the Preliminary Official Statement may be obtained without cost via the Internet at www.i-dealprospectus.com. The Preliminary Official Statement at its date is deemed “final” by the Authority within the

meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “**Rule**”), except for the omission of certain pricing and other information permitted to be omitted pursuant to the Rule. Notwithstanding the foregoing, the Preliminary Official Statement is subject to revision, amendment and completion.

After the award of the Series 2026 Bonds, the Authority will prepare a reasonable number of copies of the Official Statement and will include therein such additional information concerning the reoffering of the Series 2026 Bonds as the successful bidder may reasonably request; provided, however, that the Authority will not include in the Official Statement a “NRO” (“not reoffered”) designation with respect to any maturity of the Series 2026 Bonds. The successful bidder will be responsible to the Authority in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering. The Authority expects the successful bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Series 2026 Bonds and to the Electronic Municipal Market Access System (“**EMMA**”) administered by the MSRB. The successful bidder will be required to acknowledge receipt of such Official Statement, to certify that it has made delivery of the Official Statement to EMMA and to acknowledge that the Authority expects the successful bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Series 2026 Bonds and to certify that the Series 2026 Bonds will only be offered pursuant to such Official Statement and only in states where the offer is legal. The successful bidder will be responsible to the Authority in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

If the Series 2026 Bonds are awarded to a syndicate, the Authority will designate the senior managing underwriter of the syndicate as its agent for purposes of distributing copies of the Official Statement to each participating underwriter. Any underwriter executing and delivering a bid form with respect to the Series 2026 Bonds agrees thereby that if its bid is accepted it shall accept such designation and shall enter into a contractual relationship with all participating underwriters for the purposes of assuring the receipt and distribution by each such participating underwriter of the Official Statement, unless another firm is so designated by the syndicate in writing and approved by the Authority.

Official Statements will be provided within seven (7) business days after the date of the award of the Series 2026 Bonds in such quantities as may be necessary for the successful bidder’s regulatory compliance.

Further information will be furnished upon application to Davenport & Company LLC, at (804) 697-2900.

Legal Opinion

The approving opinion of Hunton Andrews Kurth LLP, Richmond, Virginia, in substantially the form appearing as Appendix E to the Preliminary Official Statement, will be furnished without cost to the successful bidder.

Tax Matters

The Official Statement relating to the Series 2026 Bonds contains a discussion of the effect of the Internal Revenue Code of 1986, as amended, on the exclusion from gross income of interest on the Series 2026 Bonds and a discussion of the opinion of Hunton Andrews Kurth LLP insofar as it concerns such exclusion.

Federal and State Securities Laws

No action has been taken to qualify the Series 2026 Bonds under the federal securities laws.

Continuing Disclosure

For purposes of the Rule, the Authority is an obligated person with respect to the Series 2026 Bonds. The Authority will agree, pursuant to the Continuing Disclosure Agreement, to provide certain annual financial information and operating data and notices of the occurrence of certain events. A description of these undertakings is set forth in the Preliminary Official Statement for the Series 2026 Bonds and will also be set forth in the final Official Statement for the Series 2026 Bonds. *See Appendix F of the Preliminary Official Statement.*

Reservation of Rights

The right of the Authority to reject any or all bids and to waive any irregularity or informality in any bid is reserved.

Additional Information

For further information relating to the Series 2026 Bonds and the Authority, reference is made to the Authority's Preliminary Official Statement. The Official Bid Form and the Preliminary Official Statement may be obtained from the Financial Advisor, Davenport & Company LLC (telephone (804) 697-2900).

RIVANNA WATER AND SEWER AUTHORITY

EXHIBIT A-1

[For use in competitive sale where at least 3 qualifying bids are received]

PROPOSED FORM OF UNDERWRITER'S CERTIFICATE

In connection with the purchase by _____ (the "Bidder") of the \$ _____ Regional Water and Sewer System Revenue and Refunding Bonds, Series 2026 (the "Bonds"), issued and sold by the Rivanna Water and Sewer Authority (Virginia) (the "Issuer"), on the date hereof, the undersigned authorized representative of the Bidder certifies as follows:

1. The Bidder purchased the Bonds from the Issuer at a price of \$ _____ (calculated as the original principal amount of \$ _____, [plus/less] [net] original issue [premium/discount] of \$ _____, and less an underwriter's discount of \$ _____).

2. On _____, 2026 (the "Sale Date"), the Bidder made a bona fide offering of all the Bonds of each Maturity to the Public reflecting the following terms:

Maturity (October 1)	Principal Amount	Interest Rate	Yield	Price (%)
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3. As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public are the prices (expressed as a percentage of the principal amount) listed above (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Bidder in formulating its bid to purchase the Bonds. Attached as Schedule I is a true and correct copy of the bid provided by the Bidder to purchase the Bonds.

4. The Bidder was not given the opportunity to review the other bids submitted to the Issuer prior to submitting its own bid.

5. The bid submitted by the Bidder constituted a firm offer to purchase the Bonds.

6. All capitalized terms used but not otherwise defined herein shall have the meanings given in the Non-Arbitrage and Tax Compliance Certificate of the Issuer for the Bonds, a copy of which we have reviewed. In addition, the following capitalized terms shall have the following meanings for purposes of this Certificate:

(a) **“Maturity”** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) **“Public”** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(c) For purposes of this certificate a purchaser of any of the Bonds is a **“related party”** to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) **“Underwriter”** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the Bidder to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

We understand that the foregoing information will be relied upon by (i) the Issuer in establishing, among other things, the “issue price” of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the “Code”), and certain other expectations with respect to the Bonds for purposes of Section 148 of the Code set forth in the Non-Arbitrage and Tax Compliance Certificate and (ii) Hunton Andrews Kurth LLP, Richmond, Virginia, in connection with rendering its opinion to the Issuer that the interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned’s interpretation of any laws, in particular the regulations under the Code or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Dated _____, 2026.

[INSERT NAME OF BIDDER]

By: _____

Name: _____

Title: _____

[Attachment – Schedule I – Copy of Bid]

EXHIBIT A-2

[For use in competitive sale where fewer than 3 qualifying bids are received]

PROPOSED FORM OF UNDERWRITER'S CERTIFICATE

In connection with the purchase by _____ (the "Bidder") of the \$ _____ Regional Water and Sewer System Revenue and Refunding Bonds, Series 2026 (the "Bonds"), issued and sold by the Rivanna Water and Sewer Authority (Virginia) (the "Issuer"), on the date hereof, the undersigned authorized representative of the Bidder certifies as follows:

1. The Bidder purchased the Bonds from the Issuer at a price of \$ _____ (calculated as the original principal amount of \$ _____, [plus/less] [net] original issue [premium/discount] of \$ _____, and less an underwriter's discount of \$ _____).

2. On _____, 2026 (the "Sale Date"), the Bidder made a bona fide offering of all the Bonds of each Maturity to the Public reflecting the following terms:

Maturity (October 1)	Principal Amount	Interest Rate	Yield	Price (%)
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3. (a) The Bidder offered each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed above (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule I.

(b) As set forth in the Official Notice of Sale, the Bidder has agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(c) The Bidder has an established industry reputation for underwriting new issuances of municipal bonds.

4. All capitalized terms used but not otherwise defined herein shall have the meanings given in the Non-Arbitrage and Tax Compliance Certificate of the Issuer for the Bonds, a copy of which we have reviewed. In addition, the following capitalized terms shall have the following meanings for purposes of this Certificate:

(a) **“Holding Period”** means for each Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Bidder has sold at least 10% of each Maturity of the Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(a) **“Maturity”** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) **“Public”** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(c) For purposes of this certificate a purchaser of any of the Bonds is a **“related party”** to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) **“Underwriter”** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the Bidder to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

We understand that the foregoing information will be relied upon by (i) the Issuer in establishing, among other things, the “issue price” of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the “Code”), and certain other expectations with respect to the Bonds for purposes of Section 148 of the Code set forth in the Non-Arbitrage and Tax Compliance Certificate and (ii) Hunton Andrews Kurth LLP, Richmond, Virginia, in connection with rendering its opinion to the Issuer that the interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned’s interpretation of any laws, in particular the regulations under the Code or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Dated _____, 2026.

[INSERT NAME OF BIDDER]

By: _____

Name: _____

Title: _____

[Attachment – Schedule I – Copy of pricing wire or equivalent communication]

COVERING CERTIFICATE FOR RESOLUTION

The undersigned Executive Director of the Rivanna Water and Sewer Authority (the “Authority”), certifies as follows:

1. Attached hereto is a true, correct and complete copy of a resolution entitled “RESOLUTION OF THE RIVANNA WATER AND SEWER AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND AWARD OF UP TO \$260,000,000 AGGREGATE PRINCIPAL AMOUNT OF REGIONAL WATER AND SEWER SYSTEM REVENUE AND REFUNDING BONDS, AND PROVIDING FOR THE REFUNDING OF CERTAIN OUTSTANDING BONDS” (the “Resolution”), as adopted at a regular meeting of the Authority board held on July 28, 2026, by the affirmative roll-call vote of a majority of all members of the Authority board.

2. Such meeting of the Authority was held at the time and place established by the Authority board for its regular meetings.

3. The minutes of such meeting reflect the attendance of the Authority board members and their votes on the Resolution as follows:

Board Member	Attendance (Present/Absent)	Vote (Aye/Nay/Abstain)
Michael A. Gaffney		
Sam Sanders		
Jeff Richardson		
Lauren Hildebrand		
Quin Lunsford		
Ann Mallek		
Lloyd Snook		

4. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the Rivanna Water and Sewer Authority, this ____ day of July, 2026.

(SEAL)

Executive Director,
Rivanna Water and Sewer Authority

**RESOLUTION OF THE RIVANNA WATER AND SEWER
AUTHORITY AUTHORIZING THE ISSUANCE, SALE AND
AWARD OF UP TO \$260,000,000 AGGREGATE PRINCIPAL
AMOUNT OF REGIONAL WATER AND SEWER SYSTEM
REVENUE AND REFUNDING BONDS, AND PROVIDING
FOR THE REFUNDING OF CERTAIN OUTSTANDING
BONDS**

WHEREAS, the Rivanna Water and Sewer Authority (the “Authority”) has entered into a Service Agreement dated June 12, 1973, as amended and modified from time to time (the “Service Agreement”), by and between the Authority, the Albemarle County Service Authority (the “Service Authority”), the City of Charlottesville, Virginia (the “City”), and the County of Albemarle, Virginia (the “County”), providing for the acquisition by the Authority of certain existing water and wastewater facilities from the City and the Service Authority, the construction by the Authority of new facilities requested by the City and/or the Service Authority, and the financing, operation and maintenance by the Authority of all such facilities (collectively, the “System”);

WHEREAS, pursuant to the provisions of the Service Agreement and an Agreement of Trust dated as of October 1, 1979, as previously supplemented and amended (the “Master Trust Agreement”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “Trustee”), the Authority is authorized to issue additional bonds (“Additional Bonds”), secured on a parity with outstanding bonds issued thereunder to finance capital improvements to the System and to refund prior bonds;

WHEREAS, on October 18, 2015, the Authority issued its \$44,495,000 Taxable Regional Water and Sewer System Revenue and Refunding Bond, Series 2015B (the “Series 2015B Bond”), pursuant to the Master Trust Agreement, to finance and refinance the construction, furnishing and equipping of improvements and extensions to the System;

WHEREAS, the Authority may effect debt service savings by issuing its refunding bonds (the “Refunding Bonds”) to (1) refund all or a portion of the outstanding principal installments of the Series 2015B Bond (such refunded principal installments, the “Refunded Bond”) and (2) pay related costs of issuance and refunding;

WHEREAS, the Authority finds it desirable to issue one or more series of bonds (the “New Money Bonds”), the proceeds of which will be used to (1) finance capital improvements to the System, (2) fund if necessary a debt service reserve fund, (3) finance if desired capitalized interest and (4) pay related costs of issuance;

WHEREAS, the form and details of the Refunding Bonds and the New Money Bonds (together, the “Series 2026 Bonds”) will be as set forth in a Thirty-Fourth Supplemental Agreement of Trust (the “Thirty-Fourth Supplemental Agreement” and, together with the Master Trust Agreement, the “Trust Agreement”), between the Authority and the Trustee;

WHEREAS, the Authority staff, Williams Mullen, as its outside counsel, and Davenport & Company LLC, as financial advisor to the Authority (the “Financial Advisor”), have

recommended that the Authority offer the Series 2026 Bonds for sale through a competitive public offering;

WHEREAS, the Authority has prepared a draft of a Preliminary Official Statement (the “Preliminary Official Statement”), with respect to the public offering of the Series 2026 Bonds;

WHEREAS, the Securities and Exchange Commission has adopted its Rule 15c2-12 (the “SEC Rule”) pursuant to the Securities Exchange Act of 1934, as amended, requiring that the underwriters of certain municipal securities confirm certain continuing disclosure undertakings; and

WHEREAS, there have been made available to the Board of the Authority at this meeting forms of the following documents proposed in connection with the issuance and sale of the Series 2026 Bonds:

- (a) the Thirty-Fourth Supplemental Agreement, providing for the issuance, security and form of the Series 2026 Bonds as Additional Bonds pursuant to the Trust Agreement;
- (b) the Preliminary Official Statement;
- (c) an Official Notice of Sale (attached as Exhibit I to the Preliminary Official Statement) (the “Notice of Sale”); and
- (d) a Continuing Disclosure Agreement (attached as Exhibit F to the Preliminary Official Statement) (the “Disclosure Agreement”);

NOW, THEREFORE, BE IT RESOLVED BY RIVANNA WATER AND SEWER AUTHORITY:

1. The Authority authorizes (a) the refunding of the Refunded Bond and the issuance and sale of the Refunding Bonds, in one or more series, and (b) the issuance of the New Money Bonds, in one or more series. The New Money Bonds and the Refunding Bonds may be issued as separate series or sold together as one series. The Series 2026 Bonds shall be issued pursuant to the Thirty-Fourth Supplemental Agreement as one or more additional Series of Bonds under the Trust Agreement; provided that (i) the aggregate principal amount of the Series 2026 Bonds shall not exceed \$260,000,000; (ii) the final maturity of the Series 2026 Bonds shall be on or before June 30, 2057, (iii) the aggregate price at which the Series 2026 Bonds are sold to the purchaser shall not be less than 98.0% of the principal amount thereof (without taking into account any original issue discount or premium), (iv) the Series 2026 Bonds in the aggregate shall have a true interest cost not to exceed 5.0% (taking into account any original issue discount or premium), and (v) the Series 2026 Bonds shall be subject to optional redemption, if at all, at a redemption price not to exceed 102.0% of their principal amount. Further, the refunding of the Refunded Bond shall produce an aggregate net present value debt service savings to the Authority of at least 3.0% of the principal amount of the Refunded Bond.

2. The proceeds of the Series 2026 Bonds shall be used as set forth in the Thirty-Fourth Supplemental Agreement.

3. (a) The Chair and Vice Chair of the Authority (each of whom is referred to in this resolution as an “Authorized Officer” and is authorized to take the necessary actions referred to herein), are authorized, on behalf of the Authority and in collaboration with the Financial Advisor, to take all proper steps to advertise the Series 2026 Bonds for sale substantially in accordance with the form of the Notice of Sale, which is hereby approved (provided that the Authorized Officer may make such changes in the Notice of Sale not inconsistent with this Resolution as he may consider to be in the best interest of the Authority), to receive public bids and to award the Series 2026 Bonds to the bidder providing the lowest “true” or “Canadian” interest cost, subject to the limitations set forth in Section 1. Following the sale of the Series 2026 Bonds, the Authorized Officer shall file a certificate with the Secretary-Treasurer of the Authority setting forth the final terms of the Series 2026 Bonds. The actions of the Authorized Officer in selling the Series 2026 Bonds shall be conclusive, and no further action with respect to the sale and issuance of the Series 2026 Bonds shall be necessary on the part of the Board.

(b) The Authorized Officer is hereby authorized to determine the final terms of the Series 2026 Bonds, which authorization shall include the authorization to (i) determine or approve the principal amount, interest rates, maturity schedules, the purchase price and the redemption provisions of the Series 2026 Bonds, subject to the limitations set forth in Section 1, and (ii) determine the dated date and the debt service payment dates of the Series 2026 Bonds, all as the Authorized Officer determines to be in the best interests of the Authority.

4. The Thirty-Fourth Supplemental Agreement and the Disclosure Agreement shall be in substantially the forms made available at this meeting, which are hereby approved, with such completions, omissions, insertions and changes (including changes in the name and series identification of the Series 2026 Bonds) not inconsistent with this Resolution as may be approved by the Authorized Officer, his execution to constitute conclusive evidence of the Authority’s approval of any such completions, omissions, insertions and changes.

5. The Authorized Officer is authorized and directed to execute the Thirty-Fourth Supplemental Agreement and the Disclosure Agreement.

6. The Authorized Officer and the Secretary-Treasurer are authorized and directed to execute the Series 2026 Bonds in accordance with the provisions of the Thirty-Fourth Supplemental Agreement, to deliver them to the Trustee for authentication, and to cause the Series 2026 Bonds so executed and authenticated to be delivered to or for the account of the purchasers upon payment of the purchase price therefor.

7. The form of the Preliminary Official Statement made available at this meeting is hereby approved as the form of the Preliminary Official Statement by which the Series 2026 Bonds will be offered for sale, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Authorized Officer, in collaboration with the Financial Advisor, and the delivery thereof shall constitute conclusive evidence of approval by the Authority. The Authorized Officer may deem the Preliminary Official Statement final, as of its date, within the meaning of the SEC Rule except for the omission of certain pricing and other information as permitted by the SEC Rule.

8. The Authorized Officer, in collaboration with the Financial Advisor, is authorized and directed to make such completions, omissions, insertions and other changes to the Preliminary Official Statement necessary to reflect the terms of the sale of the Series 2026 Bonds and appropriate to complete it as an Official Statement in final form (the "Official Statement"). Execution and delivery of the Official Statement by the Authorized Officer shall constitute conclusive evidence of the Authority's approval of any such completions, omissions, insertions and changes. The Authority shall arrange for the delivery to the purchaser of the Series 2026 Bonds of a reasonable number of copies of the final Official Statement, within seven business days after the Series 2026 Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the purchaser initially sells the Series 2026 Bonds.

9. The Authorized Officer is authorized and directed to determine which principal installments of the Series 2015B Bond, if any, shall constitute the Refunded Bond. The Escrow Agreement (as hereinafter defined) shall provide for notice of redemption to be given to the registered owner of the Refunded Bond in accordance with the Trust Agreement and supplement thereto providing for the issuance of the Refunded Bond.

10. The Authorized Officer is authorized and directed to execute an escrow deposit agreement (an "Escrow Agreement") between the Authority, Virginia Resources Authority, as holder of the Refunded Bond ("VRA"), and U.S. Bank Trust Company, National Association, as escrow agent, with respect to the Refunded Bond. The Escrow Agreement shall be in the form approved by the Authorized Officer, in collaboration with the Authority's bond counsel, and shall provide for the deposit and investment of a portion of the Series 2026 Bond proceeds, together with other available funds, for the defeasance of the Refunded Bond. The execution of the Escrow Agreement by the Authorized Officer shall constitute conclusive evidence of such official's approval of the Escrow Agreement. The Escrow Agreement shall provide for the irrevocable deposit of a portion of the Series 2026 Bond proceeds (the "Refunding Portion"), together with other available funds, in an escrow fund that shall be sufficient, when invested in noncallable, direct obligations of the United States Government (the "Government Obligations"), to provide for payment of principal of and interest on the Refunded Bond; provided, however, that such Refunding Portion shall be invested in such manner that none of the Bonds will be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (the "Code").

11. In accordance with Section 503(b) of the Trust Agreement, the following matters are stated:

(a) The redemption price of the Refunded Bond (which shall equal 100% of the principal to be refunded plus the interest accrued thereon to the date fixed for redemption), the expenses incidental to such redemption and any other applications of the proceeds of the Refunding Bonds (including without limitation underwriting discount, VRA administrative costs, and other issuance and refunding costs) are not expected, in the aggregate, to exceed \$29,260,000.

(b) The costs for each capital project to be financed by the New Money Bonds (excluding costs of issuance) are estimated to be as follows:

Purpose	Cost
Urban Water Infrastructure	\$145,500,000
Urban Wastewater Infrastructure	42,100,000
Crozet Water Infrastructure	21,500,000
Scottsville Water Infrastructure	1,500,000
Scottsville Wastewater Infrastructure	800,000
Glenmore Wastewater Infrastructure	1,000,000
Total	<u>\$212,400,000</u>

(c) The expenses incidental to the issuance of the New Money Bonds (including without limitation underwriting discount and other issuance costs) are estimated not to exceed \$1,760,000.

(d) The contingency for original issue discount on the sale of the Series 2026 Bonds is estimated not to exceed \$16,580,000.

(e) The amounts required to be on deposit at all times in the Bond Fund are as determined pursuant to Section 707 of the Trust Agreement.

(f) No deposit to the Debt Service Reserve Fund is expected to be made with respect to the Series 2026 Bonds.

(g) No capitalized interest is expected to be financed from proceeds of the Series 2026 Bonds.

12. The Authorized Officer, in consultation with the Financial Advisor, the Authority's counsel and bond counsel, is authorized and directed to provide such evidence to the Trustee as may be necessary for the Trustee to make the determinations required by the Trust Agreement in connection with the issuance of the Series 2026 Bonds.

13. The officials and employees of the Authority are authorized and directed to deliver all certificates and instruments and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Series 2026 Bonds, including, but not limited to, delivering a certificate setting forth the expected use and investment of the proceeds of the Series 2026 Bonds to show that such expected use and investment will not violate the provisions of the Internal Revenue Code of 1986, as amended, and related Treasury regulations applicable to "arbitrage bonds" and Internal Revenue Service Form 8038-G.

14. The Authority intends that the adoption of this Resolution, together with a previous resolution dated June 23, 2026, confirming the Authority's "official intent" to reimburse itself from the proceeds of the Series 2026 Bonds within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

15. All other actions of the officials and employees of the Authority previously taken in conformity with the purpose or intent of this Resolution and in furtherance of the issuance and sale of the Series 2026 Bonds are approved and confirmed.

16. All other resolutions or parts thereof in conflict herewith are repealed.

17. This resolution shall take effect immediately upon adoption.

Adopted: July ____, 2026.

THIRTY-FOURTH SUPPLEMENTAL AGREEMENT OF TRUST

between

RIVANNA WATER AND SEWER AUTHORITY

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

Dated as of _____, 2026

**Authorizing the Issuance of
Regional Water and Sewer System Revenue and Refunding Bonds
Series 2026**

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THIS THIRTY-FOURTH SUPPLEMENTAL AGREEMENT OF TRUST dated as of _____, 2026 (the “Thirty-Fourth Supplemental Agreement”), by and between **RIVANNA WATER AND SEWER AUTHORITY**, a public body politic and corporate of the Commonwealth of Virginia (the “Authority”), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, as successor trustee to NationsBank, National Association (in such capacity, together with any successor in such capacity, herein called the “Trustee”);

W I T N E S S E T H:

WHEREAS, the Authority and the Trustee have entered into an Agreement of Trust dated as of October 1, 1979 (the “Master Trust Agreement”), as previously supplemented and amended from time to time (the Master Trust Agreement and the supplemental agreements collectively referred to herein as the “Trust Agreement”), pursuant to which the Authority has issued its revenue bonds from time to time, including its currently outstanding Taxable Regional Water and Sewer System Revenue Bond, Series 2005A; Taxable Regional Water and Sewer System Revenue Bond, Series 2009A; Taxable Regional Water and Sewer System Revenue Bond, Series 2010A; Taxable Regional Water and Sewer System Revenue Bond, Series 2011A; Taxable Regional Water and Sewer System Revenue Bond, Series 2011B; Taxable Regional Water and Sewer System Revenue Bond, Series 2011D; Taxable Regional Water and Sewer System Revenue Bond, Series 2011E; Regional Water and Sewer System Revenue Bonds, Series 2012B; Taxable Regional Water and Sewer System Revenue Bond, Series 2014A; Taxable Regional Water and Sewer System Revenue Bond, Series 2015A; Taxable Regional Water and Sewer System Revenue and Refunding Bond, Series 2015B; Regional Water and Sewer System Revenue Bond, Series 2016; Taxable Regional Water and Sewer System Revenue Bond, Series 2018; Taxable Regional Water and Sewer System Revenue and Refunding Bond, Series 2019, Taxable Regional Water and Sewer System Revenue Bond, Series 2021, and Taxable Regional Water and Sewer System Revenue Bond, Series 2024 (the outstanding principal amounts of such bonds collectively referred to herein as the “Outstanding Bonds”), to finance and refinance certain facilities for a regional water and sewer system (the “System”) to serve on a wholesale basis the City of Charlottesville, Virginia, and the Albemarle County Service Authority;

WHEREAS, the Authority is not in default under the Trust Agreement or in payment of the principal of or interest on the Outstanding Bonds;

WHEREAS, within the limitations of and in compliance with the Trust Agreement, the Authority is authorized to issue Additional Bonds (as defined in the Master Trust Agreement), secured on a parity with the Outstanding Bonds to the extent provided in the Trust Agreement, to finance or refinance the cost of improvements, extensions and additions to the System;

WHEREAS, the Authority has determined to issue its Regional Water and Sewer System Revenue and Refunding Bonds, Series 2026, in an aggregate principal amount not to exceed \$_____ (together, the “Series 2026 Bonds”) and use the proceeds thereof to (a) finance various capital improvements to the Authority’s regional water and sewer system (the “Supplemental Project”), (b) refund all or a portion of the outstanding installments of the Authority’s Taxable Regional Water and Sewer System Revenue and Refunding Bond, Series 2015B (such refunded

installments, the “Refunded Installments”), and (c) finance related issuance and refunding costs; and

WHEREAS, the Authority has taken all necessary action to make the Series 2026 Bonds, when authenticated by the Trustee and issued by the Authority, valid and binding limited obligations of the Authority and to constitute this Thirty-Fourth Supplemental Agreement a valid and binding agreement authorizing and providing for the details of the Series 2026 Bonds;

NOW, THEREFORE, THIS THIRTY-FOURTH SUPPLEMENTAL AGREEMENT WITNESSETH that the Authority does covenant and agree with the Trustee and with the respective holders, from time to time, of the Outstanding Bonds and the Series 2026 Bonds, as follows:

ARTICLE I

THIRTY-FOURTH SUPPLEMENTAL AGREEMENT

Section 34-101. Authorization of Supplemental Agreement.

This Thirty-Fourth Supplemental Agreement is authorized and executed by the Authority and delivered to the Trustee pursuant to and in accordance with Articles V and XIII of the Master Trust Agreement. All covenants, conditions and agreements of the Trust Agreement shall apply with full force and effect to the Series 2026 Bonds and to the holders thereof, except as otherwise provided herein.

Section 34-102. Definitions.

Except as otherwise defined herein, terms defined in the Master Trust Agreement are used in this Thirty-Fourth Supplemental Agreement with the meanings assigned to them in the Master Trust Agreement. In addition, the following terms shall have the following meanings:

“Bond Counsel” shall mean counsel nationally recognized on the subject of municipal bonds.

“Code” shall mean the Internal Revenue Code of 1986, as amended, including applicable regulations, rulings and revenue procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended.

“Cost of the Supplemental Project” shall have the same meaning assigned to the term “Cost of the Project” in Section 603 of the Master Trust Agreement, as applied to the Supplemental Project.

“Gross Proceeds” shall have the meaning set forth in Treasury Regulations Section 1.148-1, or any successor provision.

“Letter of Representations” shall mean the Blanket Letter of Representations dated August 2, 1999, from the Authority to the Securities Depository and any amendments thereto or successor agreements between the Authority and any successor Securities Depository, relating to

a book-entry system to be maintained by the Securities Depository with respect to the Series 2026 Bonds. Notwithstanding any provision of the Master Trust Agreement, including Article XIII regarding amendments, the Trustee may enter into any such amendment or successor agreement without the consent of Bondholders unrelated to the Bonds being so amended.

“Rebate Amount” shall have the meaning set forth in Section 34-601.

“Rebate Amount Certificate” shall have the meaning set forth in Section 34-603.

“Refunded Installments” shall mean the outstanding principal installments of the Series 2015B Bond maturing on October 1 in the years ____ through ____.

“Securities Depository” shall mean The Depository Trust Company, a corporation organized and existing under the laws of the State of New York, and any other securities depository for the Series 2026 Bonds appointed pursuant to Section 34-203, and their successors.

“Series 2015B Bond” shall mean the Taxable Regional Water and Sewer System Revenue and Refunding Bond, Series 2015B.

“Series 2026 Bonds” shall mean the Regional Water and Sewer System Revenue and Refunding Bonds, Series 2026, to be issued pursuant to the terms of this Thirty-Fourth Supplemental Agreement.

“Supplemental Project” shall mean the improvements and expansion of the System as further described in Exhibit A.

“Thirty-Fourth Supplemental Agreement” shall mean this Thirty-Fourth Supplemental Agreement of Trust between the Authority and the Trustee, which supplements and amends the Trust Agreement.

“VRA Trustee” shall mean U.S. Bank Trust Company, National Association, its successors and assigns.

Section 34-103. Reference to Articles and Sections.

Unless otherwise indicated, all references herein to particular articles or sections are references to articles or sections of this Thirty-Fourth Supplemental Agreement.

ARTICLE II

AUTHORIZATION, DETAILS AND FORM OF SERIES 2026 BONDS

Section 34-201. Authorization of Series 2026 Bonds.

There are authorized to be issued as Additional Bonds pursuant to Article V of the Master Trust Agreement the revenue bonds of the Authority in the maximum aggregate principal amount of \$_____, which shall be designated “Regional Water and Sewer System Revenue and

Refunding Bonds, Series 2026,” to provide funds to (a) finance the Supplemental Project, (b) refund the Refunded Installments and (c) finance related issuance and refunding costs.

Section 34-202. Details of Series 2026 Bonds.

(a) The Series 2026 Bonds shall be dated _____, 2026, shall be issued only as fully registered bonds in denominations of \$5,000 or multiples thereof, shall be numbered R-1 upward, shall bear interest at rates, payable semiannually on each April 1 and October 1, beginning _____, _____, and shall mature in installments on October 1, in years and amounts at such rates, as follows:

Year	Amount	Interest Rate
-------------	---------------	--------------------------

Each Series 2026 Bond shall bear interest (1) from its date if such Series 2026 Bond is authenticated prior to _____, _____, or (2) otherwise from the April 1 or October 1 that is, or immediately precedes, the date on which such Series 2026 Bond is authenticated; provided, however, that if at the time of authentication of any Series 2026 Bond payment of interest is in default, such Series 2026 Bond shall bear interest from the date to which interest has been paid. To the extent permitted by law, overdue installments of such interest shall bear interest at the rates stated above.

Principal of the Series 2026 Bonds and the premium, if any, thereon shall be payable to the holders upon the surrender of such Bonds at the designated corporate trust office of the Trustee or

such other office as the Trustee may designate in writing from time to time. Interest on the Series 2026 Bonds shall be payable by check or draft mailed to the holders as of the fifteenth day of the month prior to each interest payment date, at their addresses as they appear on the registration books kept by the Trustee; provided, however, if the Series 2026 Bonds are registered in the name of a Securities Depository or its nominee as registered owner or at the option of a registered owner of at least \$1,000,000 of Series 2026 Bonds, payment shall be made by wire transfer pursuant to written wire instructions received by the Trustee from such registered owner. Principal, premium, if any, and interest shall be payable in lawful money of the United States of America.

(b) Except as otherwise provided herein, the Series 2026 Bonds shall be payable, executed, authenticated, registrable, exchangeable and secured, all as set forth in the Trust Agreement; provided, however, that (1) no coupon bonds may be issued in exchange for any Series 2026 Bonds and (2) payment, authentication, negotiation and exchange of any Series 2026 Bonds shall occur at the designated corporate trust office of the Trustee.

Section 34-203. Securities Depository Provisions.

Initially, one certificate for each maturity of the Series 2026 Bonds will be issued and registered to the Securities Depository or its nominee pursuant to the terms of the Letter of Representations relating to the book-entry system to be maintained by the Securities Depository with respect to the Series 2026 Bonds. Such certificates will be deposited with the Trustee, as F.A.S.T. agent for the Securities Depository.

In the event that (a) the Securities Depository determines not to continue to act as a securities depository for the Series 2026 Bonds by giving written notice to the Trustee and the Authority discharging its responsibilities hereunder or (b) the Authority in its sole discretion determines (1) to enable beneficial owners of Series 2026 Bonds to obtain certificated Series 2026 Bonds or (2) to select a new Securities Depository, then the Trustee shall, at the written direction of the Authority, attempt to locate another qualified securities depository to serve as Securities Depository or authenticate and deliver certificated Series 2026 Bonds to the beneficial owners or to the Securities Depository participants on behalf of beneficial owners substantially in the form provided for in Appendix B; provided, however, that such form shall provide for interest on the Series 2026 Bonds to be payable (i) from _____, _____, if it is authenticated prior to _____, _____, or (ii) otherwise from the April 1 or October 1 that is, or immediately precedes, the date on which it is authenticated (unless payment of interest thereon is in default, in which case interest on such Series 2026 Bonds shall be payable from the date to which interest has been paid). In delivering certificated Series 2026 Bonds, the Trustee shall be entitled to rely conclusively on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository participants acting on behalf of beneficial owners. Such certificated Series 2026 Bonds will be registrable, transferable and exchangeable as set forth in Sections 307 and 308 in the Master Trust Agreement.

So long as there is a Securities Depository for the Series 2026 Bonds (A) it or its nominee shall be the registered owner of the Series 2026 Bonds, (B) notwithstanding anything to the contrary in this Thirty-Fourth Supplemental Agreement, determinations of persons entitled to payment of principal, premium, if any, and interest, transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Securities Depository and shall be effected

pursuant to rules and procedures established by such Securities Depository, (C) the Authority and the Trustee shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants, (D) references in this Thirty-Fourth Supplemental Agreement to registered owners of the Series 2026 Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Series 2026 Bonds and (E) in the event of any inconsistency between the provisions of this Thirty-Fourth Supplemental Agreement, other than those set forth in this paragraph and the preceding paragraph, and the provisions of the Letter of Representations such provisions of the Letter of Representations shall control.

Section 34-204. Form of Series 2026 Bonds.

The Series 2026 Bonds shall be in substantially the form set forth in Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by the Master Trust Agreement and this Thirty-Fourth Supplemental Agreement.

Section 34-205. Delivery of Series 2026 Bonds.

The Trustee shall authenticate and deliver each Series 2026 Bond when there have been filed with or delivered to it all items required by Section 503 of the Master Trust Agreement.

ARTICLE III

REDEMPTION OF SERIES 2026 BONDS

Section 34-301. Redemption Dates and Prices.

The Series 2026 Bonds may not be called for redemption by the Authority except as provided below:

(a) Optional Redemption. The Series 2026 Bonds maturing on or before October 1, ____, are not subject to redemption prior to maturity. The Series 2026 Bonds maturing on and after October 1, ____, are subject to redemption prior to maturity at the option of the Authority at any time on or after October 1, ____, in whole or in part (in integral multiples of \$5,000) upon payment of 100% of the principal amount of the Series 2026 Bonds to be redeemed plus accrued interest to the date fixed for redemption.

(b) Mandatory Redemption. The Series 2026 Bonds maturing on October 1, ____, will be required to be redeemed prior to maturity, in part, on October 1 in the years and in the amounts set forth below, upon payment of 100% of the principal amount thereof to be redeemed, plus interest accrued to the date fixed for redemption:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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* Final maturity

The Series 2026 Bonds maturing on October 1, ____, will be required to be redeemed prior to maturity, in part, on October 1 in the years and in the amounts set forth below, upon payment of 100% of the principal amount thereof to be redeemed, plus interest accrued to the date fixed for redemption:

Year	Amount	Year	Amount
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* Final maturity

The amount of Series 2026 Bonds to be redeemed pursuant to this subsection may be reduced in accordance with the provisions of Section 707 of the Master Trust Agreement.

(c) If less than all of the Series 2026 Bonds are called for redemption, the Authority shall designate the maturities (or the principal portions thereof) to be redeemed. If less than all of the Series 2026 Bonds of a particular maturity are called for redemption, the particular Series 2026 Bonds within such maturity to be redeemed shall be selected by the Securities Depository or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. The portion of any Series 2026 Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. In selecting Series 2026 Bonds for redemption, each Series 2026 Bond shall be considered as representing that number of Series 2026 Bonds which is obtained by dividing the principal amount of such Series 2026 Bond by \$5,000. If a portion of a Series 2026 Bond shall be called for redemption, a new Series 2026 Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon surrender thereof.

Section 34-302. Notice of Redemption.

(a) Notice of redemption of Series 2026 Bonds shall be given in the manner set forth in Section 402 of the Master Trust Agreement; provided, however, that the Trustee shall not be required to publish in newspapers any notice of redemption with respect to the Series 2026 Bonds.

(b) In the case of an optional redemption, the notice may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (2) the Authority retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. Any Conditional Redemption may be rescinded at any time prior to the redemption date if the Authority delivers a written direction to the Trustee directing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Series 2026 Bondholders. Any Series 2026 Bonds subject to Conditional Redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an Event of Default. Further, in the case of a

Conditional Redemption, the failure of the Authority to make funds available on or before the redemption date shall not constitute an Event of Default, and the Trustee shall give prompt notice to all organizations registered with the Securities and Exchange Commission as securities depositories or the affected Series 2026 Bondholders that the redemption did not occur and that the Series 2026 Bonds called for redemption and not so paid remain outstanding.

ARTICLE IV

PROCEEDS OF SERIES 2026 BONDS

Section 34-401. Application of Proceeds of Series 2026 Bonds.

The net proceeds of the Series 2026 Bonds (\$_____ which amount includes a \$_____ good faith deposit), shall be applied as follows:

(a) \$_____ shall be transferred to the VRA Trustee and applied as payment in full for the principal of and premium, if any, and interest on the Refunded Installments; and

(b) \$_____ shall be paid to the Trustee and deposited in the Construction Fund and used to pay the Cost of the Supplemental Project (including costs of refunding and costs of issuance of the Series 2026 Bonds).

Section 34-402. Disposition of Balance in Construction Fund.

The Trustee shall dispose of the balance in the Construction Fund following completion of the Supplemental Project in the manner provided by Section 605 of the Master Trust Agreement.

ARTICLE V

SECURITY FOR SERIES 2026 BONDS

Section 34-501. Security for Series 2026 Bonds; No Debt Service Reserve Fund.

(a) Each Series 2026 Bond shall be issued pursuant to the Master Trust Agreement and this Thirty-Fourth Supplemental Agreement and shall be equally and ratably secured under the Trust Agreement with the Outstanding Bonds and any other series of Additional Bonds issued pursuant to Article V of the Master Trust Agreement, without preference, priority or distinction of any Bonds over any other Bonds, as provided in the Master Trust Agreement.

(b) [The existing Debt Service Reserve Fund shall not secure the Series 2026 Bonds. No debt service reserve fund or account will be created or funded in connection with the issuance of the Series 2026 Bonds.]

ARTICLE VI

ARBITRAGE REBATE FUND

Section 34-601. Arbitrage Rebate Fund.

There is hereby established the Rivanna Water and Sewer System Revenue Bonds Series 2026 Arbitrage Rebate Fund to be held by the Authority. The Authority shall deposit in the 2026 Arbitrage Rebate Fund from legally available moneys from time to time for payment of the rebate obligations under the Code (the “Rebate Amount”). The Authority may establish separate accounts in the 2026 Arbitrage Rebate Fund for such payments.

Section 34-602. Rebate Requirement.

Except with respect to earnings on funds and accounts qualifying for exceptions to the rebate requirement of Section 148 of the Code, the Authority shall determine and pay, but solely if required, from amounts in the 2026 Arbitrage Rebate Fund, the Rebate Amount to the United States of America, as and when due, in accordance with Section 148(f) of the Code, as provided in this article, and shall retain records of all such determinations until six years after final payment after all of the Series 2026 Bonds are due, if any. Notwithstanding anything in this Thirty-Fourth Supplemental Agreement to the contrary, the 2026 Arbitrage Rebate Fund is not pledged to the payment of the Series 2026 Bonds and shall not be used to pay the Series 2026 Bonds.

Section 34-603. Calculation and Payment of Series 2026 Rebate Obligation.

The Authority selects October 1 as the end of the bond year with respect to the Series 2026 Bonds pursuant to Treasury Regulations Section 1.148-1. The Authority acknowledges that this will result in a short first “bond year”.

(a) Within 30 days after the initial installment computation date, which is the last day of the fifth bond year (October 1, ____), unless such date is changed by the Authority prior to the date that any amount with respect to the Series 2026 Bonds is paid or required to be paid to the United States of America as required by Section 148 of the Code, and at least once every five years thereafter, the Authority shall cause the Rebate Amount to be computed and shall deliver a copy to the Trustee. Prior to any payment of the Rebate Amount to the United States of America as required by Section 148 of the Code, such computation (the “Rebate Amount Certificate”) setting forth the Rebate Amount shall be prepared or approved by (1) a person with experience in matters of governmental accounting for Federal income tax purposes or (2) a bona fide arbitrage rebate calculation reporting service.

(b) No later than 60 days after the initial installment computation date, the Authority shall pay solely from amounts in the 2026 Arbitrage Rebate Fund to the United States of America at least 90% of the Rebate Amount as set forth in the Rebate Amount Certificate prepared with respect to such installment computation date. At least once on or before 60 days after the installment computation date that is the fifth anniversary of the initial installment computation date and on or before 60 days every fifth anniversary date thereafter until final payment of the Series 2026 Bonds, the Authority shall pay to the United States of America not less than the amount, if any, by which 90% of the Rebate Amount set forth in the most recent Rebate

Amount Certificate exceeds the aggregate of all such payments theretofore made to the United States of America pursuant to this Section. On or before 60 days after final payment of the Series 2026 Bonds, the Authority shall pay to the United States of America the amount, if any, by which 100% of the Rebate Amount set forth in the Rebate Amount Certificate with respect to the date of final payment of the Series 2026 Bonds exceeds the aggregate of all payments theretofore made pursuant to this Section. All such payments shall be made solely from amounts in the Arbitrage Rebate Fund or from any legally available moneys of the Authority.

(c) Notwithstanding any provision of this article to the contrary, no such calculation or payment shall be made if the Authority receives and delivers to the Trustee an opinion of Bond Counsel or a rebate specialist to the effect that (1) such payment is not required under the Code in order to prevent the Series 2026 Bonds from becoming “arbitrage bonds” within the meaning of Section 148 of the Code or (2) such payment should be calculated and paid on some alternative basis under the Code, and the Authority complies with such alternative basis.

Section 34-604. Reports by Trustee.

The Trustee shall provide the Authority within 10 days after each October 1 and within 10 days after the final payment of the Series 2026 Bonds with such reports and information with respect to earnings of amounts held under the Trust Agreement and this Thirty-Fourth Supplemental Agreement as may be requested by the Authority in order to comply with the provisions of this article. Although the Authority recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Authority hereby agrees that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered.

Section 34-605. Disposition of Balance in 2026 Arbitrage Rebate Fund.

After each payment required in Section 34-603 is made and any additional amount necessary to pay the full Rebate Amount is retained, the remaining amount in the 2026 Arbitrage Rebate Fund shall be transferred to the Bond Fund for the payment of principal or interest on the next payment date and credited against the next succeeding payment of principal or interest.

ARTICLE VII

MISCELLANEOUS

Section 34-701. Limitations on Use of Series 2026 Bond Proceeds.

The Authority covenants with the holders of the Series 2026 Bonds as follows:

(a) The Authority shall not take or omit to take any action or approve the Trustee’s taking any action or making any investment or use of the proceeds of any Series 2026 Bonds (including failure to spend the same with due diligence) the taking or omission of which will cause the Series 2026 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, including without limitation participating in any issue of obligations that would cause the Series 2026 Bonds to be part of an “issue” of obligations that are arbitrage bonds, within the meaning of Treasury Regulations Section 1.150-1 or successor regulation, or otherwise cause

interest on the Series 2026 Bonds to be includable in the gross income of the registered owners under existing law.

(b) Barring unforeseen circumstances, the Authority shall not approve the use of the proceeds from the sale of any Series 2026 Bonds otherwise than in accordance with the Authority's tax and "arbitrage" certificate delivered immediately prior to the issuance of such Bonds.

(c) The Authority shall not permit the Gross Proceeds of the Series 2026 Bonds to be used in any manner that would result in either (1) 5% or more of such proceeds being considered as having been used in any trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the Code, (2) 5% or more of such proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code, or (3) 5% or more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the Authority receives an opinion of Bond Counsel that compliance with any such covenant is not required to prevent the interest on the Series 2026 Bonds from being includable in the gross income of the registered owners thereof under existing law, the Authority need not comply with such restriction.

(d) The Authority shall not take any other action that would affect adversely, and shall take all action within its power necessary to maintain, the exclusion of interest on all Series 2026 Bonds from gross income for federal income taxation purposes.

Section 34-702. Limitation of Rights.

With the exception of the rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Thirty-Fourth Supplemental Agreement is intended or shall be construed to give any person other than the parties hereto and the holders of the Bonds any legal or equitable right, remedy or claim under or in respect to this Thirty-Fourth Supplemental Agreement or any covenant, condition and agreement herein contained; this Thirty-Fourth Supplemental Agreement and all of the covenants, conditions and agreements hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders of the Bond as herein provided.

Section 34-703. Successors and Assigns.

This Thirty-Fourth Supplemental Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

Section 34-704. Severability.

If any provision of this Thirty-Fourth Supplemental Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 34-705. Applicable Law.

This Thirty-Fourth Supplemental Agreement shall be governed by the applicable laws of the Commonwealth of Virginia.

Section 34-706. Counterparts.

This Thirty-Fourth Supplemental Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Thirty-Fourth Supplemental Agreement to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

RIVANNA WATER AND SEWER AUTHORITY

By _____
Chair

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee**

By _____
Title _____

EXHIBIT A

DESCRIPTION OF SUPPLEMENTAL PROJECT

The Supplemental Project consists of the capital improvements to or benefitting the System and estimated costs:

Purpose	Budgeted Cost
Urban Water Infrastructure	\$145,500,000
Urban Wastewater Infrastructure	42,100,000
Crozet Water Infrastructure	21,500,000
Scottsville Water Infrastructure	1,500,000
Scottsville Wastewater Infrastructure	800,000
Glenmore Wastewater Infrastructure	1,000,000
Total	<u>\$212,400,000</u>

Budgeted costs not needed or used for the purpose of any System component may be re-directed for the purpose of another System component described above.

FORM OF SERIES 2026 BONDS

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

R - _____

\$ _____

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

Rivanna Water and Sewer Authority

Regional Water and Sewer System Revenue and Refunding Bond

Series 2026

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP NO.
_____%	October 1, ____	_____, 2026	768029 ____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

Rivanna Water and Sewer Authority (the “Authority”), a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia of 1950, as amended (the “Act”), for value received, promises to pay upon surrender hereof at the corporate trust office of **The Bank of New York Mellon Trust Company, N.A.**, as successor trustee, or its successor in trust (the “Trustee”), under the Trust Agreement (as hereinafter defined), solely from the source and as hereinafter provided, to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the maturity date stated above, subject to prior redemption as hereinafter provided, and to pay, solely from such source, interest hereon semiannually on each April 1 and October 1, beginning _____, _____, and, to the extent permitted by law, interest on overdue installments of such interest, at the annual rate stated above. Interest is payable (a) from _____, _____, if this bond is authenticated prior to _____, _____, or (b) otherwise from the April 1 or October 1 that is, or immediately precedes, the date on which this bond is authenticated (unless payment of interest hereon is in default, in which case this bond shall bear interest from

the date to which interest has been paid). Interest shall be computed on the basis of a 360-day year of twelve 30-days months. Interest is payable by check or draft mailed to the registered owner hereof at his, her or its address as it appears on the 15th day of the month preceding each interest payment date on registration books kept by the Trustee. Principal, premium, if any, and interest are payable in lawful money of the United States of America.

Notwithstanding any other provision hereof, this bond is subject to book-entry form maintained by DTC, and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the Authority's Letter of Representations to DTC.

This bond is one of an issue of \$_____ Regional Water and Sewer System Revenue and Refunding Bonds, Series 2026 (the "Bonds"), of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity. The Bonds are authorized and issued pursuant to the Act to (a) finance improvements to the Authority's regional water and sewer systems (the "System"), (b) refund all or a portion of the outstanding maturities of the Authority's Taxable Regional Water and Sewer System Revenue and Refunding Bond, Series 2015B, and (c) finance related issuance and refunding costs.

The Bonds are issued under and are equally and ratably secured by an Agreement of Trust dated as of October 1, 1979, between the Authority and the Trustee, as supplemented and amended from time to time, including a Thirty-Fourth Supplemental Agreement of Trust dated as of _____, 2026 (collectively, the "Trust Agreement"), and are secured equally and ratably on a parity with the outstanding balance of the Authority's Taxable Regional Water and Sewer System Revenue Bond, Series 2005A; Taxable Regional Water and Sewer System Revenue Bond, Series 2009A; Taxable Regional Water and Sewer System Revenue Bond, Series 2010A; Taxable Regional Water and Sewer System Revenue Bond, Series 2011A; Taxable Regional Water and Sewer System Revenue Bond, Series 2011B; Taxable Regional Water and Sewer System Revenue Bond, Series 2011D; Taxable Regional Water and Sewer System Revenue Bond, Series 2011E; Regional Water and Sewer System Revenue Bonds, Series 2012B; Taxable Regional Water and Sewer System Revenue Bond, Series 2014A; Taxable Regional Water and Sewer System Revenue Bond, Series 2015A; Taxable Regional Water and Sewer System Revenue and Refunding Bond, Series 2015B; Regional Water and Sewer System Revenue Bond, Series 2016; Taxable Regional Water and Sewer System Revenue Bond, Series 2018; Taxable Regional Water and Sewer System Revenue and Refunding Bond, Series 2019, Taxable Regional Water and Sewer System Revenue Bond, Series 2021, and Taxable Regional Water and Sewer System Revenue Bond, Series 2024 (collectively, as of the date hereof, the fourteen outstanding "Prior Bonds"), to the extent provided in the Trust Agreement. Reference is made to the Trust Agreement for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority and the Trustee, the rights of the holders of the Bonds and the terms upon which the Bonds are issued and secured. Additional bonds secured on a parity with the Bonds and the Prior Bonds may be issued on the terms provided in the Trust Agreement.

This bond and the issue of which it is part and the premium, if any, and the interest thereon are limited obligations of the Authority and (except to the extent payment with respect to the Bonds shall be made from the proceeds from the sale of the Bonds or the income, if any, derived from the investment thereof) are payable solely from certain revenues to be derived from the ownership

or operation of the System, which serves, on a wholesale basis, the City of Charlottesville, Virginia, and Albemarle County Service Authority, as the same may from time to time exist, certain pledged reserves, income from investments pursuant to the Trust Agreement and proceeds of insurance, which revenues and other moneys have been pledged pursuant to the Trust Agreement to secure payment thereof. The Bonds, the premium, if any, and the interest thereon shall not be deemed to constitute a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the City of Charlottesville, Virginia, Albemarle County, Virginia, and Albemarle County Service Authority (collectively, the “Political Subdivisions”).

Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the Political Subdivisions, shall be obligated to pay the principal of or premium, if any, or interest on the Bonds or other costs incident thereto except from the revenues pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the Political Subdivisions, is pledged to the payment of the principal of or premium, if any, or interest on the Bonds or other costs incident thereto. The Authority has no taxing power.

The Bonds may not be called for redemption by the Authority except as provided herein and in the Trust Agreement. Bonds maturing on or before October 1, ____, are not subject to redemption prior to maturity. Bonds maturing on or after October 1, ____, are subject to redemption prior to maturity at the option of the Authority on or after October 1, ____, in whole or in part (in integral multiples of \$5,000) at any time, upon payment of 100% of the principal amount thereof to be redeemed plus interest accrued to the date fixed for redemption.

The Bonds maturing on October 1, ____, will be required to be redeemed prior to maturity, in part, on October 1 in the years and in the amounts set forth below, upon payment of 100% of the principal amount thereof to be redeemed, plus interest accrued to the date fixed for redemption:

Year	Amount	Year	Amount
-------------	---------------	-------------	---------------

* Final maturity

The Bonds maturing on October 1, ____, will be required to be redeemed prior to maturity, in part, on October 1 in the years and in the amounts set forth below, upon payment of 100% of the principal amount thereof to be redeemed, plus interest accrued to the date fixed for redemption:

Year	Amount	Year	Amount
-------------	---------------	-------------	---------------

* Final maturity

If less than all of the Series 2026 Bonds are called for redemption, the Authority shall designate the maturities (or principal portions thereof) to be redeemed. If less than all of the Series 2026 Bonds of a particular maturity are called for redemption, the particular Series 2026 Bonds within such maturity to be redeemed shall be selected by the Securities Depository or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. In either event, each portion of \$5,000 principal amount shall be counted as one Bond for such purpose.

If any of the Bonds or portions thereof are called for redemption, the Trustee shall send notice of the call for redemption identifying the Bonds or portions thereof to be redeemed, by first-class mail not less than 30 nor more than 60 days prior to the redemption date to the registered owner of each bond to be redeemed at his, her or its address as it appears on the registration books maintained by the Trustee. Such notice may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (2) the Authority retains the right to rescind such notice on or prior to the scheduled redemption date, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Trust Agreement and shall not be deemed to be outstanding under the Trust Agreement. If a portion of this bond shall be called for redemption, a new bond in principal amount equal to the unredeemed portion hereof will be issued to DTC or its nominee upon the surrender hereof, or if the book-entry system is discontinued, to the registered owner of this bond.

The registered owner of this bond shall have no right to enforce the provisions of the Trust Agreement or to institute action to enforce the covenants therein or to take any action with respect to any Event of Default under the Trust Agreement or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Agreement. Modifications or alterations of the Trust Agreement, or of any supplement thereto, may be made only to the extent and in the circumstances permitted by the Trust Agreement.

The Bonds are issuable as registered bonds in denominations of \$5,000 and multiples thereof. Upon surrender of this bond at the corporate trust office of the Trustee in New York, New York, together with an assignment duly executed by the registered owner or his, her or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, the Authority shall execute, and the Trustee shall authenticate and deliver in exchange, a new Bond or Bonds in the manner and subject to the limitations and conditions provided in the Trust Agreement, having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner hereof or his, her or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Trustee may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Trustee shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the

registered owner, except that interest payments shall be made to the person shown as owner on the 15th day of the month preceding each interest payment date.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this bond have happened, exist and have been performed.

This bond shall not be valid until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, Rivanna Water and Sewer Authority has caused this bond to be signed by its Chair, its seal to be affixed hereto and attested by its Secretary-Treasurer, and this bond to be dated the Dated Date.

RIVANNA WATER AND SEWER AUTHORITY

(SEAL)

By _____
Chair

ATTEST:

Secretary-Treasurer

CERTIFICATE OF AUTHENTICATION

Date Authenticated: _____

This bond is one of the Bonds described in the within-mentioned Trust Agreement.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**

By _____
Authorized Signature

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sell(s), assign(s) and transfer(s) unto

(please print or typewrite name and address including postal zip code of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE

: :
: :
: :

the within bond and all rights thereunder, irrevocably constituting and appointing

_____,
Attorney, to transfer said bond on the books kept for the registration thereof, with full power of
substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be
guaranteed by an Eligible Guarantor
Institution such as a Commercial
Bank, Trust Company, Securities
Broker/Dealer, Credit Union, or
Savings Association who is a member
of a medallion program approved by
The Securities Transfer Association, Inc.
Inc.

(Signature of Registered Owner)

NOTICE: The signature above must
correspond with the name of the
registered owner as it appears on the
front of this bond in every particular,
without alteration or enlargement
or any change whatsoever.

Rivanna Water & Sewer Authority Series 2026 Bond



Board of Directors Meeting
July 28, 2026

Agenda:

Projects for 2026 Bond Financing – Bond Estimates

- Lonnie Wood – Director of Finance

Summary of overall Bond Issue Process

- Ted Cole – Davenport Public Finance, Financial Advisor

Legal Documents Review

- Christopher Kulp – Hunton Andrews Kurth, Bond Counsel

Board Action Requested

- Board of Directors

Estimates for Series 2026 Bond

Rivanna Water & Sewer Authority

Bond 2026 Estimate

	CIP Budget	Bond issue 2026		CIP Budget	Bond issue 2026
RMR to OBWTP Raw Water Line	\$ 40,760,000	\$ 20,000,000	SRWTP Floc Basin Improvements	2,900,000	2,900,000
RMR to OBWTP Raw Water Pump Station	21,355,000	10,000,000	Dam Concrete and Steel Repairs	2,820,000	2,500,000
SRR to RMR Pipeline, Intake & Facilities	119,500,000	40,000,000	Northern Area Pressure Zone Work (multiple)	8,000,000	4,000,000
Central Water Line	79,000,000	50,000,000	Beaver Creek Dam	33,485,000	2,000,000
Airport Rd. PS (New Pump) combine w/9-800-1227	1,000,000	*	Beaver Creek Raw W. PS and Intake	39,070,000	15,000,000
Airport Rd. Tank No.1	7,250,000	8,900,000	Crozet Full GAC	12,165,000	3,500,000
S. Fork River Crossing	6,550,000	200,000	Crozet Disinfection Upgrades	1,000,000	1,000,000
Emmet Street Betterment	7,400,000	5,000,000	Red Hill WTP Ugrades	2,150,000	1,500,000
Crozet PS Rehabilitation	12,630,000	4,400,000	Interceptor Sewer Manhole Repairs	2,285,000	1,600,000
MCAWRRF Admin Building Renovation and Addition	27,600,000	19,000,000	Powell Creek Interceptor	16,400,000	2,500,000
MCAWRRF Structural & Concrete Rehabilitation	15,500,000	7,800,000	Scottsville WW - Generator	1,363,000	800,000
MCAWRRF Building Upfits and GT Improvements	11,800,000	6,800,000	Tank Painting	2,000,000	2,000,000
			Glenmore WW Upgrades	9,933,000	1,000,000
				133,571,000	40,300,000
	350,345,000	172,100,000		\$ 483,916,000	\$ 212,400,000

Fiscal Years
2027 to 2031

CAPITAL IMPROVEMENT PLAN



Adopted May 2026
695 Moores Creek Lane, Charlottesville, Virginia 22902

2027 - 2031
Adopted
CIP

Project Cost

Urban Water Projects	\$ 347,508,000
Urban Wastewater Projects	128,552,000
Non-Urban Projects & Shared	128,109,500
Total Project Cost Estimates	\$ 604,169,500

Funding in place

Work-in-Progress (paid for)	\$ 35,845,691
Debt Proceeds Available	69,639,400
Cash-Capital Available	1,000,000
	\$ 106,485,091

Financing Needs

Possible Future Reserves	\$ 11,900,000
Grants	31,266,000
New Debt	454,518,409
	\$ 497,684,409
Total Funding	\$ 604,169,500

Estimates for Series 2026 Bond

	<u>New Money</u>	<u>Refunding</u>	<u>2026 Total Bond</u>
<u>Sources:</u>			
Par Value - Not to Exceed	<u>\$ 228,800,000</u>	<u>\$ 31,200,000</u>	<u>\$ 260,000,000</u>
 <u>Uses:</u>			
Construction/Project Fund	\$ 212,400,000	\$ -	\$ 212,400,000
Refunding Reserve	-	29,020,000	29,020,000
Costs of Issuance	616,000	84,000	700,000
Underwriting Costs	1,144,000	156,000	1,300,000
Contingency for Discount	14,640,000	1,940,000	16,580,000
	<u>\$ 228,800,000</u>	<u>\$ 31,200,000</u>	<u>\$ 260,000,000</u>

Debt Service Impacts

Series 2015B Bond Refunding – Payment term ends 2046

2015B Refunding		
Before Refunding Average Debt Service	After Refunding Average Debt Service	Cash flow savings
\$ 1,913,700	\$ 1,801,900	\$ 111,800

Total Cash Flow Savings	\$ 2,236,300
--------------------------------	---------------------

Series 2026 New Money – Term 2027 - 2057

New Money Debt Service	
Average Annual Repayment	\$ 12,516,500

Debt Service Budget FY 2027	
Debt Service Charges	\$ 36,983,300
Existing Debt - Annual Payments	<u>(21,162,500)</u>
Net Available - New Debt	\$ 15,820,800

Bond Issue Process

- Competitive Sale/Offering
- Rating Agency Meeting July 6
- Bonds Sold – Middle to Late August
- Transaction - Close Middle to Late September

	Moody's	S&P
Authority Rating	Aa2	AA+
Last Report	10/4/2012	4/8/2019
Last Review	6/21/2021	4/27/2026
City of Charlottesville Rating	Aaa	AAA
Last Affirmed	8/7/2025	8/6/2025
Albemarle County Rating	Aaa	AAA
Last Affirmed	4/13/2026	4/7/2026

July 2026

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August 2026

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September 2026

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Bond Documents

- Resolution Authorizing the Sale and Award of up to \$260,000,000 Regional Water and Sewer System Revenue and Refunding Bonds, Series 2026. The resolution includes approval of:
 - *Thirty-Fourth Supplemental Agreement of Trust between the Rivanna Water & Sewer Authority and The Bank of New York Mellon Trust Company, N.A.*
 - *Preliminary Official Statement*

Questions?

Board Action Requested:

It is requested that the Board of Directors approve:

The attached *Resolution Authorizing the Sale and Award of Series 2026 Revenue Bonds* in the amount not to exceed \$260 million to fund the capital improvements within the Adopted FY 2027-2031 Capital Improvement Plan (CIP). The Resolution, by its terms, will also approve the forms of:

- (a) the *Thirty-Fourth Supplemental Agreement of Trust between the Rivanna Water & Sewer Authority and The Bank of New York Mellon Trust Company, N.A. and*
- (b) the *Preliminary Official Statement*.

DAM SAFETY PROGRAM OVERVIEW

Presented to the Board of Directors by:
Victoria Fort, P.E.
Senior Civil Engineer

July 28, 2026

Why is Dam Safety Important?

- >92,000 dams in the United States, with an average age of >60 years
- 243 dams in Albemarle County alone
- Dams are a valuable community resource, but come with inherent hazards
- Dam failures can have catastrophic consequences, including loss of life and significant economic damage.
- Without proper maintenance, routine inspection, necessary upgrades, and coordinated emergency planning, the risks associated with dams become greater

Virginia Dam Safety Regulations

- The Virginia Department of Conservation and Recreation (VA DCR) is Virginia's regulatory authority ensuring that Virginia's dams have proper and safe design, construction, operation, and maintenance to protect public safety.
- All dams in Virginia are subject to the VA DCR Dam Safety Regulations, except:
 - Dams under a certain size (height and/or impounded water volume)
 - Dams owned or licensed by the federal government (e.g. FERC)
 - Dams operated for mining, agricultural, or canal purposes

RWSA Dam Safety Program

FY 2027 O&M Budget = \$193,400

- Dam Engineering Services
- Monthly mowing and brush removal
- Miscellaneous repairs and maintenance work

Dam Repairs and Improvements CIP Projects for FY 2027-2031 = \$54.6M

- \$13.3 M for Ragged Mountain Pool Raise
- \$1.2 M for North Rivanna Dam Removal
- \$2.8 M for Dam Concrete & Steel Repairs
- \$3.9 M for Dam Public Safety Improvements
- \$33.5 M for Beaver Creek Dam Spillway Upgrades

Program Components:

- Operations & Monitoring
- Permitting & Regulatory Compliance
- Maintenance & Vegetation Control
- Emergency Action Plan (EAP) updates, training, and exercises
- Inspections and Surveys
- Repairs/Upgrades
- Studies and Reports
- Public Safety and Outreach

RWSA/RSWA Dam Facilities

- **High Hazard Dams:**

- South Fork Rivanna Dam
- Ragged Mountain Dam
- Sugar Hollow Dam
- Beaver Creek Dam

- **Low Hazard Dams:**

- Totier Creek Dam
- Lickinghole Creek Dam
- Buck Mountain Property

- **OTHER:**

- North Fork Rivanna Low Head Dam
- Mechums River Low Head Dam
- Ivy SWRC Pond Dam (RSWA)

South Fork Rivanna Dam

- Built in 1965
- Small Hydropower Facility added in 1987 (decommissioned in 2024)
- Concrete Gravity Dam
- 700 feet long, 54 feet tall



Ragged Mountain Dam

- Built from 2012-2014
- Historical Dams 1885 & 1908
- Earthfill Dam
- 785 feet long, 125 feet tall
- Constructed to impound an additional 12 feet of water = 700 MG



Sugar Hollow Dam

- Built in 1948, upgraded in 1998
- Concrete Gravity Dam
- Rubber Crest Gate (“bladder”) installed in 2000, replaced in 2021
- 480 feet long, 96 feet tall
- 2024 bladder malfunction prompted piping, SCADA/alarm, camera improvements
- Development of a siren system is underway, to be completed in 2026



Beaver Creek Dam

- Built in 1963
- Earthfill
- 530 feet long, 60 feet tall
- Albemarle County Park
- State Road on Crest (Browns Gap Turnpike)
- Spillway upgrade Design underway with funding from NRCS



Totier Creek Dam

- Low Hazard Potential Dam
- Earthfill Dam, Built in 1971
- 277 feet long, 35 feet tall
- Albemarle County Park in Scottsville



Lickinghole Creek Dam

- Low Hazard Potential Dam
- Built in 1995
- Concrete gravity dam, serves as a sediment basin
- 458 feet long, 32 feet tall



Buck Mountain Property Dam

- Low Hazard Potential Dam
- Built in early 1980's, Acquired by RWSA as part of Buck Mountain Property
- Earthfill
- 190 feet long, 33.5 feet tall
- Primary spillway conduit has reached the end of its useful life – dam will require repair or removal to address known deficiencies





North Rivanna Low
Head Dam



Ivy SWRC Pond
Dam



Mechums River Low Head Dam

Planning For Dam Emergencies

- Dam emergencies are low probability events with the potential for extremely high impact
- Dams are designed with a high level of conservatism to minimize the potential for failure or other emergencies
- Potential causes of dam emergencies and failure:
 - Rainfall exceeds dam design
 - Material failure
 - Vandalism/terrorism
 - Accidents / public safety

Hazard Potential Classification

- Dams are categorized according to the severity of consequences from their failure or misoperation (not a reflection of a dam's condition)

HIGH HAZARD POTENTIAL – upon failure would cause probable loss of life or serious economic damage

SIGNIFICANT HAZARD POTENTIAL– upon failure might cause loss of life or appreciable economic damage

LOW HAZARD POTENTIAL – upon failure would lead to no expected loss of life or significant economic damage

- Dam hazard potential dictates design criteria/spillway capacity requirements

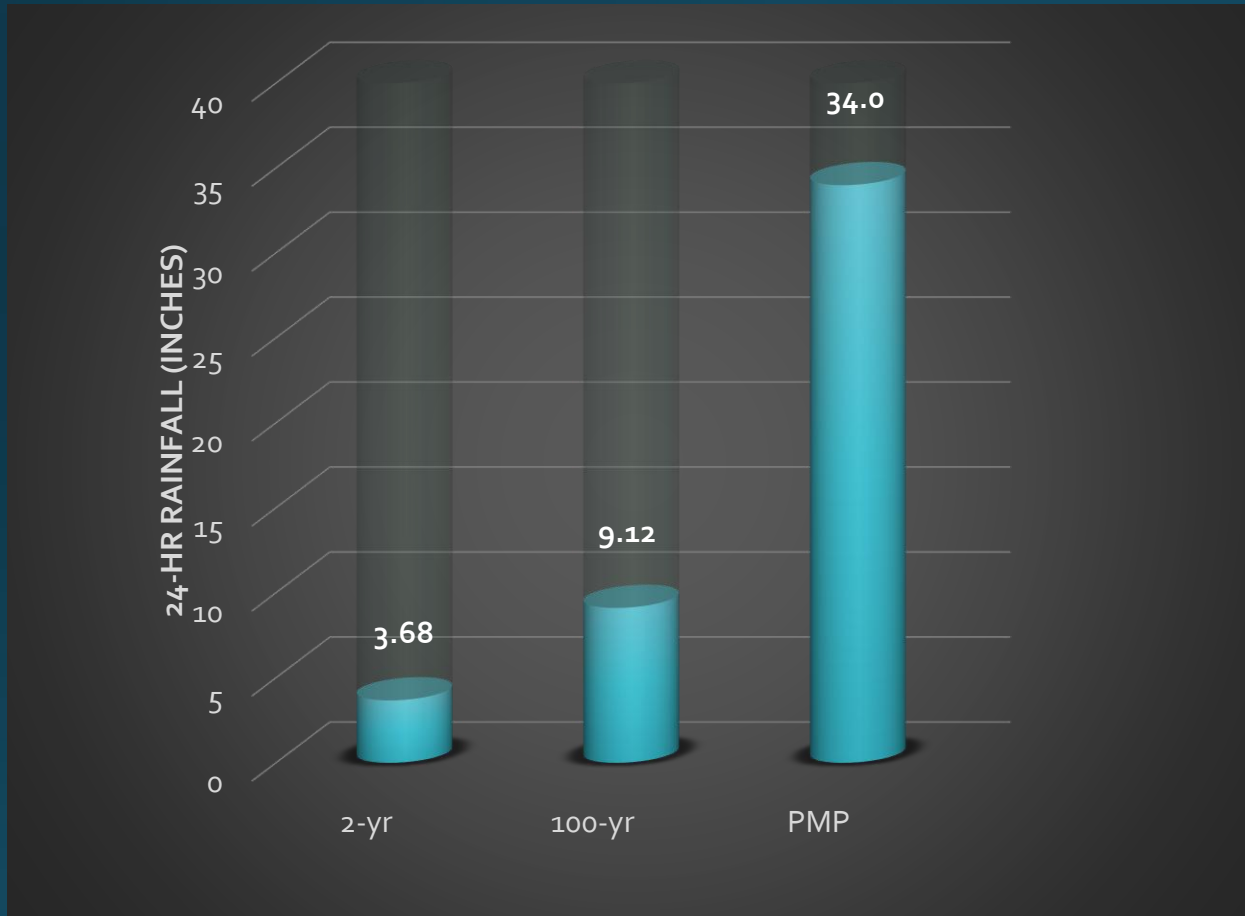
Probable Maximum Precipitation (PMP)

"The theoretically greatest depth of precipitation for a given duration that is physically possible over a particular drainage area at a certain time of the year."

- American Meteorological Society, 1959

In Virginia, dams with a **high hazard potential** must be designed to pass 90% of the Probable Maximum Flood (PMF), the flood resulting from the PMP, without failure or overtopping. RWSA requires its high hazard dams to pass 100% of the PMP.

Probable Maximum Precipitation (PMP)



- PMP is different for each watershed and storm duration
- The chart to the left shows the 2-year, 100-year, and PMP storm rainfall amounts for a 24-hour storm event in the Sugar Hollow watershed
- Hurricane Camille (Nelson County, 1969): >27" of rain overnight, 81% of the PMP
- Madison County (1995): 25-30" of rain in 16 hours, 86% of the PMP

Rainfall Recurrence Intervals for Charlottesville Area, from NOAA Atlas 14 (Volume 2, Version 3) & VA DCR PMP Study for Virginia, November 2015

Dam Emergency Action Plans

- An Emergency Action Plan (EAP) is a set of preplanned actions to minimize or alleviate emergency conditions at the dam.
 - Contains procedures and information on issuing early warning notifications to minimize loss of life and property damage during an emergency event.
 - Requires coordination among VDEM, ECC, local police, fire and rescue, VDOT, media, local government, and others
- RWSA maintains EAPs for each of its four high-hazard dams

Dam Emergency Action Plans

- EAPs are being updated in a new format to conform with other state-regulated dams

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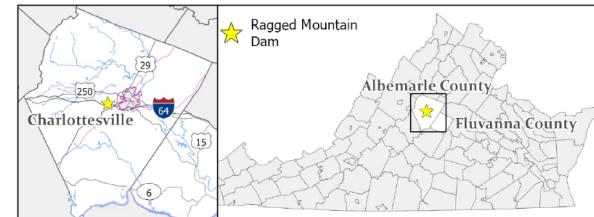
Rivanna Water and Sewer Authority



Temporary Construction Emergency Action Plan (TCEAP)

Ragged Mountain Dam

DCR Inventory Number: 003053



Located in Albemarle County, Virginia

HIGH HAZARD CLASSIFICATION

September 2025

INTERNAL COPY

Responsibilities under the EAP's

- **RWSA:**

- Verify and assess emergency conditions at the dam
- Notify participating emergency management agencies
- Take corrective action at facility, if possible
- Issue condition status reports
- Declare termination of emergency at facilities

- **Outside Agencies (Emergency Communications Center, County and City Governments):**

- Receive condition status reports from RWSA
- Notify public
- Coordinate and conduct evacuation from inundation areas, if required
- Provide mutual aid, if requested and able

EAP Notification Charts

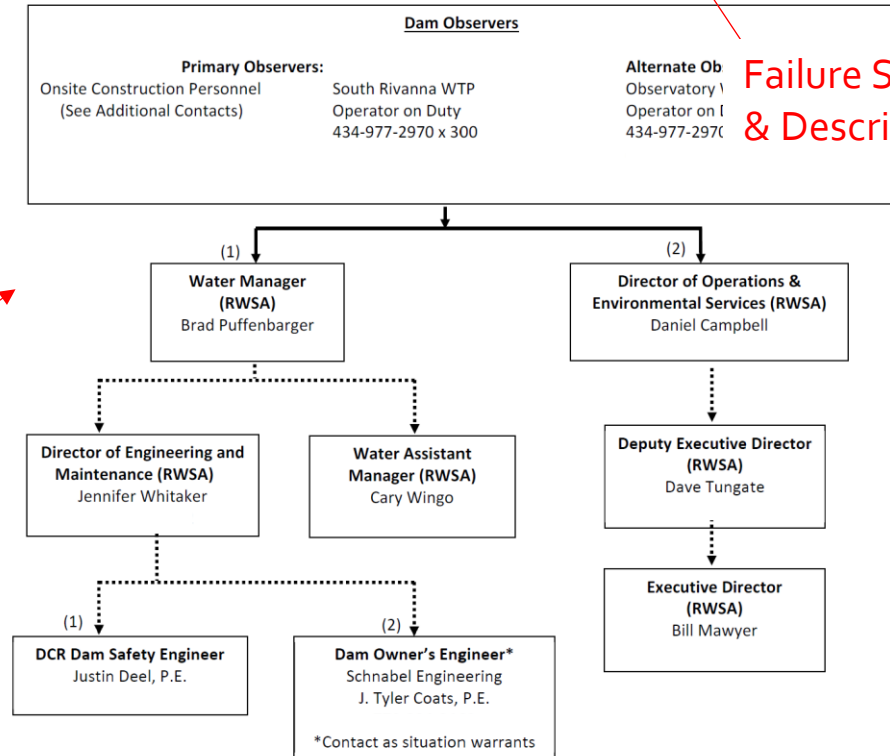
- EAPs provide descriptions of various emergency scenarios and three emergency stages:
 - Non-failure Emergency Condition (Stage I)
 - Potential Failure Situation Is Developing (Stage II)
 - Failure Is Imminent Or Has Occurred (Stage III)
- Written message prompts are provided for clear, concise communication

Notification
Calldown List

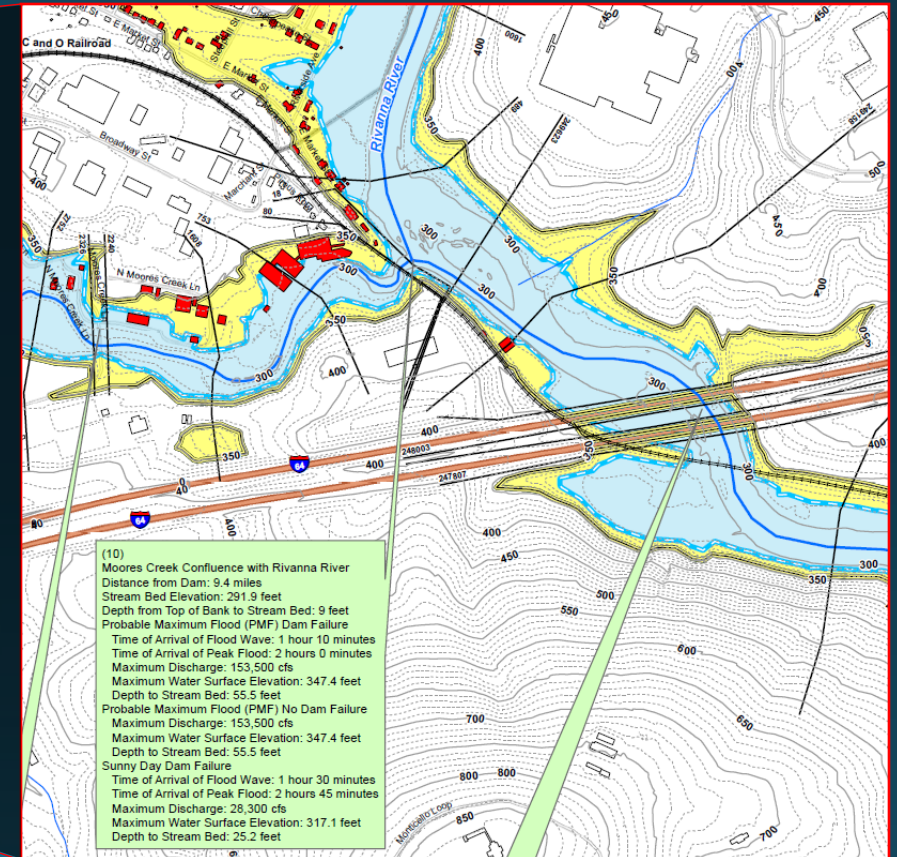
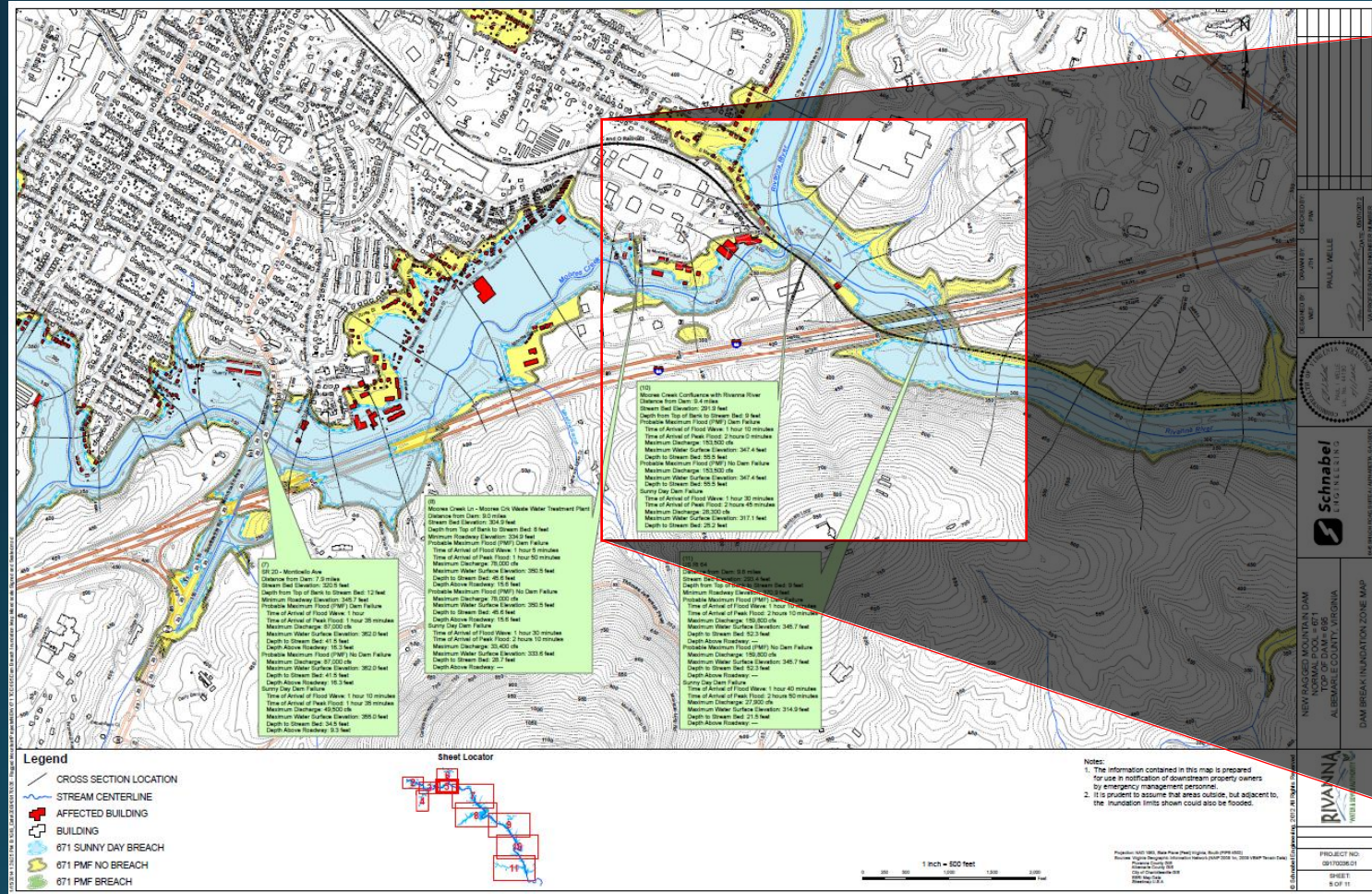
Alternate and Additional
Contacts Listed on a
separate page

Non-Failure Emergency Condition (Stage I) Notifications

Non-Failure, Slowly Developing: Rainfall is expected to Exceed 9.13 Inches over 24 hours, reservoir water surface elevation is 2.4 ft above normal pool, or new seepage areas on or near dam or abutments observed. Begin to set up communications and make contact.



Dam Breach Inundation Maps



RWSA Dam Projects

Underway Or Recently Completed:

- Sugar Hollow Dam Bladder Air Piping Modifications (completed summer 2025)
- Ragged Mountain Reservoir Pool Raise Project
- New Raw Water Intake at South Rivanna Dam

Planning or Design Phase:

- Sugar Hollow, S. Rivanna, and Ragged Mtn Dam Audible Warning (Siren) Systems
- Beaver Creek Dam spillway upgrades (design funded by NRCS)
- Dam Concrete & Steel Repairs
- North Rivanna Dam Removal

Annual Maintenance And Permitting Activities:

- Monthly tree and brush clearing, seasonal clearing of brush in stream channels
- Instrumentation maintenance & calibration
- Public Safety Plan & Signage Design
- EAP tabletop exercise planned for 2026 for Ragged Mountain and South Rivanna Dams

Questions?