

## COMPREHENSIVE ASSET PURCHASE AGREEMENT

This Comprehensive Asset Purchase Agreement (the “Agreement”) is made and entered into on the 13<sup>th</sup> day of January, 2023 by and between Virginia-American Water Company, a Virginia corporation (“Buyer”), and Town of Cape Charles, a Virginia municipal corporation (“Seller”). Hereinafter, Buyer and Seller may be referred to individually as a “Party” or together as the “Parties”.

### RECITALS:

A. Seller currently owns and operates a water treatment facility and distribution system and a wastewater treatment facility and collection system (collectively, the “System”) in or near the Town of Cape Charles, Northampton County, Virginia.

B. Seller desires to sell substantially all of the assets that constitute or are used in furtherance of the System to Buyer pursuant to the terms and conditions of this Agreement, and in a manner consistent with the requirements of VA Code § 56-575.9 of the Public Private Education Facilities and Infrastructure Act of 2002, VA Code § 56-575.1 *et seq.* (the “PPEA”).

NOW, THEREFORE, in consideration of the foregoing recitals, and the representations, warranties, and covenants contained herein, and in exchange for other consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

### ARTICLE 1

#### Definitions and Related Matters

For purposes of this Agreement, the capitalized terms used herein shall have the meanings assigned to them herein or in the attached Exhibit 1 and, for purposes of this Agreement and all other documents executed in connection herewith, the rules of construction set forth in Exhibit 1 shall govern.

### ARTICLE 2

#### Purchase and Sale of Assets; Closing

**2.1 Transfer of Assets.** On and subject to the terms and conditions of this Agreement, at the Closing on the Closing Date and effective as of the Effective Time, Buyer shall purchase, acquire and accept from Seller, and Seller shall sell, convey, transfer, assign and deliver to Buyer, free and clear of all Encumbrances, the Acquired Assets. Notwithstanding anything to the contrary contained in this Section 2.1 or elsewhere in this Agreement, the Excluded Assets are not part of the sale and purchase contemplated hereunder, are excluded from the Acquired Assets, and shall remain the exclusive property of Seller subsequent to the Closing.

**2.2 Consideration.**

(a) The consideration for the System and the Acquired Assets (the “Purchase Price”) shall be as follows: the lesser of Fifteen Million Dollars (\$15,000,000.00 USD) and the fair market value of the System as determined pursuant to the appraisal process set forth in VA Code § 56-90.2 (“FMV Legislation”) and 20 VAC5-210-10, *et seq.* (“FMV Rule”); provided, however, that if the Purchase Price is below Fourteen Million Dollars (\$14,000,000.00 USD), then Seller shall have the option not to move forward with Closing under this Agreement. In the event that Seller opts not to move forward with Closing under this Agreement pursuant to this Section 2.2(a), Seller shall reimburse Buyer for fifty percent (50%) of Buyer’s costs incurred associated with pursuing the Contemplated Transactions, in an amount not to

exceed One Hundred Thousand Dollars (\$100,000.00 USD). At Closing, Buyer shall pay to the Seller and such other payees set forth on Schedule 2.2, in accordance with wire transfer instructions to be provided by the Seller to Buyer at least ten (10) Business Days prior to the Closing Date, in immediately available funds, an aggregate amount equal to the Purchase Price less the Escrow Amount (as defined below).

(b) At Closing, five percent (5%) of the Purchase Price shall be deposited in escrow (the "Escrow Amount") with the Escrow Agent pursuant to an escrow agreement in the form of Exhibit 6, by and among the Seller, the Buyer, and the Escrow Agent (the "Escrow Agreement") to provide a fund for payment of Seller's obligations under Section 7.3, if any. The Escrow Amount shall be released in accordance with the Escrow Agreement.

(c) Held for future use.

(d) Buyer shall prepare the Allocation, which Allocation shall be binding upon Seller. The Parties shall report, act, and file Tax Returns in all respects and for all Tax purposes consistent with the Allocation. No Party shall take any Tax position (whether in audits, Tax Returns, or otherwise) that is inconsistent with or contrary to the Allocation. In the event that the Allocation is disputed by any Governmental Authority, the Party receiving notice of such dispute will promptly notify the other Party, and the Parties will consult in good faith as to how to resolve such dispute in a manner consistent with the Allocation.

**2.3 No Assumption of Liabilities.** Any and all Liabilities of Seller, whether or not incurred in connection with the operation of the System, shall remain the sole responsibility of and shall be retained, paid, performed and discharged solely by Seller. Notwithstanding anything to the contrary contained in this Agreement, Buyer will not assume or be deemed to assume, and shall have no liability or obligation with respect to, any Liability of Seller, none of which Liabilities are part of the Contemplated Transactions.

**2.4 Closing.** Unless this Agreement is first terminated pursuant to Article 8 hereof, and subject to the satisfaction or, if permissible, waiver of each of the conditions set forth in Article 5 hereof, the Closing will take place at the offices of Buyer or such other place or by such other means (e.g., e-mail/PDF or facsimile and overnight delivery of original execution documents) as is agreed to by the Parties at 10:00 A.M., Eastern time, on (a) such date as is three (3) Business Days after the date on which all of the conditions set forth in Article 5 hereof shall have been satisfied or (to the extent permissible) waived (other than those conditions which, by their nature are to be satisfied or waived at Closing but subject to their satisfaction or waiver at Closing) or, if Buyer shall so elect, the final day of Seller's billing period of which such date is a part or (b) such other date as the Parties hereto may agree upon in writing. In any event, the Closing shall be effective as of the Effective Time.

**2.5 Closing Obligations.**

In addition to any other documents to be delivered under other provisions of this Agreement:

(a) Seller shall deliver or cause to be delivered to Buyer the following documents at or prior to Closing:

- (i) the Bill of Sale, duly executed by Seller;
- (ii) the Intangible Assignments, duly executed by Seller, if any;

(iii) all Consents and approvals from Governmental Authorities, and third parties under Contracts, necessary to ensure that Buyer will continue to have the same full rights with respect to the Acquired Assets as Seller had immediately prior to the consummation of the Contemplated Transactions, including the written Consents, in form and substance reasonably acceptable to Buyer, of the Governmental Authorities and third parties set forth in Schedule 2.5(a)(iii);

(iv) a payoff letter from each lender identified in Schedule 2.5(a)(iv) from which Seller has incurred indebtedness for borrowed money which is outstanding, if any[, and from each person or entity listed on Schedule 2.2], and a release of all Encumbrances relating to the Acquired Assets executed, filed and/or recorded by the holder of or parties to each such Encumbrance (including without limitation any violations cited by Virginia Department of Health, or any other Governmental Authority with authority over the System or the Acquired Assets), if any, in each case in substance and form reasonably satisfactory to Buyer and its counsel;

(v) a satisfaction letter from each Government Agency identified in Schedule 2.5(a)(v) from which Seller has procured a grant or has incurred indebtedness for borrowed money which is outstanding, if any, and a release of all Encumbrances relating to the Acquired Assets executed, filed and/or recorded by the holder of or parties to each such Encumbrance (including without limitation the Virginia Department of Health, United States Department of Agriculture, or any other Governmental Authority with authority over the System or the Acquired Assets), if any, in each case in substance and form reasonably satisfactory to Buyer and its counsel;

(vi) for each interest in Real Property and each easement and/or right-of-way affecting any Real Property or Acquired Asset, whether or not identified on Schedule 3.4, a recordable warranty deed or such other appropriate document or instrument of transfer or approval, as the case may require, each in form and substance reasonably satisfactory to Buyer;

(vii) such other deeds, bills of sale, assignments, certificates of title, documents and other instruments of transfer and conveyance as may reasonably be requested by Buyer, each in form and substance reasonably satisfactory to Buyer;

(viii) a copy of each permit, license, easement, land-right and other necessary authority for the operation of the System and the Acquired Assets, in each case validly issued in the name of the Seller and in full force and effect;

(ix) the Franchise Agreement, duly executed by Seller;

(x) certificate contemplated by Section 5.1(d);

(xi) a legal opinion of Seller's legal counsel, as acceptable to legal counsel appointed by the Town Council, affirmatively opining to such matters as Buyer or its legal counsel may reasonably request, including but not limited to the due authorization and execution of this Agreement by Seller, and the enforceability thereof;

(xii) a certificate, dated as of the Closing Date, by the Town Manager of the Town of Cape Charles and Seller's legal counsel certifying as to all requisite resolutions, ordinances, to include the ordinance approving the sale of the System in accordance with VA Code § 15.2-2100, and actions of Seller's Town Council approving the execution and delivery of the Agreement and the consummation of the Contemplated Transaction Documents on behalf of Seller;

(xiii) to the extent such transfer is requested by Buyer, evidence satisfactory to Buyer of the transfer of all utilities with respect to the System from Seller to Buyer;

(xiv) evidence satisfactory to Buyer of the effectuation of any change in rate base which is contemplated by this Agreement, if applicable;

(xv) all other documents, instruments and writings required or reasonably requested by Buyer to be delivered at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith; and

(xvi) the Escrow Agreement, duly executed by Seller and the Escrow Agent.

(b) At or prior to the Closing, Buyer shall deliver the following:

(i) to the Seller and such other payees set forth on Schedule 2.2, in accordance with wire transfer instructions to be provided by the Seller to Buyer at least ten (10) Business Days prior to the Closing Date, in immediately available funds, an aggregate amount equal to the Purchase Price;

(ii) to the Seller, the Intangible Assignments, duly executed by Buyer, if any;

(iii) the Franchise Agreement, duly executed by Buyer;

(iv) to the Seller, all other documents, instruments and writings required or reasonably requested by Seller to be delivered at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith; and

(v) the Escrow Agreement, duly executed by Buyer.

### ARTICLE 3

#### Representations and Warranties of Seller

Seller hereby makes the following representations and warranties to Buyer, each of which is true and correct on the date hereof, will be true and correct at Closing and shall survive the Closing and the Contemplated Transactions hereby to the extent set forth herein:

**3.1 Organization of Seller; Power and Authority.** Seller is a municipal corporation duly organized, validly existing and in good standing under the Laws of the Commonwealth of Virginia. Seller has full power and authority to conduct the Business and the System as they are now being conducted and to own, lease and operate the System and the Acquired Assets.

**3.2 Enforcement; Authority; No Conflict.**

(a) This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency or other similar Laws affecting the rights of creditors generally and by general principles of equity. Seller has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and the Transaction Documents and to consummate the Contemplated Transactions. The Town Manager and Town Council of Seller have duly authorized the execution, delivery, and performance of this Agreement by Seller and no other municipal proceeding on the part of Seller is necessary to

authorize the execution, delivery and performance of this Agreement; provided, however, that final Town Council votes and a public hearing shall be required prior to Closing to authorize the Franchise Agreement.

(b) This Agreement has been, and the Transaction Documents will be, duly executed and delivered by Seller.

(c) Neither the execution, delivery or performance by Seller of this Agreement or the Transaction Documents nor the consummation by it of the Contemplated Transactions will (i) contravene, conflict with or result in a violation of any ordinance, regulation, resolution or other governing law of the Seller, (ii) contravene, conflict with or result in a violation of or give any Governmental Authority or other Person the legal basis to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under any Laws or any Order to which Seller or any of the Acquired Assets may be subject, (iii) contravene, conflict with or result in a violation of any of the terms or requirements of or give any Governmental Authority the right to revoke, withdraw, suspend, cancel, terminate or modify any Permit or other authorization by a Governmental Authority that is held by Seller or that otherwise relates to the System or any of the Acquired Assets, (iv) contravene, conflict with or result in a violation or breach of any provision of, require the Consent of any Person under, or give any Person the right to declare a default or exercise any remedy under or to accelerate the maturity or performance of or to cancel, terminate or modify any Contract, indenture, mortgage, note, lease or other instrument or document to which Seller is a party or by which any of the Acquired Assets are bound or (v) result in the imposition or creation of any Encumbrance upon or with respect to any of the Acquired Assets.

(d) Except as set forth on Schedule 3.2(d) and those approvals required pursuant to Section 5.1(g), no filings or registrations with, notifications to, or authorizations, Consents or approvals of, a Governmental Authority or third party are required to be obtained or made by Seller in connection with the execution, delivery or performance by Seller of this Agreement or the Transaction Documents or the consummation by Seller of the Contemplated Transactions. Neither the Contemplated Transactions nor the Transaction Documents will result in the creation of any Encumbrance against any of the Acquired Assets.

**3.3 Assets.** Seller has clear, good, and marketable title to, or a valid leasehold interest in, all of the Acquired Assets, free and clear of all Encumbrances. None of the Acquired Assets are leased or on loan by Seller to any third party. The Acquired Assets constitute all of the assets and property that, together with the rights granted or conveyed under the Transaction Documents, are necessary for the operation of the System, the Business and the Acquired Assets as conducted as of the date hereof. Upon the Closing, Buyer shall continue to be vested with good title or a valid leasehold interest in the System and all of the Acquired Assets. The Business constitutes all of the business conducted by any Person in connection with the System.

**3.4 Real Property; Easements.**

(a) Seller owns and has good and marketable title to the Real Property, free and clear of all options, leases, covenants, conditions, easements, agreements, claims, and other Encumbrances of every kind and there exists no restriction on the use or transfer of such property, in each case except as set forth on Schedule 3.4(b)(i) or Schedule 3.4(b)(ii). Set forth on Schedule 3.4(a) is a complete and accurate listing of all Real Property. Except as set forth in Exhibit 2 regarding Assumed Contracts, Seller is not the lessor or lessee of any Real Property, and there are no outstanding options, rights of first refusal or rights of first offer to purchase any of the Real Property or any portion thereof or interest therein. Seller has made available to Buyer copies of all title reports, surveys, title policies and appraisals relating to the Real Property. At and after the Closing, Buyer shall have the right to maintain or use the Real Property, including the space, facilities or appurtenances outside the building lines, whether on, over or under the

ground, and to conduct such activities thereon as maintained, used or conducted by Seller on the date hereof and such right is not subject to revocation. At and after the Closing, Buyer shall have all rights, easements and agreements necessary for the use and maintenance of water, sewer or other utility pipelines, poles, wires, conduits or other like facilities, and appurtenances thereto, over, across and under the Real Property necessary to operate the System.

(b) The Real Property is properly classified under applicable zoning Laws, ordinances, and regulations for the current and continued operation of the System on the Real Property. No Proceeding is pending or threatened which could adversely affect the zoning classification of the Real Property. There are sufficient parking spaces, loading docks and other facilities at such Real Property to comply with such zoning Laws, ordinances, and regulations and Seller's use or occupancy of the Real Property is not dependent on any permitted non-conforming use or similar variance, exemption, or approval from any Governmental Authority. Seller's current use and occupancy of the Real Property and its operation of the System thereon does not violate any easement, covenant, condition, restriction or similar provision in any instrument of record or other unrecorded agreement affecting such Real Property. The present use and operation of the Real Property does not constitute a non-conforming use and is not subject to a variance. Seller has not received any notice of violation of any easements, covenants, restrictions or similar instruments and there is no basis for the issuance of any such notice or the taking of any action for such violation. Set forth on Schedule 3.4(b)(i) hereto is a true, correct and complete list of all easements relating to the Real Property or the Acquired Assets. All of such easements are valid and will be transferred to Buyer and remain in full force as of the Closing. Set forth on Schedule 3.4(b)(ii) hereto is a true, correct and complete list of all rights of way relating to the Real Property or the Acquired Assets. All of such rights of way are valid and will be transferred to Buyer and remain in full force as of the Closing. Set forth in Schedule 3.4(b)(ii) hereto is a true, correct and complete lists of all rights of way relating to the Real Property or the Acquired Assets. All of such rights of way are valid and will be transferred to Buyer and remain in full force as of the Closing. All Improvements located on, and the use presently being made of, the Real Property comply with all applicable zoning and building codes, ordinances and regulations and all applicable fire, environmental, occupational safety and health standards and similar standards established by Law and the same use thereof by Buyer following Closing will not result in any violation of any such code, ordinance, regulation or standard. There is no proposed, pending or threatened change in any of the Town of Cape Charles' code, ordinances, regulations or standards which would adversely affect the Business, the System or the Acquired Assets. Seller agrees that in the event any such change is proposed, pending or threatened prior to Closing, Seller shall provide notice to Buyer of such change within ten (10) calendar days of such change being proposed or threatened. If Buyer determines, in its sole discretion, that it cannot proceed with the Contemplated Transactions as a result of any such change, Buyer may terminate this Agreement in accordance with Section 8.1 hereof.

(c) No Improvements encroach on any land that is not included in the Real Property or on any easements affecting such Real Property, or violate any building lines or set-back lines, and there are no encroachments onto the Real Property, or any portion thereof, which would interfere with the use or occupancy of such Real Property or the continued operation of the System as currently conducted.

(d) There is no unpaid property Tax, levy or assessment against the Real Property (except for Encumbrances relating to Taxes not yet due and payable), nor is there pending or threatened any condemnation Proceeding against the Real Property or any portion thereof.

(e) Except as set forth in Schedule 3.4(e), there is no condition affecting the Real Property or the Improvements located thereon which requires repair or correction to restore the same to reasonable operating condition.

(f) All of the foregoing representations and warranties apply except to the extent, if any, that a private entity is subject to different standards than Seller. If Buyer is subject to different standards than Seller regarding compliance with code, ordinances, regulations or standards, then Seller shall reasonably cooperate with Buyer to achieve compliance with such code, ordinances, regulations or standards.

**3.5 Personal Property.** Set forth on Schedule 3.5(a) is a complete and accurate listing of all Acquired Assets which are personal property. Except as set forth in Schedule 3.5(b): (i) no Acquired Asset which is personal property is in the possession of others (other than immaterial items temporarily in the possession of others for maintenance or repair), (ii) neither Seller nor any of its Affiliates holds any such property on consignment, and (iii) each item of such Acquired Assets has been maintained in accordance with normal industry practice, is in good operating condition and repair (subject to normal wear and tear) and is suitable for the purposes for which it is presently used.

**3.6 No Undisclosed Liabilities.** Except (a) to the extent and for the amount reflected as a Liability on the balance sheet included in the Unaudited Financial Statements, (b) Liabilities incurred in the Ordinary Course of Business since the date of the balance sheet included in the Unaudited Financial Statements (none of which will or may reasonably be expected to have an adverse effect upon the Business), or (c) as set forth on Schedule 3.6, Seller does not have any Liabilities in relation to the ownership and operation of the System and the Business other than the aforementioned, known or unknown, asserted or unasserted, liquidated or unliquidated, accrued, absolute, contingent, or otherwise, there is no basis for any claim against Seller, the System or any of the Acquired Assets for any such Liability and there is no basis for any such Liability to become the Liability of Buyer from and after the Closing.

**3.7 Tax Matters.**

(a) Seller has timely and properly filed all Tax Returns that it was required to file. All such Tax Returns were complete and correct in all respects and were prepared in compliance with all applicable Laws. All Taxes owed by Seller have been paid. Seller is not the beneficiary of any extensions of time within which to file any Tax Return. No claim has ever been made by an authority in a jurisdiction where Seller does not file Tax Returns that Seller is or may be subject to taxation by that jurisdiction. There are no Encumbrances on any of the Acquired Assets that arose in connection with any failure (or alleged failure) to pay any Tax.

(b) Seller has withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, member, stockholder, or other third party. Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(c) There are no audits or examinations of any Tax Returns pending or threatened that relate to Seller's operation of the System or the Acquired Assets. Seller is not a party to any action or Proceeding by any Governmental Authority for the assessment or collection of Taxes relating to the operation of the System or Acquired Assets, nor has such event been asserted or threatened. There is no waiver or tolling of any statute of limitations in effect with respect to any Tax Returns relating to Seller's operation of the System or the Acquired Assets.

(d) None of the Acquired Assets (i) has been or could be treated as a partnership or corporation for United States federal income Tax purposes or (ii) is property that is required to be treated for Tax purposes as being owned by any other Person (other than those Acquired Assets that are leased).

(e) None of the Acquired Assets represent property or obligations of Seller, including but not limited to uncashed checks to vendors, customers or employees, non-refunded overpayments or unclaimed

subscription balances, that is escheatable to any Governmental Authority under any applicable escheatment Laws as of the date hereof or that may at any time after the date hereof become escheatable to any Governmental Authority under any applicable escheatment Law.

**3.8 Contracts.** Set forth on Schedule 3.8 is a complete and correct list of all Contracts related to the System to which Seller is a party or is otherwise bound. Seller has delivered or caused to be delivered to Buyer correct and complete copies of each such Contract (including any and all amendments), a description of the terms of each such Contract which is not in writing, if any, and all documents affecting the rights or obligations of any party thereto.

**3.9 Environmental Matters.**

(a) Seller is and at all times has been in full compliance with and has not been and is not in violation of or liable under any applicable Environmental Law. Seller has no basis to expect nor has it received any actual or threatened Order, notice or other communication from any Governmental Authority or other Person of any actual or potential violation or failure to comply with any Environmental Law or of any actual or threatened obligation to undertake or bear the cost of any Environmental, Health and Safety Liabilities with respect to the Real Property or any other properties or assets (whether real, personal or mixed) in which Seller has or has had an interest or with respect to the Real Property or any other real property at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used or processed by Seller or any other Person for whose conduct it is or may be held responsible, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed, recycled or received.

(b) There are no pending or threatened claims, Encumbrances or other restrictions of any nature, resulting from any Environmental, Health and Safety Liabilities or arising under or pursuant to any Environmental Law with respect to or affecting the Real Property or any other properties and assets (whether real, personal or mixed) in which Seller has or had an interest.

(c) Neither Seller nor any other Person for whose conduct it is or may be held to be responsible has any Environmental, Health and Safety Liabilities with respect to the Real Property or with respect to any other properties and assets (whether real, personal or mixed) in which Seller (or any predecessor) has or has had an interest or at any property geologically or hydrologically adjoining the Real Property or any such other property or assets that could reasonably be expected to have a material adverse effect thereon.

(d) There are no Hazardous Materials, except those used in connection with the operation of the System and set forth in the list on Schedule 3.9(d), present on or in the Environment at the Real Property or at any geologically or hydrologically adjoining property, including any Hazardous Materials contained in barrels, above or underground storage tanks, landfills, land deposits, dumps, equipment (whether moveable or fixed) or other containers, either temporary or permanent and deposited or located in land, water, sumps or any other part of the Real Property or such adjoining property or incorporated into any structure therein or thereon. Neither Seller nor any other Person for whose conduct it is or may be held to be responsible has permitted or conducted, or is aware of, any Hazardous Activity conducted with respect to the Real Property or any other properties or assets (whether real, personal or mixed) in which Seller has or has had an interest except in material compliance with all applicable Environmental Laws. There has been no Release or threat of Release, of any Hazardous Materials at or from the Real Property or from or by any other properties and assets (whether real, personal or mixed) in which Seller has or has had an interest, or any geologically or hydrologically adjoining property, whether by Seller or any other Person.

(e) Except as set forth in Schedule 3.9(e), none of the following exists at the System or on the Real Property: (1) underground storage tanks; (2) asbestos-containing material in any form; (3) materials



or equipment containing polychlorinated biphenyl; (4) groundwater monitoring wells; or (5) landfills, surface impoundments, or disposal areas.

(f) Except as set forth in Schedule 3.9(f) neither Seller nor any of its Affiliates is obligated to provide financial assurance in consideration of the System under Environmental Law.

(g) Seller has delivered to Buyer true and complete copies and results of any reports, studies, analyses, tests or monitoring possessed or initiated by Seller or its predecessors pertaining to Hazardous Materials or Hazardous Activities in, on or under the Real Property, or concerning compliance by Seller, its predecessors, or any other Person for whose conduct Seller is or may be held to be responsible, with Environmental Laws, said reports, studies, etc. to include without limitation, any and all Phase I environmental reports now or hereafter in the possession or control of Seller.

(h) Seller will cooperate with Buyer regarding any revisions reasonably requested by Buyer to Chapters 70, 71 and 72 of the Town Code of Cape Charles to address environmental compliance matters, including but not limited to prohibited discharges, exclusion of storm water runoff, back flow prevention, and drought restrictions.

**3.10 Permits.** Set forth on Schedule 3.10 is a complete and correct list of all Permits used by Seller in the continuing operation of the System. Such Permits constitute all those necessary for the continuing operation of the System and are all valid and subsisting and in full force and effect. No fact or circumstance exists which is reasonably likely to cause any such Permit to be revoked or materially altered subsequent to the execution of this Agreement and the Closing Date. Neither the execution of this Agreement nor the Closing do or will constitute or result in a default under or violation of any such Permit.

**3.11 Insurance.** Seller maintains and has maintained appropriate insurance necessary for the full protection of all of its assets, properties, the System, operations, products and services. All such policies are in full force and effect and Seller will use commercially reasonable efforts to cause such policies to be outstanding and in full force and effect as of Closing and immediately following the execution of this Agreement and the consummation of the Contemplated Transactions. There are no pending Proceedings arising out of, based upon or with respect to any of such policies of insurance and, to Seller's Knowledge, no basis for any such Proceedings exists. Seller is not in default with respect to any provisions contained in any such insurance policies and no insurance provider is in default with respect to such insurance policies. Set forth in Schedule 3.11 is a true and accurate list of all such insurance policies Seller maintains, and the premiums therefor have been paid in full as they have become due and payable. Upon Closing, Buyer will be responsible for acquiring and maintaining appropriate insurance for the protection of the Acquired Assets, including for the avoidance of doubt maintaining such insurance coverage with respect to Buyer's liability to the public, if any, consistent with the requirements of applicable Law and the terms of Buyer's tariff on file with the Virginia State Corporation Commission.

**3.12 Absence of Certain Changes.** There has not been any occurrence or event which, individually or in the aggregate, has had or is reasonably expected to have any Material Adverse Effect. Seller has continually operated the System and the Business only in the Ordinary Course of Business. Without limitation of the foregoing, Seller has not entered into, amended, terminated or received notice of termination of any Permit necessary for the continued operation of the System except as set forth in Schedule 3.12. In addition, Seller has not taken any action in connection with the System or the Business which, if taken on or after the date hereof, would have required the prior written Consent of Buyer pursuant to Section 6.5 hereof.

**3.13 Litigation and Proceedings.** There are no Proceedings, either pending or threatened, anticipated or contemplated, against Seller or involving the operation of the System, any of the Acquired

Assets, or any of Seller's agents or other personnel in their capacity as such, which could directly affect any of the Acquired Assets or the System. Seller has not been charged with, nor is it under investigation with respect to, any charge which has not been resolved to its favor concerning any violation of any applicable Law with respect to any of the Acquired Assets or the System and there is no valid basis for any such charge or investigation. Neither Seller nor any of its Affiliates has been subject to or threatened to be subject to any Proceeding or Order relating to personal injury, death or property or economic damage arising from products sold, licensed or leased and services performed by Seller or any of its Affiliates with respect to the System or the Business. No judgment, Order, writ, injunction, decree, assessment or other command of any Governmental Authority affecting Seller or any of the Acquired Assets or the System has been entered which is presently in effect. There is no Proceeding pending or, to Seller's Knowledge, threatened which challenges the validity of this Agreement or the Contemplated Transactions or otherwise seeks to prevent, directly or indirectly, the consummation of the Contemplated Transactions, nor is there any valid basis for any such Proceeding.

**3.14 Compliance with Laws.** Seller is in compliance with all Laws, Permits, Orders, ordinances, rules and regulations, whether civil or criminal, of any federal, state, local or foreign governmental authority applicable to the System or the Business and has not committed any violation of any Law or any provision of its charter or ordinances (or equivalent governing documents) applicable to the Acquired Assets and/or the operation of the System. Except as set forth in Schedule 3.14 neither Seller nor any of its Affiliates has received any notice alleging such default, breach or violation.

**3.15 Financial Statements.** Attached as Schedule 3.15 are the Financial Statements. The Financial Statements have been prepared in accordance with GAAP and the Accounting Methodologies, subject in the case of the Unaudited Financial Statements to normal year-end adjustments and the absence of footnotes. The Financial Statements were derived from the books and records of Seller, are true, correct and complete in all material respects and present fairly in all material respects the financial condition, operating results and cash flows of Seller as of the dates and during the periods indicated therein (subject, in the case of the Unaudited Financial Statements, to normal year-end adjustments and the absence of footnotes). From and after the Closing Date, Buyer shall provide to Seller such financial statements as are required pursuant to Section 18 of the Franchise Agreement.

**3.16 Transactions with Related Parties.** Except as set forth on Schedule 3.16, no member of Town Council, authorized representative or Affiliate of Seller has any financial interest, direct or indirect, in any supplier or customer of, or other business which has any transactions or other business relationship with, Seller. Without limiting the generality of the foregoing, neither Seller nor any of its Affiliates nor any member of Town Council or authorized representative of Seller, any of its Affiliates or the Business owns, directly or indirectly, any interest in or is an owner, sole proprietor, member, stockholder, partner, director, officer, employee, consultant or agent of any Person which is a lessor, lessee, customer, licensee, or supplier of the Business and none of the employees of or servicing the Business owns, directly or indirectly, in whole or in part, any tangible property, patent, trademark, service mark, trade name, copyright, franchise, invention, Permit or license which was developed by or is used and necessary for the operation of the Business.

**3.17 Indebtedness and Grants.**

(a) Except as identified in Schedule 2.5(a)(iv), there is no lender from which Seller has incurred indebtedness for borrowed money which is outstanding in connection with the design, construction, operation, maintenance or replacement of the System or the Acquired Assets, no obligation on the part of Seller for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent, and no encumbrance of the System or the Acquired Assets executed, filed and/or recorded.

(b) Except as identified in Schedule 2.5(a)(v), Seller has not procured a grant from any Governmental Authority or other entity in connection with the design, construction, operation, maintenance or replacement of the System or the Acquired Assets, and Seller will not be obligated to return any grant funds to any Governmental Authority or other entity in connection with the sale or transfer of the System or the Acquired Assets.

**3.18 Customer Advances.** Set forth on Schedule 3.18 is a complete and accurate list of all unexpired Extension Deposit Agreements (or similar agreements) to which Seller is a party (each an “Extension Deposit Agreement”) and which contain unexpired obligations of Seller to provide for the payment of periodic refunds to parties making advances for the construction of facilities for water or wastewater service. Seller will provide to Buyer within 15 days of the execution of this Agreement (to be updated at Closing), true and complete copies of each such Extension Deposit Agreement. All records of Seller relating to each Extension Deposit Agreement is complete and accurate in all material respects and, together with the relevant Extension Deposit Agreement, is all the information reasonably required to determine Seller’s, and, consequently, Buyer’s obligations to each party to the Extension Deposit Agreements; and there are no disputes or disagreements with any party to an Extension Deposit Agreement relating to the amount due under that agreement or the method of calculating that amount. Schedule 3.18 may be updated at Closing only with the mutual consent of the parties.

**3.19 Accounts Receivable.** Set forth on Schedule 3.19 is a list of all the accounts receivable of Seller with respect to the System, an aging schedule related thereto and a list of facility fees paid to Seller, as of December 13, 2022. Such accounts receivable and facility fees, together with any such accounts receivable arising, or facility fees paid to Seller, between such date and the Closing Date (collectively, the “Accounts Receivable”), are (to the extent not yet paid in full) valid, genuine and existing and arose or will have arisen from bona fide sales of products or services actually made in the Ordinary Course of Business. The Accounts Receivable are not subject to, and Seller has received no notice of, any counterclaim, set-off, defense or Encumbrance with respect to the Accounts Receivable. Except to the extent paid prior to Closing, the Accounts Receivable are and will be current and fully collectible by Buyer. Seller shall retain all Accounts Receivables paid prior to Closing. No agreement for deduction, free goods, discount or deferred price or quantity adjustment has been made with respect to any Accounts Receivable.

**3.20 Brokers, Finders.** No finder, broker, agent or other intermediary, acting on behalf of Seller or any of Seller’s Affiliates, is entitled to a commission, fee or other compensation in connection with the negotiation or consummation of this Agreement or any of the transactions contemplated hereby.

## **ARTICLE 4**

### **Representations and Warranties of Buyer**

Buyer hereby makes the following representations and warranties to Seller:

**4.1 Organization.** Buyer is a duly organized and validly existing corporation in good standing under the Laws of the Commonwealth of Virginia and has the power and authority to own, lease and operate its assets and properties.

**4.2 Enforcement; Authority; No Conflict.**

(a) This Agreement constitutes the legal, valid and binding obligation of Buyer and is enforceable against Buyer in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or other similar Laws affecting the rights of creditors generally and by general principles of equity. Buyer has the absolute and unrestricted right, power and authority to execute and

deliver this Agreement and the Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder.

(b) Neither the execution or delivery of this Agreement nor the consummation of the Contemplated Transactions shall result in: (i) a violation of or a conflict with any provision of the articles of incorporation or the bylaws of Buyer; (ii) a material breach of or default under any term, condition or provision of any Contract to which Buyer is a party, or an event which, with the giving of notice, lapse of time, or both, would result in any such breach or default; or (iii) a material violation of any applicable Law, Order, judgment, writ, injunction, decree or award or any event which, with the giving of notice, lapse of time, or both, would result in any such violation.

**4.3 Brokers, Finders.** No finder, broker, agent or other intermediary, acting on behalf of Buyer or any of Buyer's Affiliates, is entitled to a commission, fee or other compensation in connection with the negotiation or consummation of this Agreement or any of the transactions contemplated hereby.

## **ARTICLE 5**

### **Conditions Precedent to Closing**

**5.1 Conditions Precedent to the Obligations of Buyer.** Buyer's obligations to consummate the Contemplated Transactions are subject to the satisfaction in full, unless expressly waived in writing by Buyer, of each of the following conditions:

(a) Authorization of Contemplated Transactions. Buyer shall have obtained by March 31, 2023 all necessary corporate approvals to consummate the Contemplated Transactions, including but not limited to the approval of its Board of Directors;

(b) Representations and Warranties. Each of the representations and warranties of Seller contained in this Agreement or in any Transaction Document shall have been true, correct and accurate in all respects on and as of the date hereof and shall also be true, correct and accurate in all material respects (other than Section 3.5 and representations and warranties qualified as to materiality, which shall have been true, correct and accurate in all respects) on and as of the Closing Date with the same force and effect as though made by Seller on and as of the Closing Date (except to the extent that any such representation or warranty is made solely as of the date hereof or as of another date earlier than the Closing Date, which shall be accurate as of such date);

(c) Covenants. Seller shall have performed, observed and complied in all material respects with all of its obligations, covenants, undertakings and agreements contained in this Agreement or any Transaction Document and required to be performed, observed or complied with by Seller prior to or at the Closing;

(d) Certificates. Seller shall have delivered to Buyer a certificate, dated as of the Closing Date and executed by an officer or other duly authorized representative of Seller, to the effect that the conditions set forth in Sections 5.1(b), (c) and (i) have been satisfied;

(e) Proceedings. No provision of any Law or Order shall be in effect, and no Proceeding by any Person shall be threatened or pending before any Governmental Authority, or before any arbitrator, which would: (i) prevent consummation of the Contemplated Transactions; (ii) have a likelihood of causing the Contemplated Transactions to be rescinded following consummation; (iii) adversely affect the right of Buyer to own any of the Acquired Assets; or (iv) adversely affect the System prospects or the value or condition of any of the Acquired Assets or the System;

(f) Closing Deliveries. Seller shall have delivered or caused to be delivered to Buyer each of the items set forth in Section 2.5(a);

(g) Governmental and Third-Party Approvals. (i) Buyer shall have obtained all necessary regulatory approvals by the Virginia State Corporation Commission, or any other applicable regulatory body, and all other applicable Consents and approvals from Governmental Authorities to include approval of the Town Council of the Town of Cape Charles in accordance with VA Code § 15.2-2100, and other third parties, if any, which are required in connection with the Contemplated Transactions, each in form and substance (including without limitation with respect to the terms and conditions contained in any such approval) acceptable to Buyer in its sole and absolute discretion, and (ii) any waiting periods under existing Laws, and all extensions thereof, the passing of which is necessary to consummate the Contemplated Transactions, shall have expired;

(h) Due Diligence. Buyer shall have completed and be satisfied, in its sole and absolute discretion, with the results of its due diligence review of the Acquired Assets and Seller, including without limitation with the results of any Phase I Environmental Site Assessment or other environmental assessment performed with respect to the Real Property or the Acquired Assets or chain of title search, all material contracts and operating permits and licenses of the System, and the Seller's operations, contracts, employment practices, compliance, accounting and other items as Buyer deems necessary, as each of the foregoing items relate to the System or the Acquired Assets;

(i) Permits. All permits, licenses, easements, and land-rights, and any other necessary authority for the operation of the System and the Acquired Assets shall be validly issued in the name of Seller and in full force as of the Closing Date, and Buyer shall have received a copy of each such instrument;

(j) No Encumbrances. The System and the Acquired Assets shall be free and clear of any and all Encumbrances, including without limitation any violations cited by the Virginia Department of Health or any other Governmental Authority with authority over the System or the Acquired Assets;

(k) No Material Adverse Effect. Buyer shall have determined that there shall not have occurred any event or circumstance which, individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect;

(l) Escrow Agreement. The Escrow Agreement has been duly executed by Seller and Escrow Agent;

(m) Franchise Agreement. Seller has approved the Franchise Agreement in accordance with VA Code § 15.2-2100, et seq. and executed such Franchise Agreement; and

(n) Submission to Auditor of Public Accounts. Seller shall have submitted, within thirty (30) days after the date hereof, a copy of this Agreement to the Auditor of Public Accounts in accordance with VA Code § 56-575.9(F) of the PPEA.

**5.2 Conditions Precedent to Obligations of Seller**. Seller's obligation to consummate the Contemplated Transactions is subject to the satisfaction in full, unless expressly waived in writing by Seller, of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of Buyer contained in this Agreement or in any Transaction Document shall have been true, correct and accurate in

all respects on and as of the date hereof and shall also be true, correct and accurate in all material respects (other than representations and warranties qualified as to materiality, which shall have been true, correct and accurate in all respects) on and as of the Closing Date with the same force and effect as though made by Buyer on and as of the Closing Date (except to the extent that any such representation or warranty is made solely as of the date hereof or as of another date earlier than the Closing Date, which shall be accurate as of such date);

(b) Covenants. Buyer shall have performed, observed and complied in all material respects with all of its obligations, covenants, undertakings and agreements contained in this Agreement or any Transaction Document and required to be performed, observed or complied with by Buyer prior to or at the Closing;

(c) Proceedings. No provision of any Law or Order shall be in effect which would prevent consummation of the Contemplated Transactions;

(d) Closing Deliveries. Buyer shall have delivered or caused to be delivered to Seller each of the items set forth in Section 2.5(b);

(e) Escrow Agreement. The Escrow Agreement has been duly executed by Seller and Escrow Agent; and

(f) Annexation Agreement. Seller shall have concluded to its satisfaction its negotiations with Preserve Communities regarding settlement of liabilities associated with the annexation by Seller of real property located within the Preserve Communities.

## **ARTICLE 6**

### **Covenants and Special Agreements**

#### **6.1 Access to Information; Confidentiality**

(a) Access. Between the date of this Agreement and the Closing Date, Buyer may, directly and through its representatives, make such confirmatory investigation of the System and the Acquired Assets as each deems necessary or advisable. In furtherance of the foregoing, Buyer and its representatives shall have reasonable access, upon reasonable notice during normal business hours, to all employees, properties, books, Contracts, customer lists, commitments and records of the Business, and Seller shall furnish and cause to be furnished to Buyer and its representatives such financial and operating data and other information as may from time to time be reasonably requested relating to the System, shall permit Buyer or its representatives to conduct such physical inspections and environmental audits of the Real Property as requested by Buyer and shall permit Buyer or its representatives to conduct interviews of employees of or servicing the Business. Seller and the management, employees, accountants and attorneys of or servicing the Business shall cooperate fully with Buyer and its representatives in connection with such investigation.

(b) Confidentiality.

(i) Prior to Closing, each Party shall ensure that all Confidential Information which such Party or any of its respective officers, directors, employees, counsel, agents, or accountants may have obtained, or may hereafter obtain, from the other Party (or create using any such information) relating to the financial condition, results of operations, System, properties, assets, Liabilities or future prospects of the other Party, any Related Person of the other Party or any customer or supplier of such other Party or

any such Related Person shall not be published, disclosed or made accessible by any of them to any other Person at any time or used by any of them, in each case without the prior written Consent of the other Party; provided, however, that the restrictions of this sentence shall not apply (i) as may otherwise be required by Law, (ii) to the extent such Confidential Information shall have otherwise become publicly available, and (iii) as to Buyer, to disclosure by or on its behalf to regulatory authorities or other third parties whose Consent or approval may be required to consummate the Contemplated Transactions and to its lenders and professionals for the purpose of obtaining financing of such transactions. Following Closing, Seller shall ensure that all Confidential Information relating to the financial condition, results of operations, System, properties, assets, Liabilities or future prospects of the Buyer, any Related Person of the Buyer or any customer or supplier of the Buyer or any such Related Person shall not be published, disclosed or made accessible by any of them to any other Person at any time or used by any of them, in each case without the prior written Consent of the Buyer; provided, however, that the restrictions of this sentence shall not apply (i) as may otherwise be required by Law, (ii) to the extent such Confidential Information shall have otherwise become publicly available, and (iii) as to Buyer, to disclosure by or on its behalf to regulatory authorities or other third parties whose Consent or approval may be required to consummate the Contemplated Transactions and to its lenders and professionals for the purpose of obtaining financing of such transactions.

(ii) To the extent permitted by Law, in the event of termination of negotiations or failure of the Contemplated Transactions to close for any reason whatsoever, each Party promptly will destroy or deliver to the other Party and will not retain any documents, work papers and other material (and any reproductions thereof) obtained by each Party or on its behalf from such other Party or its subsidiaries as a result of this proposal or in connection therewith, whether so obtained before or after the execution hereof, and will not use any information so obtained and will cause any information so obtained to be kept confidential and not used in any way detrimental to such other Party.

## **6.2 Reserved for future use.**

**6.3 Cooperation.** Subject to the terms and conditions of this Agreement, the Parties shall cooperate fully with each other and their respective counsel and accountants in connection with, and take or cause to be taken and do or cause to be done, any actions required to be taken under applicable Law to make effective the Contemplated Transactions as promptly as practicable. Prior to the Closing, the Parties shall proceed expeditiously and in good faith to make such filings and take such other actions as may be reasonably necessary to satisfy the conditions to Closing set forth in Section 5.1(g). Any and all filing fees imposed by the Virginia State Corporation Commission or the Town Council of the Town of Cape Charles in respect of such filings shall be paid by Seller. From and after the Closing, the Parties shall do such acts and execute such documents and instruments as may be reasonably required to make effective the transactions contemplated hereby. On or after the Closing Date, the Parties shall, on request, cooperate with one another by furnishing any additional information, executing and delivering any additional documents and instruments, including contract assignments, and doing any and all such other things as may be reasonably required by the Parties or their counsel to consummate or otherwise implement the transactions contemplated by this Agreement. Should Seller, in its reasonable discretion, determine after the Closing that books, records or other materials constituting Acquired Assets are still in the possession of Seller, Seller shall promptly deliver them to Buyer at no cost to Buyer. Seller hereby agrees to cooperate with Buyer to ensure a proper transition of all customers with respect to billing and customer service activities. Buyer shall take the lead in obtaining the required regulatory approvals with respect to the Contemplated Transactions.

**6.4 Exclusivity.** Seller will not and will not permit its employees or other agents or representatives to, when acting within the course of their employment or agency within the Town, at any time prior to the termination of this Agreement, directly or indirectly, (i) take any action to solicit, initiate

or encourage the making of any Acquisition Proposal, or (ii) discuss or engage in negotiations concerning any Acquisition Proposal with, or further disclose any non-public information relating to Seller to, any person or entity in connection with an Acquisition Proposal, in each case, other than Buyer and its representatives.

**6.5 No Inconsistent Action.** Prior to the Closing Date, no Party shall take any action, and each Party will use its commercially reasonable efforts to prevent the occurrence of any event (but excluding events which occur in the Ordinary Course of Business and events over which such Party has no control), which would result in any of its representations, warranties or covenants contained in this Agreement or in any Transaction Document not to be true and correct, or not to be performed as contemplated, at and as of the time immediately after the occurrence of such action or event. If at any time prior to the Closing Date, a Party obtains knowledge of any facts, circumstances or situation which constitutes a breach, or will with the passage of time or the giving of notice constitute a breach, of any representation, warranty or covenant of such Party under this Agreement or any Transaction Document or will result in the failure of any of the conditions contained in Article 5 to be satisfied, such Party shall give the other Party prompt written notice thereof; provided, however, that no such notice shall cure any breach of any representation, warranty or covenant contained herein or therein or will relieve any such Party of any obligations hereunder or thereunder unless specifically agreed to in writing by the other Party.

**6.6 Conduct of Business.** Between the date of this Agreement and the Closing Date, Seller shall carry on the operation of the System, the Business and the Acquired Assets in the Ordinary Course of Business and in compliance with Law, not introduce any materially new method of management or operation, use reasonable best efforts to preserve the System, the Business and the Acquired Assets, conserve the goodwill and relationships of its customers, suppliers, Governmental Authorities and others having business relations with it, maintain in full force and effect all policies of insurance now in effect for the benefit of Seller, maintain supplies at a level which is sufficient to operate the System in accordance with past practice and maintain the Acquired Assets in substantially the condition currently existing, normal wear and tear excepted. By way of illustration and not limitation, Seller will not, between the date hereof and the Closing Date, directly or indirectly do, or prepare to do, any of the following without the prior written Consent of Buyer, (a) sell, lease, transfer or otherwise dispose of, or license, mortgage or otherwise encumber, or give a security interest in or subject to any Encumbrances, any of the Acquired Assets, (b) merge or consolidate with or acquire, or agree to merge or consolidate with or acquire (by merging or consolidating with, or by purchasing a substantial portion of the stock or assets of, or by any other manner), any business or corporation, partnership, joint venture, association or other business organization or division thereof or otherwise change the overall character of the Business in any material way, (c) enter into any Contract other than in the Ordinary Course of Business, (d) abandon, sell, license, transfer, convey, assign, fail to maintain or otherwise dispose of any item of the transferred intellectual property, (e) make any change in any of its present accounting methods and practices, (f) make any new Tax election, or change or revoke any existing Tax election, or settle or compromise any Tax liability or file any income Tax Return prior to the last day (including extensions) prescribed by Law, in the case of any of the foregoing, material to the business, financial condition or results of operations of Seller, (g) engage in any transactions with any Related Person which would survive Closing, (h) pay, discharge, settle or satisfy any material claims or Liabilities (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction, in the Ordinary Course of Business or in accordance with their terms, of Liabilities reflected or reserved against in the Financial Statements (or the notes thereto), or not required by GAAP to be so reflected or reserved, or incurred since December 31, 2021 in the Ordinary Course of Business, or waive any material benefits of, or agree to modify any material confidentiality, standstill, non-solicitation or similar agreement with respect to the Business to which Seller or any of its Affiliates is a party, (i) engage in any activity with the purpose or intent of (A) accelerating the collection of accounts receivable or (B) delaying the payment of the accounts payable, (j) enter into commitments for new capital expenditures in excess of \$25,000 in the aggregate, (k) create or issue or grant an option or other right to subscribe, purchase



or redeem any of its securities or other equity interests (other than with Buyer), (l) adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such a liquidation or dissolution, merger, consolidation, restructuring, recapitalization or reorganization or (m) enter into any agreement (conditional or otherwise) to do any of the foregoing.

**6.7 No Transfer at Odds with Law.** Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall be deemed to require the conveyance, assignment or transfer of any Acquired Asset that by operation of applicable Law cannot be conveyed, assigned, transferred or assumed. Each Party shall continue to use reasonable best efforts to obtain at the earliest practicable date all unobtained Consents or approvals required to be obtained by it in connection with the transfer of the Acquired Assets or performance of any Transaction Document. If and when any such Consents or approvals shall be obtained, then Seller shall promptly, and hereby does, assign its rights thereunder to Buyer without payment of consideration and Buyer shall, and hereby does, without the payment of any consideration therefor, (i) assume such rights or (ii) perform (or agree to perform) under such Transaction Document, as applicable. Each Party shall execute such good and sufficient instruments as may be necessary to evidence such assignment and assumption. The entire beneficial interest in and to, and the risk of loss with respect to, the Acquired Assets shall, regardless of when legal title thereto shall be transferred to Buyer, pass to Buyer at Closing as of the Effective Time, and Seller shall, without consideration therefor, pay, assign and remit to Buyer all monies, rights and other consideration received after the Effective Time in respect of such performance. To the extent permitted by Law, Seller shall exercise or exploit its rights in respect of such Acquired Assets only as directed by Buyer.

**6.8 Release of Encumbrances.** Seller promptly shall take such actions as shall be requested by Buyer to secure the release of all Encumbrances relating to the Acquired Assets, in each case in substance and form reasonably satisfactory to Buyer and its counsel.

**6.9 Retention of Records.** Subject to applicable Law and, subject to any applicable restrictions as to confidentiality (as to which Buyer does not provide indemnification, or the waiver of which Seller shall not have obtained after using reasonable best efforts), Seller shall preserve any books and records relating to the System or the Business that are not delivered to Buyer hereunder for a period no less than seven (7) years after the Closing Date (or such longer period as shall be required by applicable Law), and Seller shall make available such books and records for review and copying to Buyer and its authorized representatives following the Closing at Buyer's expense upon reasonable notice during normal business hours. During such period, Seller shall permit, to the extent permitted by applicable Law and upon request of Buyer, Buyer and any of its agents, representatives, advisors or consultants reasonable access to employees of or servicing the Business for information related to periods up to and including the Closing.

**6.10 Tax Covenants.**

(a) Reserved for future use.

(b) Each Party agrees to furnish or cause to be furnished to the other Party, upon request, as promptly as practical, such information (including reasonable access to books and records, Tax Returns and Tax filings) and assistance as is reasonably necessary for the filing of any Tax Return, the conduct of any Tax audit, and for the prosecution or defense of any claim, suit or Proceeding relating to any Tax matter. The Parties shall cooperate with each other in the conduct of any Tax audit or other Tax Proceedings and each shall execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section 6.10(b).

(c) Buyer shall pay all Taxes necessary for the transfer of the Acquired Assets, or the filing or recording of such transfer.

**6.11 Termination of Intercompany Obligations.** As of or prior to the Closing, Seller shall, and shall cause its Affiliates to, settle all intercompany accounts payable and accounts receivable between and among such Persons

**6.12 Employment Matters.**

(a) Subject to the obligations of Seller under applicable Laws and Buyer's rights and obligations set forth in this Section 6.12, Buyer shall offer employment effective on the Closing Date, to all active employees set forth in Schedule 6.12 ("Personnel") who are employed by Seller in operating the System as of the Closing Date, who have applied for a position with the Buyer, and who are available to commence work on the Closing Date on terms that will provide the Town employees with compensation and benefits that result in substantially comparable benefits, including take home wages no less than provided by the Seller at the time of execution of this Agreement, subject to Buyer's existing standard hiring policies and procedures applicable to new employees (including but not limited to, a criminal background check and drug screening and written acknowledgment of Buyer's Code of Conduct and other employment policies, if applicable, from all Personnel, except with respect to benefits as otherwise provided herein. Schedule 6.12 shall not be amended after the date this Agreement is executed without the prior written consent of the Buyer. The active Town employees who accept such offer of employment and commence employment with Buyer on the Closing Date, shall be referred to in this Agreement as the "Transferred Personnel." Buyer may make the required offer of employment at a reasonable time prior to the Closing Date to ensure there will be adequate staffing on the Closing Date. For purposes of clarity, nothing contained in this Section 6.12 limits, restricts or prohibits Buyer from interviewing the Personnel for informational purposes only in connection with the transfer of employment of the Personnel to Buyer as provided in this Section 6.12.

(b) Subject to the obligations of Seller under applicable Laws, Buyer's rights and obligations set forth in this Section 6.12, and Buyer's applicable employee benefit plan documents, with respect to employee benefit plans maintained by Buyer for the benefit of its employees (i.e., paid vacation leave, Buyer's 401k Savings Plan), effective as of the Closing, Buyer shall recognize the Transferred Personnel's length of service with Seller as if such service were with Buyer for eligibility and vesting under Buyer's employee benefit plans and programs (except where doing so would result in a duplication of benefits). Buyer's pension plans and retiree medical plans are excluded from the foregoing sentence.

(c) This Section 6.12 shall be binding upon and inure solely to the benefit of each of the parties to this Agreement, and nothing in this Section 6.12, express or implied, shall confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Section 6.12. The parties acknowledge and agree that the terms set forth in this Section 6.12 shall not create any right in any Personnel or any other person to any continued employment with Buyer or compensation or benefits of any nature or kind whatsoever, and shall not be deemed to restrict Buyer in the exercise of its independent business judgment in establishing or modifying any terms or conditions of the employment of the Transferred Personnel. Notwithstanding the foregoing, termination of employment of the Transferred Personnel by the Buyer will be limited to instances of willful or gross misconduct, poor work performance, moral turpitude, violation of the Buyer's Code of Ethics, failure to perform duties or breach of fiduciary duty. Nothing contained in this Section 6.12 shall constitute an amendment of, or an undertaking to amend, Seller's employee benefit plans, programs or arrangements maintained by Buyer or is intended to prevent Buyer from amending or terminating any such employee benefit plan, program or arrangement in accordance with its terms.

(d) Subject to applicable Laws and Buyer's rights and obligations set forth in this Section 6.12 with respect to Transferred Personnel, it is expressly understood that Buyer will not acquire any asset, or assume any liability or obligation in connection with the transactions contemplated by this Agreement

relating to any of Seller's Plans, Seller's Benefit Obligations, or any employment agreement. Seller shall be solely responsible for any liability, funding obligation, claim or expense arising from Seller's Plans, Seller's Benefit Obligations or any employment agreements, both prior to and after the Closing Date.

(e) No later than the Closing Date, Seller shall, upon obtaining the written consent of the Transferred Personnel, transfer all records pertaining to the employment of the Transferred Personnel to Buyer including all personnel and human resources files and records.

**6.13 Capital Improvements.** Buyer agrees to make capital improvements to the System within eight (8) years after Closing in an amount equal to Ten Million Dollars (\$10,000,000.00 USD), a portion of which will be used to address sewer capacity issues as reviewed and approved by the Virginia Department of Environmental Quality. Within the first twelve (12) months following Closing, the Buyer agrees to begin undertaking projects to address water quality and quantity. Specific capital improvements will be identified and prioritized based on the results of a comprehensive planning study. The Buyer agrees to provide, upon the completion of a capital planning study that will be initiated within the first twelve (12) months following Closing, a list of projects prioritized through the comprehensive planning study process for approval by the Seller following its completion; completion of capital planning studies typically occur 12 to 24 months from the initiation of such studies. The Seller shall be limited to a one-time approval of initial project priorities only and must provide feedback on the list of prioritized projects within thirty (30) days of receipt of the list. Nothing contained herein shall limit the Buyer's ability to make capital improvements or modify its project prioritization to address safety, compliance, reliability or efficiency of any of its operations.

**6.14 Customer Rates.** Buyer shall apply its current Tariff (Rules & Regulations and Rates (e.g., turn-off, late fees, etc.)), except for the fixed service and volumetric charges, to all customers connected to the System at Closing as well as any and all future customers that may connect to the System or extensions thereof. Buyer shall apply after Closing, the Seller's existing water and wastewater fixed and volumetric rates set forth in Schedule 6.14, subject to the approval of the Virginia State Corporation Commission. Such rates shall remain in effect until the Buyer's next general base rate case filed with the Virginia State Corporation Commission following the Closing. At that time, Buyer shall apply the rates set forth in its then current water and wastewater service tariffs, as approved by the Virginia State Corporation Commission. The Parties acknowledge that the Buyer is in the process of moving to fully consolidated rates as contemplated by Virginia Code 56-235.11 and intends to continue to do so in accordance with a partial stipulation of settlement approved by the Virginia State Corporation Commission in the Buyer's last general rate case (Case No. PUR-2018-00175).

**6.15 Future Development.** Buyer shall implement a process, substantially similar to that set forth in Schedule 6.15, for review of any request by a public utility authority to connect to the System for purposes of having sewerage collected and/or treated by the System, whereby the party requesting such a connection shall pay the cost of connecting to the System's sewer treatment facility, as well as its proportional share of the cost to expand the System's sewer treatment facility to treat the additional sewerage.

**6.16 Cape Charles Water Tower.** Buyer shall preserve and maintain the iconic design of the Cape Charles Lighthouse on the water tower that is serving the System as of the Effective Time. If at any time Buyer determines that it is appropriate to remove the tank from service and the Seller wants to continue to preserve the water tower, Seller shall have the option to take over the ownership and maintenance of the water tower. If Seller fails to do so in a timely manner, Buyer has the right to demolish the water tower and remove it from the property.

**6.17 Operation of System.** On and after the Effective Date, Buyer shall, in compliance with all applicable Laws, including for the avoidance of doubt VA Code § 56-575.9 of the PPEA, as applicable, operate the Business and System to serve the Town of Cape Charles. Nothing contained herein shall preclude the Buyer from improving, expanding or modifying the System to serve the Town of Cape Charles or customers outside of the Town of Cape Charles in the future. Seller shall be entitled to review plans and inspect and monitor Buyer's activities in relation to the operation of the System pursuant to Sections 3, 10, 18, and 19 of the Franchise Agreement. Buyer shall provide security pursuant to Section 22 of the Franchise Agreement.

**6.18 Force Majeure.** Seller shall not be responsible to Buyer, and Buyer shall not be responsible to Seller, for delays or failure to perform under this Agreement if such delays or failure to perform are covered by circumstances beyond its control, including, but not limited to, acts of God, pandemics, floods, storms, earthquakes, hurricanes, tornadoes, or other severe weather or climatic conditions, acts of public enemy, war, blockade, insurrection, actual or threatened acts of terrorism, vandalism or sabotage, fire, accident, wreck, derailment, washout or explosion, strike, lockout or labor disputes experienced by the Parties hereto, or embargoes.

## ARTICLE 7

### Survival of Representations and Warranties and Covenants; Escrow

**7.1 Representations and Warranties and Covenants of Seller.** All of the representations and warranties made by Seller in this Agreement, its Schedules, or any certificates or documents delivered hereunder shall survive the Closing Date and consummation of the Contemplated Transactions for a period of three (3) years; provided, however, that the representations and warranties contained in Sections 3.1, 3.2, 3.3, 3.5, 3.6, 3.7, 3.9 and 3.20 shall survive indefinitely; provided, however, that any obligations of Seller resulting in appropriations by the Town Council of Cape Charles shall survive Closing for a period of three years following Closing.

**7.2 Representations and Warranties and Covenants of Buyer.** All of the representations and warranties made by Buyer in Sections 6.12, 6.13, 6.14, 6.15, 6.16, and 6.17 shall survive the Closing Date and consummation of the Contemplated Transactions indefinitely.

**7.3 Escrow.** As set forth in the Escrow Agreement, the Escrow Amount shall be used to secure and pay Damages arising out of, resulting from, relating to or caused by: (i) any inaccuracy in or breach of (or any claim by any third party alleging or constituting an inaccuracy or breach of) any representation or warranty of, or any failure to perform or nonfulfillment of any provision or covenant contained in this Agreement or any other Transaction Document by, Seller; (ii) all Liabilities and/or duties of Seller, whether accruing prior to or after the Closing Date, and any Encumbrance affecting the Acquired Assets; (iii) assessments, charges and other similar claims due or owing, directly or indirectly, by Seller or otherwise as a result of or on account of the Acquired Assets or the System at any time prior to the Closing Date; (iv) the ownership and/or operation of any of the Acquired Assets or the System prior to Closing; (v) any Proceeding now existing or hereafter arising and relating to the Acquired Assets or the System and arising from events or matters occurring prior to the Closing Date, except as otherwise provided in Section 3.19; (vi) any Excluded Assets; (vii) intercompany accounts payable and accounts receivable by and among Seller and/or its Affiliates, except as otherwise provided in Section 3.19; (viii) transaction costs and expenses incurred by or on behalf of Seller in connection with this Agreement or the Contemplated Transactions, except as otherwise provided in Section 9.7; or (ix) any matters described on Schedule 7.3. For the avoidance of doubt, the Escrow Amount is not the Buyer's sole recourse with respect to providing for Seller's obligations with respect to the matters described in Section 7.3 to the extent the Escrow Amount is insufficient to pay Damages arising out of, resulting from, relating to or caused by such matters.

## **ARTICLE 8**

### **Termination**

**8.1 Termination.** This Agreement may be terminated at any time prior to the Closing only (a) by mutual written Consent of Seller and Buyer, (b) by Seller or Buyer upon written notice to the other, if the Closing shall not have occurred on or prior to December 31, 2023; provided, however, that the right to terminate this Agreement under this Section 8.1(b) shall not be available to any Party whose breach under this Agreement has caused or resulted in the failure of the Closing to occur on or before such date, (c) by Buyer, if Buyer is not in material breach of any of its representations, warranties, covenants and agreements under this Agreement and there has been a material breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of Seller and Seller has not cured such breach within five (5) Business Days after receipt of notice of such breach (provided, however, that, no cure period shall be required for a breach which by its nature cannot be cured), (d) by Buyer, if, at any time before Closing, Buyer is not satisfied with the results of its due diligence review of the System and the Acquired Assets, (e) by Seller if Seller is not in material breach of any of its representations, warranties, covenants and agreements under this Agreement and there has been a material breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of Buyer and Buyer has not cured such breach within five (5) Business Days after receipt of notice of such breach (provided, however, that, no cure period shall be required for a breach which by its nature cannot be cured), (f) by Seller or Buyer upon written notice to the other, if any court of competent jurisdiction or other competent Governmental Entity shall have issued a statute, rule, regulation, Order, decree or injunction or taken any other action permanently restraining, enjoining or otherwise prohibiting the Contemplated Transactions, and such statute, rule, regulation, Order, decree or injunction or other action shall have become final and non-appealable, (g) by Buyer, if all necessary regulatory approvals (including rate treatment, refunds and setting of rate base and all approvals described in Section 5.1(g)) contemplated hereby or otherwise necessary to close the Contemplated Transactions have not been obtained within one year of the date a completed application for approval of the Contemplated Transactions has been submitted to the Virginia State Corporation Commission, or (h) by Buyer if any Material Adverse Effect shall have occurred or, in the reasonable judgment of Buyer, shall be reasonably likely to occur. From and after Closing, the rights and responsibilities of the parties concerning default and termination with respect to the Acquired Assets shall be as set forth in Sections 21 and 22 of the Franchise Agreement.

**8.2 Effect of Termination.** The right of each Party to terminate this Agreement under Section 8.1 is in addition to any other rights such Party may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate, except that the obligations set forth in the Confidentiality Agreement, Section 6.1(b) (“Confidentiality”), this Section 8.2 (“Effect of Termination”) or Article 9 (“General Provisions”) will survive; provided, however, that if this Agreement is terminated by a Party because of the breach of the Agreement by another Party or because one or more of the conditions to the terminating Party’s obligations under this Agreement is not satisfied as a result of the other Party’s failure to comply with its obligations under this Agreement, the terminating Party’s right to pursue all legal remedies will survive such termination unimpaired.

## **ARTICLE 9**

### **General Provisions**

**9.1 Amendment and Modification.** No amendment, modification or supplement of any provision of this Agreement will be effective unless the same is in writing and is signed by the Parties.

**9.2 Assignments.** Seller may not assign or transfer any of its rights or obligations under this Agreement to any other Person without the prior written Consent of Buyer. Buyer may not assign its rights

and obligations under this Agreement to any third party, without the prior written Consent of Seller, but may assign its rights and obligations under this Agreement to any Related Person or successor in interest without the Consent of Seller. Subject to this Section 9.2, all provisions of this Agreement are binding upon, inure to the benefit of and are enforceable by or against the Parties hereto and their respective heirs, executors, administrators or other legal representatives and permitted successors and assigns.

**9.3 Captions; Construction.** Captions contained in this Agreement and any table of contents preceding this Agreement have been inserted herein only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof. In the event of an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Agreement.

**9.4 Counterparts; Facsimile.** This Agreement may be executed by the Parties hereto on any number of separate counterparts, and all such counterparts so executed constitute one agreement binding on all the Parties hereto notwithstanding that all the Parties hereto are not signatories to the same counterpart. For purposes of this Agreement, a document (or signature page thereto) signed and transmitted by e-mail, facsimile machine or telecopier is to be treated as an original document.

**9.5 Entire Agreement.** This Agreement and the other Transaction Documents constitute the entire agreement among the Parties hereto pertaining to the subject matter hereof and supersede all prior agreements, letters of intent, understandings, negotiations and discussions of the Parties hereto, whether oral or written, executed by the Parties pertaining to the subject matter hereof. All of the Exhibits and Schedules attached to this Agreement are deemed incorporated herein by reference.

**9.6 Governing Law.** This Agreement and the rights and obligations of the Parties hereunder are to be governed by and construed and interpreted in accordance with the Laws of the Commonwealth of Virginia applicable to Contracts made and to be performed wholly within Virginia, without regard to choice or conflict of laws rules.

**9.7 Legal Fees, Costs.** Except as provided herein, all legal, consulting and advisory fees and other costs and expenses incurred in connection with this Agreement and the Contemplated Transactions are to be paid by the Party incurring such costs and expenses, provided, however, that Buyer shall reimburse the Seller for engineering, legal or consulting fees, publication costs and other expenses related to the Contemplated Transaction not to exceed Fifty Thousand Dollars (\$50,000)(the "Transaction Costs"). Prior to Closing, Seller shall provide commercially reasonable documentation for all Transaction Costs to Buyer for review prior to Buyer's payment of the Transaction Costs at Closing.

**9.8 Notices.** All notices, Consents, requests, demands and other communications hereunder are to be in writing and are deemed to have been duly given, made or delivered: (i) when delivered in person or by e-mail, (ii) three (3) Business Days after deposited in the United States mail, first class postage prepaid, or (iii) in the case of telegraph or overnight courier services, one (1) Business Day after delivery to the telegraph company or overnight courier service with payment provided, in each case addressed as follows:

(a) if to Seller, (i) to Town of Cape Charles ("Seller"), 2 Plum Street, Cape Charles, VA 23310, Attn: John Hozey, Town Manager (townmanager@capecharles.org) and (ii) with a copy to Woods Rogers Vandeventer Black PLC, 101 W. Main Street, Suite 500, Norfolk, VA 23510, Attn: Michael L. Sterling (mike.sterling@wrvblaw.com), or

(b) if to Buyer, (i) to Virginia-American Water Company ("Buyer"), 2223 Duke Street, Alexandria, VA 22314, Attn: President, Barry L. Suits (barry.suits@amwater.com) and (ii) with a copy to

Virginia-American Water Company, 1 Water Street, Camden, NJ 08102, Attn: Debbie Albrecht (Debbie.albrecht@amwater.com),

or to such other address as any Party hereto may designate by notice to the other Parties in accordance with the terms of this Section.

**9.9 Severability.** This Agreement shall be deemed severable; the invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of this Agreement or of any other term hereof, which shall remain in full force and effect, for so long as the economic or legal substance of the Contemplated Transactions is not affected in any manner materially adverse to any Party.

**9.10 Specific Performance and Injunctive Relief; Remedies.** The Parties hereto recognize that if any or all of them fail to perform, observe or discharge any of their respective obligations under this Agreement, a remedy at law may not provide adequate relief to the other Parties hereto. Therefore, in addition to any other remedy provided for in this Agreement or under applicable Law, any Party hereto may demand specific performance of this Agreement, and such Party shall be entitled to temporary and permanent injunctive relief, in a court of competent jurisdiction at any time when any of the other Parties hereto fail to comply with any of the provisions of this Agreement applicable to such Party. To the extent permitted by applicable Law, all Parties hereto hereby irrevocably waive any defense based on the adequacy of a remedy at law which might be asserted as a bar to such Party's remedy of specific performance or injunctive relief. Except as otherwise provided herein, all rights and remedies of the parties under this Agreement are cumulative and without prejudice to any other rights or remedies under Law. Nothing contained herein shall be construed as limiting the Parties' rights to redress for fraud.

**9.11 No Third-Party Beneficiary.** This Agreement is solely for the benefit of the Parties hereto and their respective successors and permitted assigns (and those Persons entitled to recover under the indemnity provisions hereof), and no other Person (other than those Persons entitled to recover under the indemnity provisions hereof) has any right, title, priority or interest under this Agreement or the existence of this Agreement.

**9.12 Waiver of Compliance; Consents.** Any failure of a Party to comply with any obligation, covenant, agreement or condition herein may be waived by the other Party only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits Consent by or on behalf of any Party hereto, such Consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 9.12.

**9.13 Nondiscrimination.** During the performance of this Agreement, Buyer agrees as follows:

(a) Buyer will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Buyer. Buyer agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

(b) Buyer in all solicitations or advertisements for employees place by or on behalf of Buyer will state that Buyer is an equal opportunity employer.

**9.14 Drug-Free Workplace.**

(a) During the performance of this Agreement, Buyer agrees to provide a drug-free workplace for Buyer's employees.

(b) For purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

**9.15 Compliance with Laws and Regulations, and Immigration Law.** Buyer agrees to and will comply with all applicable federal, state, and local laws, ordinances, and regulations, including, but not limited to all applicable licensing requirements and environmental regulations. Buyer further agrees that Buyer does not and shall not during the performance of this Agreement; knowingly employ an unauthorized alien as defined in the Federal Immigration Reform & Control Act of 1986.

**9.16 Faith-Based Organizations.** Pursuant to VA Code § 2.2-4343.1, be advised that Seller does not discriminate against faith-based organizations.

**9.17 Jurisdiction; Venue; Consent to Service of Process.** Each of the Parties irrevocably and unconditionally submits to the exclusive jurisdiction of the Northampton Circuit Court in Northampton County, Virginia or, if such court will not accept jurisdiction, the Supreme Court of the Commonwealth of Virginia or any court of competent civil jurisdiction sitting in Northampton County, Virginia. In any action, suit or other Proceeding, each of the Parties irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claims that it is not subject to the jurisdiction of the above courts, that such action or suit is brought in an inconvenient forum or that the venue of such action, suit or other Proceeding is improper. Each of the Parties also hereby agrees that any final and unappealable judgment against a Party in connection with any action, suit or other Proceeding shall be conclusive and binding on such Party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. Each Party irrevocably consents to service of process in the manner provided for the giving of notices pursuant to Section 9.8. Nothing in this Section 9.17 shall affect the right of any Party to serve process in any other manner permitted under applicable Law.

**9.18 WAIVER OF JURY TRIAL.** TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS.

*[Remainder of page intentionally left blank; signature page attached.]*



IN WITNESS WHEREOF, the Parties have executed this Comprehensive Asset Purchase Agreement as of the date first set forth above:

**VIRGINIA-AMERICAN WATER COMPANY,**  
a Virginia corporation

**TOWN of CAPE CHARLES, a Virginia**  
**municipal corporation**

By: Barry L. Suits  
Barry L. Suits, President

By: John F. Hozey  
John F. Hozey, Town Manager

Attest:

Attest:

Kurt E. McGehee

Julie Pruitt

## **Exhibits**

Exhibit 1 – Definitions

Exhibit 2 – Assumed Contracts

Exhibit 3 – Held for future use

Exhibit 4 – Bill of Sale

Exhibit 5 – Franchise Agreement

Exhibit 6 – Form of Escrow Agreement

## **Schedules**

Schedule 2.2 - List of Payees

Schedule 2.5(a)(iii) - List of Governmental Authorities and third parties requiring written consents

Schedule 2.5(a)(iv) – List of lenders requiring payoff letter

Schedule 2.5(a)(v) – List of governmental agencies requiring satisfaction letter

Schedule 3.2(d) – Necessary Approvals

Schedule 3.4(a) - Listing of all Real Property

Schedule 3.4(b)(i) – List of all easements relating to Real Property

Schedule 3.4(b)(ii) - List of Rights of Way relating to Real Property or Acquired Assets

Schedule 3.4(e) – List of any conditions affecting Real Property, Acquired Assets or Improvements

Schedule 3.5(a) – List of Personal Property

Schedule 3.5(b) - List of all Acquired Assets (Personal Property) in possession of others

Schedule 3.6 – Undisclosed Liabilities

Schedule 3.8 - List of Contracts

Schedule 3.9(d) - List of Hazardous Materials

Schedule 3.9(e) - List of underground storage tanks, asbestos, polychlorinated biphenyl, groundwater monitoring wells, landfills, surface impoundments, or disposal areas

Schedule 3.9(f) - Financial assurances under Environmental Law made by Seller

Schedule 3.10 - List of all permits used by Seller for operation of the System

Schedule 3.11 - Insurance Policies and Premiums

Schedule 3.12 – Activity Regarding Permits

Schedule 3.14 -List of notices of default, breach or violation of laws, permits, order, ordinances, rules and regulations

Schedule 3.15 - Financial Statements

Schedule 3.16 - Transaction with Related Parties

Schedule 3.18 - Customer Advances

Schedule 3.19 - List of all accounts receivable of Seller with respect to the System

Schedule 3.20 - List of brokers, agents or other intermediary acting on behalf of Seller

Schedule 6.12 – List of Personnel

Schedule 6.14 – Existing Cape Charles Rates

Schedule 6.15 – Process Related to Future Development

Schedule 7.2 - List of any indebtedness for a third-party Seller has guaranteed or indemnified

Schedule 7.3 – Escrow Matters

**EXHIBIT 1**  
**Definitions**

“Acquired Assets” means all right, title, and interest in and to all of the assets which are owned or held by Seller as of the Effective Time that constitute the System or that are used in the operation thereof, including, with respect to the System, all of its (a) Real Property now used and required in the ongoing operation of the System, (b) Tangible Personal Property, (c) intellectual property, goodwill associated therewith, licenses and sublicenses granted and obtained with respect thereto, and rights thereunder, remedies against past, present, and future interests therein under the Laws of all jurisdictions, (d) leases, subleases, easements, rights of way, and rights thereunder, (e) all rights of Seller in and to any indentures, mortgages, instruments, Encumbrances, or guaranties secured for the operation of the System, (f) accounts, notes, and other receivables arising after the Effective Time, (g) claims, deposits, prepayments, refunds, causes of action, rights of recovery, rights of set-off, and rights of recoupment (including any such item relating to the payment of Taxes), (h) franchises, approvals, Permits, pending application for Permits and Permit renewals, exemptions from any Permits, licenses, Orders, registrations, certificates, variances, and similar rights obtained from governments and governmental agencies in each case to the extent assignable or transferable to Buyer, (i) books, data, records, ledgers, files, documents, correspondence, lists, plats, architectural plans, drawings, specifications, creative materials, studies, reports, and other printed or written materials related to Seller’s construction, maintenance, and operation of the System, and (j) all of the intangible rights and property, if any, of Seller utilized in the operation of the System, provided that Acquired Assets shall not include any Excluded Assets.

“Acquisition Proposal” means any offer or proposal, including a letter of intent, for the acquisition of Seller, the Acquired Assets or any portion thereof, whether by way of merger, consolidation or statutory share exchange or the acquisition of shares of capital stock, the acquisition of assets or similar transaction.

“Affiliate” means, with respect to any Person, any Person which, directly or indirectly controls, is controlled by, or is under common control with, such Person.

“Allocation” means a reasonable and supportable allocation of the Purchase Price among the Acquired Assets in accordance with Code section 1060 and the Treasury regulations thereunder (and any similar provisions of state or local Law, as appropriate).

“Bill of Sale” means a bill of sale for all of the Acquired Assets that are Tangible Personal Property substantially in the form of Exhibit 4 (the “Bill of Sale”).

“Business” means the water treatment and distribution business of Seller as the same is conducted by Seller as of the date hereof and as the same shall be conducted by Seller as of immediately prior to the Closing.

“Business Day(s)” means any day other than (i) Saturday or Sunday, or (ii) any other day on which governmental offices in the Commonwealth of Virginia are permitted or required to be closed.

“Buyer” means Virginia-American Water Company, a Virginia corporation.

“Cleanup” means investigation, cleanup, removal, containment or other remediation or response actions.

“Closing” means the closing of the Contemplated Transactions.

“Closing Date” means the date on which the Closing actually occurs.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations and other guidance promulgated thereunder.

“Confidential Information” means (i) information not available to the general public concerning the System and financial affairs with respect to a Party hereto or its Affiliates, and (ii) analyses, compilations, forecasts, studies and other documents prepared on the basis of such information by the Parties or their agents, representatives, any Related Person, employees or consultants.

“Consent” means any approval, consent, ratification, waiver or other authorization.

“Contemplated Transactions” means the transactions contemplated by this Agreement and the Transaction Documents.

“Contract” means any agreement, contract, obligation, legally binding commitment or undertaking (whether written or oral and whether express or implied).

“Damages” means any and all claims, losses and other liabilities, plus reasonable attorneys’ fees and expenses, including court costs and expert witness fees and costs, incurred in connection with such claims, losses and other liabilities and/or enforcement of this Agreement.

“Effective Time” means 12:01 a.m. on the Closing Date.

“Encumbrance” means, in regards to operation of the System and the running of the Business, any charge, claim, community property interest, condition, easement, equitable interest, encumbrance, lien, mortgage, option, pledge, security interest, right of first refusal, right of way, servitude or restriction of any kind, including any restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, or any repayment obligation under any grant.

“Environment” means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins and wetlands), groundwater, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life and any other environmental medium or natural resource.

“Environmental, Health and Safety Liabilities” means any cost, damages, expense, liability, obligation or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to (a) any environmental, health or safety matters or conditions (including on-site or off-site contamination, occupational safety and health and regulation of chemical substances or products), (b) fines, penalties, judgments, awards, settlements, legal or administrative Proceedings, damages, losses, claims, demands and response, investigative, remedial or inspection costs and expenses arising under Environmental Law or Occupational Safety and Health Law, (c) financial responsibility under Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, including any Cleanup required by applicable Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Authority or any other Person) and for any natural resource damages, or (d) any other compliance, corrective, investigative or remedial measures required under Environmental Law or Occupational Safety and Health Law. The terms “removal,” “remedial,” and “response action,” include the types of activities covered by the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., as amended, and the United States Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as amended.

“Environmental Law” means any Law relating to pollution or protection of human health, safety, the environment, natural resources or Law relating to releases or threatened releases of Hazardous Materials into the indoor or outdoor environment (including, without limitation, ambient air, surface water, groundwater, land, surface and subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, release, transport or handling of Hazardous Materials.

“Escrow Agent” has the meaning specified in Section 2.2.

“Escrow Agreement” has the meaning specified in Section 2.2.

“Escrow Amount” has the meaning specified in Section 2.2.

“Excluded Assets” means (a) all cash, cash equivalents and short-term investments of Seller, including all bank accounts, demand accounts, certificates of deposit, time deposits, marketable securities, negotiable instruments and the proceeds of accounts receivable paid prior to the Closing Date, other than deposits and funds included in the Acquired Assets, (b) all accounts receivable of Seller accrued and payable prior to the Effective Time, including customer account deposits and prepaid facility fees, (c) all intercompany accounts receivable of Seller and notes for those accounts receivable, (d) all Contracts (other than the Assumed Contracts listed on Exhibit 2) to which the Seller is a party, including the Contracts listed on Schedule 3.8, (e) all equity interests owned or held by Seller, (f) all insurance policies of Seller and rights thereunder, (g) all causes of action, judgments, claims, reimbursements and demands of whatever nature (including rights under and pursuant to all warranties, representations and guarantees made by suppliers of products, materials or equipment, or components thereof) in favor of Seller to the extent related to any Excluded Asset, (h) all personnel Records and other Records that Seller is required by Law to retain in its possession, (i) all rights of Seller under this Agreement and the Transaction Documents and (j) all rights, properties and assets set forth on Schedule A.

“Financial Statements” means the Audited Financial Statements and the Unaudited Financial Statements.

“Franchise Agreement” means the franchise agreement granted by ordinance and approved and issued by Seller for which Seller grants Buyer the use of the streets, alleys and public grounds of Seller for the purpose of providing water and wastewater service, whose provisions setting forth the obligations of the Seller and the Buyer shall be substantially in the form of Exhibit 5.

“GAAP” means United States generally accepted accounting principles as in effect on the date hereof, applied on a consistent basis.

“Governmental Authority(ies)” means any (a) nation, state, county, city, village, district or other jurisdiction of any nature, (b) federal, state, local, municipal, foreign or other government, (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official or entity and any court or other tribunal), (d) multi-national organization or body or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

“Hazardous Activity” means the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer, transportation, treatment or use (including any withdrawal or other use of groundwater) of Hazardous Materials in, on, under, about or from the System or any part thereof into the Environment, and any other act, system, operation or thing that increases the danger or risk of danger, or poses an unreasonable risk of harm to persons or property on or off the System, or that may affect the value of the System or the Business.

“Hazardous Materials” means any waste or other substance that is listed, defined, designated or classified as, or otherwise determined to be, hazardous, radioactive or toxic or a pollutant or a contaminant under or pursuant to any Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials.

“Improvements” means all buildings, structures, fixtures, building systems and equipment, and all components thereof, including the roof, foundation, load-bearing walls, and other structural elements thereof, heating, ventilation, air conditioning, mechanical, electrical, plumbing, and other building systems, environmental control, remediation, and abatement systems, sewer, storm, and waste water systems, irrigation

and other water distribution systems, parking facilities, fire protections, security, and surveillance systems, and telecommunications, computer, wiring, and cable installations, included in the Real Property.

“Indemnified Persons” means Buyer and Buyer’s Affiliates and the past, present and future officers, directors, shareholders, partners, employees, agents, attorneys, representatives, successors and assigns of each of them in their capacities as such.

“Intangible Assignments” means the assignments of all of the Acquired Assets which are intangible personal property.

“Knowledge” means (i) the actual knowledge of a particular fact by any of the Persons listed on Schedule B (each, a “Knowledge Party”), and (ii) knowledge that would have been acquired by any Knowledge Party acting reasonably and diligently in the performance of such person’s role with and duties to Seller. The words “know,” “knowing” and “known” shall be construed accordingly.

“Law(s)” means any law, rule, regulation or ordinance of any federal, foreign, state or local Governmental Authority or other provisions having the force or effect of law, including all judicial or administrative Orders and determinations, and all common law.

“Liability” or “Liabilities” means any liability, indebtedness or obligation of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise and whether or not the same is required to be accrued on the financial statements of a Person.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, Liabilities (contingent or otherwise), operations or condition (financial or otherwise) of the System, the Business and the Acquired Assets, taken as a whole; provided, however, that “Material Adverse Effect” shall not include any changes resulting from general business or economic conditions, including such conditions related to the industry in which the System is operated, which do not specifically relate to the System and which are not disproportionately adverse to the System than to other businesses being operated in the industries in which the System operates, or (b) the ability of Seller to consummate the Contemplated Transactions.

“Occupational Safety and Health Law” means any Law designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

“Order” means any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered, issued, made or rendered by any court, administrative agency or other Governmental Authority or by any arbitrator.

“Ordinary Course of Business” means, with respect to the System and the Business, only the ordinary course of commercial operations customarily engaged in by the System and the Business consistent with past practices, including supply chain issues prevalent in the industry, and specifically does not include (a) activity (i) involving the purchase or sale of the System or the Business or any product line or business unit thereof, or (ii) that requires approval by the Town Council (or other governing persons )of Seller or any of its Affiliates, or (b) the incurrence of any Liability for any tort or any breach or violation of or default under any Contract or Law.

“Permit” means any approval, Consent, license, permit, waiver or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Law.

“Person” means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, cooperative, estate, trust, association, organization, labor union or other entity or Governmental Authority.

“Preserve Communities” means Preserve Communities, developer of Bay Creek, originally Accawmacke Plantation.

“Proceeding” means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.

“Purchase Price” means the consideration for the System and the Acquired Assets as defined in Section 2.2.

“Real Property” means those parcels of real property and those easements or any right-of-way used in the operation of the System, together with all fixtures, fittings, buildings, structures and other Improvements erected therein or thereon.

“Records” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

“Related Person” means: (a) with respect to a particular individual, (i) each other member of such individual’s Family, (ii) any Person that is directly or indirectly controlled by such individual or one or more members of such individual’s Family, (iii) any Person in which such individual or members of such individual’s Family hold (individually or in the aggregate) a Material Interest; and (iv) any Person with respect to which such individual or one or more members of such individual’s Family serves as a director, officer, partner, executor or trustee (or in a similar capacity) and (b) with respect to a specified Person other than an individual, (i) any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with such specified Person, (ii) any Person that holds a Material Interest in such specified Person, (iii) each Person that serves as a director, officer, partner, executor or trustee of such specified Person (or in a similar capacity), (iv) any Person in which such specified Person holds a Material Interest, (v) any Person with respect to which such specified Person serves as a general partner or a trustee (or in a similar capacity) and (vi) any Related Person of any individual described in clause (ii) or (iii). For purposes of this definition, (x) the “Family” of an individual includes (A) the individual, (B) the individual’s spouse, (C) any other natural person who is related to the individual or the individual’s spouse within the second degree, and (D) any other natural person who resides with such individual; and (y) “Material Interest” means direct or indirect beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of voting securities or other voting interests representing at least five percent (5%) of the outstanding equity securities or equity interests in a Person.

“Release” means any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping or other releasing into the Environment, whether intentional or unintentional.

“Seller” means Town of Cape Charles, a Virginia municipal corporation.

“Seller’s Benefit Obligations” means all material obligations, arrangements, or practices, whether or not legally enforceable, to provide benefits, other than salary or wages to present or former directors, employees or agents, (other than obligations, arrangements and practices that are Seller’s Plans), that are owed, adopted or followed by Seller. Seller’s Benefit Obligations also include consulting agreements under which the compensation paid does not depend upon the amount of service rendered, sabbatical policies, severance payment policies and fringe benefits within the meaning of Code § 132.

“Seller’s Plans” means each voluntary employees’ beneficiary association under Section 501(c)(9) of the Code whose members include any Personnel and any employee benefit plans or any other retirement,



pension, profit sharing, stock option, other post-employment benefits (OPEB) stock bonus, deferred compensation (including any “nonqualified deferred compensation plan” within the meaning of Section 409A of the Code), severance, sick leave or other material plan or arrangement providing benefits to current or former Personnel, in each case, if either currently in effect or terminated within the last six (6) years, to which Seller is a plan sponsor or to which Seller otherwise contributes or has contributed within the last six (6) years, or in which Seller otherwise participates or has participated within the last six (6) years.

“System” means water treatment facility and distribution system.

“Tangible Personal Property” means all machinery, equipment, tools, furniture, office equipment, computer hardware, supplies (including chemicals and spare parts), materials, vehicles and other items of tangible personal property of every kind owned or leased by Seller (wherever located and whether or not carried on Seller’s books), together with any express or implied warranty by the manufacturers or lessors of any item or component part thereof, and all maintenance records and other documents relating thereto.

“Tax” or “Taxes” means all taxes, charges, withholdings, fees, duties, levies, or other like assessments including, without limitation, income, gross receipts, ad valorem, value added, excise, property, sales, employment, withholding, social security, Pension Benefit Guaranty Corporation premium, environmental (under Section 59A of the Code) occupation, use, service, service use, license, payroll, franchise, transfer and recording taxes, fees and charges, windfall profits, severance, customs, import, export, employment or similar taxes, charges, fees, levies or other assessments, imposed by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or any other basis, and shall include any interest, fines, penalties, assessments, or additions to tax resulting from, attributable to, or incurred in connection with any such Tax or any contest or dispute thereof, and including any Liability for the Taxes of another Person under Treasury Regulation section 1.1502-6 (or any similar provisions of state, local, or foreign Law), as transferee or successor, by Contract or otherwise.

“Tax Return” or “Tax Returns” means any return, declaration, report, claim for refund, or information return or statement relating to, or required to be filed in connection with any Taxes, including any schedule or attachment thereto and including any amendment thereof.

“Third Person” means a claimant other than an indemnified person hereunder.

“Third Person Claim” means a claim alleged by a Third Person.

“Transaction Documents” means this Agreement, the Bill of Sale, the Intangible Assignments, the Franchise Agreement, and all other documents, certificates, assignments and agreements executed and/or delivered in connection with this Agreement in order to consummate the Contemplated Transactions, as the same may be amended, restated, modified or otherwise replaced from time to time.

“Unaudited Financial Statements” means the unaudited balance sheet of Seller as of June 30, 2022 and the related compiled consolidated statements of income and cash flows for the period then ended.

“VA Code” means the Code of Virginia.

### **Rules of Construction**

For purposes of this Agreement and the other documents executed in connection herewith, the following rules of construction shall apply, unless specifically indicated to the contrary: (i) wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter; (ii) the term “or” is not exclusive; (iii) the term “including” (or any form thereof) shall

not be limiting or exclusive; (iv) the terms “hereof,” “herein” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including the Schedules and Exhibits hereto) and not to any particular provision of this Agreement; (v) all references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations as well as all rules and regulations promulgated thereunder, unless the context otherwise requires; (vi) all references in this Agreement or in the Schedules to this Agreement to sections, schedules, exhibits and attachments shall refer to the corresponding sections, schedules, exhibits and attachments of or to this Agreement; (vii) all references to any instruments or agreements, including references to any of the documents executed in connection herewith, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof; and (viii) references to easements or rights of way are limited to easements or rights of way on private property for the water and wastewater treatment plants and associated collection and distribution systems.

**EXHIBIT 2**  
**Assumed Contracts**

None. If any assumed contracts are identified, Seller will supplement this schedule.

**EXHIBIT 3**  
**Held for future use**

**EXHIBIT 4**  
**Bill of Sale**

To be provided at Closing.

**EXHIBIT 5**  
Franchise Agreement

**FRANCHISE AGREEMENT**

The following provisions of the Franchise Agreement (Agreement”) are subject to implementation by ordinance consistent with the requirements of Va. Code §15.2-2101 *et seq.*, and this Agreement is in conjunction with and an integral part of a Comprehensive Asset Purchase Agreement for the Facilities in a manner consistent with the requirements of VA Code § 56-575.9 of the Public Private Education Facilities and Infrastructure Act of 2002, VA Code § 56-575.1 *et seq.* (the “PPEA”).

**Section 1.** That the exclusive right is hereby granted, insofar as and to the full extent that the Town can lawfully grant such right, unto VIRGINIA-AMERICAN WATER COMPANY (hereinafter referred to as the “Grantee”), its successors and assigns, for the term and subject to the conditions and limitations hereinafter stated, to use the streets, alleys, and other public places of the Town of Cape Charles (the “Town”); to acquire, maintain and operate a waterworks system; to acquire, maintain and operate a wastewater system; to lay, remove, repair, replace and maintain water and wastewater pipes, mains, service pipes, hydrants, fire hydrants, fixtures and appurtenances (“Facilities”) in the present and future streets, alleys and public places of the Town; to supply water and wastewater service for domestic, public, manufacturing and other purposes within the Town; and to transport through the Town to other municipalities and unincorporated areas where services may now or hereafter be furnished by means of the existing distribution and collection systems and mains or as the same be hereafter extended, replaced, relocated, or paralleled by additional mains from time to time.

**Section 2.** In exchange for the exclusive right granted herein, Grantee shall pay to the Town an annual fee equal to Fifty Thousand Dollars (\$50,000). Every five (5) years from the grant of this franchise, the Town shall have the right to review the fee set forth herein and make reasonable modifications thereto upon ninety (90) days’ prior written notice. In no event shall a modification to the annual fee pursuant to this Section 2 result in an increase in the annual fee that exceeds the increase in the CPI over the preceding five year period, where “CPI” means the consumer price index for all urban consumers (not seasonally adjusted) published by the U.S. Bureau of Labor Statistics.

**Section 3.** From and after the date on which this Agreement shall become effective, the water and wastewater lines and other structures in, under, and along the streets, alleys, and public places of the Town, authorized by this Agreement to be located and constructed, shall be located at reasonable, suitable, and convenient points for the purposes of the Town and Grantee, subject to the terms, provision, and conditions stated in this Agreement and, in addition, to the lawful exercise of the police powers of the Town. If and when requested by the Town Manager or other properly authorized administrative officer of the Town, the Grantee shall, from time to time, file with the Town plans showing the location of the proposed additional Facilities. The Grantee shall obtain any permit required by the Town or other governmental entities prior to their placement, construction, or installation in, under, and along the streets, alleys, public places and other public property of the Town. When plans showing the location of such water or wastewater pipes,

hydrants, fixtures, and other appurtenances shall have been presented to the Town and any necessary permits issued for the same, said plans as accepted by the Town shall be effective and binding to the same extent as if they were set out fully and at length in this Agreement. If the Town Manager or other properly authorized administrative officer reasonably determines that it is necessary for a public purpose, either in connection with the construction, repair, relocation, or improvement by the Town of a street, alley, or public place of the Town, or pursuant to the lawful exercise of police power or other valid power of the Town, to change the location of any Facilities, the Grantee shall remove or relocate the Facilities accordingly within a reasonable time after being requested by the Town in writing; but prior to so doing, the Grantee shall have the right to appeal from the Town Manager's or other properly authorized administrative officer's decision to the Town Council, and the decision of the Council on such appeal shall be final and binding as to the location of the Facilities. Grantee shall bear all costs of removal or relocation provided (1) the Town will obtain or cause to be obtained, without charge to the Grantee, suitable permits and/or easements as may be required by the Grantee for its relocated Facilities.; (2) that if removal and relocation of the Facilities is required in connection with work by, or in association with, any other person or corporation, another appropriate person or corporation, shall bear all costs of such removal and relocation and will obtain or cause to be obtained, without charge to the Grantee, suitable permits and/or easements; and (3) that if removal and relocation of the same Facilities is required on more than one occasion during the term of this Agreement for a given project, the Town shall bear all costs of such second or subsequent removal and relocation and will obtain or cause to be obtained, without charge to the Grantee, suitable permits and/or easements.

**Section 4.** Upon the annexation of any territory to the Town, the portion of the Grantee's facilities that may be located within such annexed territory and in, under, or upon the streets, alleys, and other public places of such annexed territory shall thereafter be subject to the conditions and limitations of this Agreement.

**Section 5.** The rights and privileges set forth herein are granted and conferred upon the Grantee upon the express condition and understanding on the part of the Grantee that it will render to the public in the Town, within the territory in which the Grantee by virtue of this Agreement is granted the right to furnish such service, and at all times during the term of this grant, reasonably adequate service and Facilities at reasonable and just rates, and that it will maintain its properties, works and structures located within the Town in good order throughout the term of the rights granted herein. The Grantee shall render reasonably adequate service, make repairs promptly, interrupt services only for good cause, and maintain operational telephone numbers such that the Grantee may be reached in the event of an emergency during all times of the term of this grant. Such service shall be in accordance with industry standards and all applicable laws and regulations. The Grantee by accepting this Agreement expressly agrees that the State Corporation Commission shall have jurisdiction, to the full extent and in the manner now or hereafter during the life of this Agreement provided by law, to require the Grantee to render reasonably adequate service, and to maintain its facilities in good order throughout the term of this Agreement. In the event of a material default by the Grantee in the service obligations set forth in this Section 5, the Town shall provide notice of such material default to the Grantee. If the material default is not corrected within 120 days, or such other period that provides the Grantee the reasonable opportunity to cure the material default, the Town may elect to take over the Facilities pursuant to Va. Code § 56-575.11 and Section VII B.18 of the *Town of Cape Charles Combined Guidelines for the Public-Private Education Facilities and Infrastructure Act of 2002, as revised and Public-Private*

*Transportation Act of 1995, as revised (Adopted September 3, 2002)* and as provided in Va. Code §§ 15.2-2109, 15.2-1906, 15.2-2146, and, to the extent applicable, § 25.1-102.

**Section 6.** The Grantee shall provide to the Town all water required for municipal purposes at its rates then in effect for municipal entities, provided, that the Grantee shall not charge the Town for firefighting, testing firefighting equipment, and flushing streets and gutters.

**Section 7.** The Town shall not permit any person, corporation, or other entity the right to install, extend, or maintain any water, gas, telephone, sewer, or other system, or any pipes, mains, conduits, or wires, so as to injure, damage, or interfere with the water or wastewater systems, pipes, hydrants, or mains of the Grantee. The Town shall not vacate or convey away any rights-of-way containing the Grantee's Facilities without said Grantee's prior approval or reservation of any easement providing a right to construct, operate, maintain, extend, or replace its Facilities. The Town shall not permit or grant to any person, corporation, or other entity the right to interfere in any way with any of the rights granted in this Agreement to the Grantee to construct, operate, install, extend, maintain, or replace its water or wastewater system or use the streets, alleys, and public places as provided herein.

**Section 8.** The Grantee shall inform the Town whenever there is a planned maintenance or construction project that has a significant impact on the water or wastewater system. The Grantee shall also notify the Town if it changes any treatment technique that changes the chemical qualities of the water distributed by the Grantee to the Town.

**Section 9.** The Grantee shall notify the Town, the Virginia Department of Transportation or any successor agency, and applicable homeowner's associations in advance of any planned project that requires opening up any streets, alleys or any other public place within the Town for performing work on its facilities, except in emergency situations where, in the Grantee's sole judgment, such advance notice would hinder the Grantee's ability to adequately address such emergency. Said Grantee shall repair and replace any street, alley or other right-of-way at its expense and shall place the paving or other surface back in the same or similar condition as prior to such opening as expeditiously as reasonably possible upon considering all relevant factors, including without limitation weather conditions. Said Grantee shall maintain such barriers, signs and warning signals as may be reasonably necessary to avoid injury or damage to life and property and as otherwise provided for in the Virginia Supplement to the 2009 Manual on Uniform Traffic Control Devices, as such manuals may, from time to time be in effect, or any successor provisions.

**Section 10.** During the term of this grant, the Town and Grantee, upon the request of the Town, shall meet quarterly with the Town Manager and annually with the Town Council. The Grantee shall provide a summary of activities affecting the Grantee's water and wastewater systems serving the Town, and each of the Town and the Grantee shall provide to the other relevant contact information, to include telephone numbers, to allow each of the Grantee and the Town to contact the other twenty-four (24) hours a day, three hundred sixty-five (365) days per year or three hundred sixty-six (366) day basis in the case of a leap year.

**Section 11.** The Town shall not permit or allow the public fire hydrants erected in its streets and public rights-of-way to be used for any purpose other than the extinguishment of fires, necessary and proper testing of its firefighting equipment, and necessary washing or flushing of



storm water sewers, and gutters; and the Town, at Grantee's request, will reasonably cooperate in any criminal prosecution or other legal action to afford protection to the property of said Grantee located within the Town. Except for emergency purposes, when water is used for the purposes expressly stated in this Section, the approval of the fire chief of the fire department of the Town for the use of the hydrant or hydrants shall first be obtained and the Grantee shall be notified of the time, place, estimated volume of water to be used, and the person employed by the Town or fire department who will be conducting each such use. No unauthorized person may use the hydrants for any purpose. Within one (1) calendar month of the approved usage, the Town or the fire department will advise the Grantee of the volume of water used. Any hydrant use authorized by the Grantee to be performed by any party other than the Town or its agents shall be measured using a hydrant meter installed and read by the Grantee before and after said use.

**Section 12.** The Town shall in no way be liable or responsible for any accident or damage that may occur in the construction, operation, or maintenance by the Grantee of its facilities, except as may be caused or contributed to by the negligence of the Town, its agents, employees, or of any other person or corporation. The Grantee hereby binds itself by the acceptance of this Agreement, to indemnify, keep and hold the Town free and harmless from any and all judgments, damages, losses, decrees, costs and expenses, which the Town may legally suffer, or which may be legally obtained against the Town for or by reasons related to the use and occupation of any street, alley, or other public place in the Town by the Grantee pursuant to the conditions and limitations set forth in this Agreement or legally resulting from the exercise by the Grantee of any of the privileges granted herein, except as may be caused or contributed to by the negligence of the Town, its agents, employees, or of any other person or corporation.

**Section 13.** The Town and the Grantee shall take all reasonable action to ensure that any person who shall maliciously or wrongfully tamper or interfere with, cut, injure or destroy any of the pipes, mains, services, meters or other property of said Grantee, constructed and maintained in accordance with the provisions of this Agreement, within the limits of the Town, shall be diligently prosecuted pursuant to any and all applicable provisions of the Virginia Code.

**Section 14.** The Town shall adopt no ordinance that shall conflict with any provision of this Agreement, except as required by the laws of the Commonwealth of Virginia or federal law.

**Section 15.** The Town shall permit the Grantee to abandon any underground franchise property in place so long as such property does not interfere with the use of the streets, alleys, public rights-of-way, or any other public spaces in or at which such property is located or with the use thereof by any public utility, other entity or person, and the Grantee shall, upon request, provide the Town with suitable maps and other documents, which shall identify the location of the abandoned property. If the Town determines that any such abandoned property does interfere with the use of the streets, alleys, public rights-of-way, or any other public spaces in or at which such property is located or with the use thereof by any public utility, other entity or person, then the Grantee shall remove the abandoned property from the streets, alleys, and public places of the Town, subject to the conditions regarding cost responsibility for the removal or relocation of Facilities set forth in Section 3, as applicable.

**Section 16.** The Grantee shall collect and process all gross receipts tax or any other surcharge of any kind levied or imposed by any appropriate taxing jurisdiction. In the event that the Town

should change or add any additional tax or surcharge, the Town shall give the Grantee at least sixty (60) days' notice of such change or addition. Payment of any tax or surcharge due to the Town shall be remitted to the Town within ninety (90) days of receipt by the Grantee except as otherwise provided by law.

**Section 17.** The Grantee shall pay property taxes to the Town on the property values assessed by the State Corporation Commission with the prevailing tax rate applied.

**Section 18.** The Grantee shall, upon request, meet on an annual basis with the Town Council at a regular meeting in order to provide information, including reasonably detailed financial statements concerning the Grantee's operation of the Facilities, and answer questions regarding the operation of the water and wastewater systems.

**Section 19.** The Grantee and the Town respectively agree that certain confidential and proprietary information relating to the operations, business, properties and assets of the water and wastewater systems (collectively, "Confidential Information") may be exchanged between the parties in order to comply with this Agreement. The Town hereby acknowledges that maintaining the confidence of this information is imperative to the security of the water and wastewater system. To that end, the parties hereby agree to maintain the Confidential Information to the extent allowed by law, in confidence, giving it the same degree of care, but no less than a reasonable degree of care, as the parties exercise with their own confidential or proprietary information. Neither party, without the prior written consent of the other party (which may be withheld in such other party's sole discretion), will disclose any portion of the Confidential Information to others, except to their employees, attorneys, agents, consultants or contractors having a need to know in order to accomplish the purpose of this Agreement and who are bound by a like obligation of confidentiality under this Agreement; provided, however, that the restrictions of this sentence shall not apply (a) as may otherwise be required by law, (b) to the extent necessary for regulatory purposes, including without limitation, the requirements of the Virginia State Corporation Commission, and (c) to the extent such information shall have otherwise become publicly available.

**Section 20.** All the rights and privileges hereby granted may be exercised by any successor or successors, assignee or assignees of the said Grantee, but said successor or successors, assignee or assignees shall be subject to all the provisions, obligations and stipulations and penalties herein prescribed.

**Section 21.** The rights and privileges hereby granted shall continue for the period of forty (40) years from and after the passage of the ordinance granting this Agreement, unless the same be sooner voluntarily surrendered by the Grantee, with the consent of the Town Council, or unless the same be sooner forfeited as provided by law. Upon the expiration of the term of this grant and upon the termination of the rights hereby granted, by surrender, forfeiture or otherwise, all of the facilities of the Grantee in the streets, alleys, public places and other public property of the Town shall remain the property of the Grantee and may be abandoned consistent with the provisions of Section 15, or it may be removed from the streets, alleys, public places and other public property of the Town at the option and at the expense of the Grantee within a reasonable timer after the expiration or termination of such rights and privileges; provided however, that, following such termination of the rights hereby granted, the Town may elect to pursue acquisition of the Facilities

consistent with applicable law, in exchange for payment of a fair market valuation for the Facilities to the Grantee consistent with applicable law and precedent. Any such fair market valuation of the Facilities shall be established as the simple average of the valuations provided by three qualified and impartial utility valuation experts qualified and licensed to perform such valuations in Virginia. The Town and the Grantee shall each retain one utility valuation expert and the third utility valuation expert shall be retained jointly by Town and Grantee.

**Section 22.** (a) This Agreement and the rights and privileges hereby granted and conferred shall not become effective unless and until the Grantee shall file with the Clerk of Council of the Town of Cape Charles its written acceptance hereof, in form satisfactory to the Town, and shall enter into a bond in the sum of Fifty Thousand Dollars (\$50,000.00) with surety satisfactory to the Town, conditioned to the effect that the Grantee will construct and maintain, or if constructed, will maintain, the facilities provided for herein and reasonably necessary for the exercise of the rights and privileges granted in and by this Agreement, and will maintain the same in good order throughout the term of this grant, and will comply with the terms, provisions and conditions of this Agreement in all respects. This bond shall satisfy all other obligations to provide individual performance bonds that may be required by the Town of Cape Charles for any acts or activities undertaken by the Grantee.

(b) Upon any breach or alleged breach of the obligations under this Agreement, the aggrieved party's exclusive remedy for such breach or alleged breach shall be to seek and enforce a writ of mandamus in the Northampton Circuit Court in Northampton County, Virginia, pursuant to Virginia Code § 15.2-2106 or any successor statute, except as otherwise provided in Sections 3 and 5 of this Agreement. The jurisdiction in mandamus shall not preclude any party from bringing any other suit or action which such party would be entitled to bring, at law or in equity.

**Section 23.** (a) This Agreement represents the entire franchise agreement between the parties. All acts, ordinances, and parts of acts heretofore passed inconsistent with this Agreement are hereby repealed.

(b) Should any provision of this Agreement require interpretation or construction, it is agreed by the parties that the court interpreting or construing this Agreement shall not apply a presumption that the provision be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agents prepared the same, it being agreed that the parties hereto and their respective attorneys and agents have fully participated in the preparation of all provisions hereof.

## EXHIBIT 6

### Escrow Agreement

#### ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the “Agreement”) is entered into on \_\_\_\_\_, 2022 by Virginia-American Water Company, a Virginia corporation (“Buyer”), and Town of Cape Charles, a Virginia municipal corporation (“Seller”) and [\_\_\_\_\_], as escrow agent (the “Escrow Agent”).

#### BACKGROUND:

Buyer and Seller have entered into a certain Asset Purchase Agreement dated \_\_\_\_\_, 2022 (the “Asset Purchase Agreement”). Upon Closing of the transaction contemplated by the Asset Purchase Agreement, Buyer is required to deposit the amount of five percent (5%) of the Purchase Price into escrow (the “Escrow Amount”) in order to secure and fund Seller’s obligations under Section 7.3 of the Asset Purchase Agreement. Buyer and Seller are entering into this Agreement to establish the terms of the funding, management and distribution of the Escrow Amount as required by the Asset Purchase Agreement. This Agreement is referred to in the Asset Purchase Agreement as the “Escrow Agreement.”

Capitalized terms used in this Agreement but not defined herein have the meanings ascribed to them in the Asset Purchase Agreement.

**NOW THEREFORE**, in consideration of the premises and of the mutual covenants contained herein and in the Asset Purchase Agreement, the parties hereto agree as follows:

1. Acceptance by Escrow Agent. The Escrow Agent accepts the appointment as escrow agent pursuant to this Agreement and shall act on the terms and conditions set forth in this Agreement. Escrow Agent shall be paid from the Escrow Amount in accordance with the provisions of Exhibit I (the “Fees”).

2. Investment of Escrow Amount. Upon receipt by the Escrow Agent of the Escrow Amount at Closing, the Escrow Agent shall, subject to the terms hereof, retain the Escrow Amount and is empowered and directed to invest the Escrow Amount in a separate interest-bearing account, containing only the Escrow Amount and interest thereon, at an FDIC-insured bank as described more fully in Exhibit II. The Escrow Agent shall not be obligated to earn any particular yield or rate of return on the Escrow Amount. The Escrow Agent shall not have any legal or beneficial interest in the account described in this Section 2, but shall merely hold funds in such account and administer such account in accordance with the terms of this Agreement. All interest on the Escrow Amounts shall be retained by the Escrow Agent until disbursed in accordance with the terms hereof.

3. Rights and Responsibilities of Escrow Agent. The acceptance by the Escrow Agent of its duties hereunder is subject to the following terms and conditions, which shall govern and control with respect to the Escrow Agent’s rights, duties, liabilities and immunities:

a. The Escrow Agent shall act hereunder as a depository only, and it shall not be responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of any document furnished to the Escrow Agent or any asset deposited with it.

b. The Escrow Agent shall have no duties except those specifically set forth in this Agreement.

c. The Escrow Agent shall have the right any time it deems appropriate to seek an adjudication in a court of competent jurisdiction as to the respective rights of the parties hereto and shall not be held liable by any party hereto for the delay or the consequences of any delay occasioned by such resort to court.

d. The Escrow Agent: (i) shall not be responsible for any of the agreements referred to or described herein, or for determining or compelling compliance therewith, and shall not otherwise be bound thereby; (ii) shall be obligated only for the performance of such duties as are expressly and specifically set forth in this Agreement on its part to be performed, each of which is ministerial (and shall not be construed to be fiduciary) in nature, and no implied duties or obligations of any kind shall be read into this Agreement against or on the part of the Escrow Agent; (iii) shall not be obligated to take any legal or other action hereunder which might in its judgment involve or cause it to incur any expense or liability unless it shall have been furnished with acceptable indemnification; (iv) may rely on and shall be protected in acting or refraining from acting upon any written notice, instruction (including, without limitation, wire transfer instructions, whether incorporated herein or provided in a separate written instruction, only if verified orally with the party having provided such wire transfer instructions), instrument, statement, certificate, request or other document furnished to it hereunder and reasonably believed by it to be genuine and to have been signed or presented by the proper person, and shall have no responsibility or duty to make inquiry as to or to determine the genuineness, accuracy or validity thereof (or any signature appearing thereon), or of the authority of the person signing or presenting the same, and (v) may consult counsel satisfactory to it, including in-house counsel, and the opinion or advice of such counsel in any instance shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion or advice of such counsel. In the event of any conflict between the terms and provision of this Agreement, those of the Asset Purchase Agreement, any schedule or exhibit attached to the Agreement, or any other Agreement among the parties, the terms and conditions of this Agreement shall control.

e. The Escrow Agent shall not be liable to anyone for any action taken or omitted to be taken by it hereunder except in the case of the Escrow Agent's negligence or willful misconduct as determined by a court of competent jurisdiction as being the primary cause of any loss to either the Seller or Buyer. In the event that the Escrow Agent shall receive instructions, claims or demands from any party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be given a direction in writing by the parties which eliminates such conflict or by a final and non-appealable court order. In no event shall the Escrow Agent be liable for indirect, punitive, special or consequential damage or loss (including but not limited to lost profits) whatsoever, even if the Escrow Agent has been informed of the likelihood of such loss or damage and regardless of the form of action.

f. <Intentionally omitted.>

g. Notwithstanding any term appearing in this Agreement to the contrary, in no instance shall the Escrow Agent be required or obligated to distribute any portion of the Escrow Amount (or take other action that may be called for hereunder to be taken by the Escrow Agent) sooner than two (2) business days after (i) it has received the applicable documents required under this Agreement in an acceptable form; or (ii) passage of the applicable time period (or both, as applicable under the terms of this Agreement), as the case may be.

h. Unless and except to the extent otherwise expressly set forth herein, all deposits and payments hereunder, or pursuant to the terms hereof shall be in U.S. dollars.

i. The Escrow Agent shall have the right at any time to resign for any reason and be discharged of its duties as Escrow Agent hereunder by giving written notice of its resignation to the parties hereto at least thirty (30) business days prior to the date specified for such resignation to take effect. All obligations of the Escrow Agent in this Agreement shall cease and terminate on the effective date of its resignation, provided that, prior to the effective date of resignation:

(i) if a successor escrow agent shall have been appointed and written notice thereof shall have been given to the resigning Escrow Agent by Buyer, Seller and the successor escrow agent, then the resigning Escrow Agent shall deliver the Escrow Amount to the successor escrow agent; or

(ii) if a successor escrow agent shall not have been appointed by Buyer and Seller, for any reason whatsoever, the resigning Escrow Agent shall deliver the Escrow Amount to a court of competent jurisdiction as set forth in Section 16 of this Agreement and give written notice of the same to the Buyer and Seller.

The resigning Escrow Agent shall be reimbursed from the Escrow Amount for any expenses incurred in connection with its resignation and transfer of the Escrow Amount pursuant to and in accordance with the provisions of this Section.

j. Each of the Seller and Buyer agrees, jointly and severally, (i) to assume any and all obligations imposed now or hereafter by any applicable tax law with respect to any payment or distribution of the Escrow Amount or performance of other activities under this Agreement, (ii) to instruct the Escrow Agent in writing with respect to the Escrow Agent's responsibility for withholding and other taxes, assessments or other governmental charges, and to instruct the Escrow Agent with respect to any certifications and governmental reporting that may be required under any laws or regulations that may be applicable in connection with its acting as Escrow Agent under this Agreement, and (iii) to indemnify and hold the Escrow Agent harmless from any liability or obligation on account of taxes, assessments, additions for late payment, interest, penalties, expenses and other governmental charges that may be assessed or asserted against the Escrow Agent in connection with, on account of or relating to the Escrow Amount, the management established hereby, any payment or distribution of or from the Escrow Amount pursuant to the terms hereof (other than with respect to the Fees) or other activities performed under the terms of this Agreement, including without limitation any liability for the withholding or deduction of (or the failure to withhold or deduct) the same, and any liability for failure to obtain proper certifications or to report properly to governmental authorities in connection with this Agreement, including costs and expenses (including reasonable attorneys' fees and expenses), interest and penalties. The foregoing

indemnification and agreement to hold harmless shall survive the resignation of the Escrow Agent or the termination of this Agreement.

4. Statements. During the term of this Agreement, the Escrow Agent shall provide Seller and Buyer with monthly statements containing the beginning balance in the escrow account as well as all principal and income transactions for the statement period. The Escrow Agent shall be forever released and discharged from all liability with respect to the accuracy of such statements, except with respect to any such act or transaction as to which Seller or Buyer shall, within ninety (90) days after the furnishing of the statement, file written objections with the Escrow Agent.

5. Obligations of Seller Secured. Subject to Sections 7 through 9 below, the Escrow Agent shall retain the Escrow Amount for a period of two (2) years following Closing Date (the "Escrow Term") to fund Seller's responsibilities under Section 7.3 of the Asset Purchase Agreement.

6. Distribution Procedures. Except as specifically provided in this Agreement, no distribution from the Escrow Amount shall be made except as follows:

- a. upon written notice executed jointly (or in counterparts) by Seller and Buyer (a "Joint Instruction"); or
- b. as may be necessary to comply with any final and unappealable judgment, decree or order of a court of competent jurisdiction.

7. Final Distribution. Within ten (10) days following the earlier to occur of: (1) the Escrow Agent's receipt of written notice from one of the parties advising the Escrow Agent that the Term has expired; and (2) the parties' Joint Instruction to terminate the Escrow Amount because all of Seller's obligations under Section 7.3 of the Asset Purchase Agreement secured by this Agreement have been discharged, the Escrow Agent shall release the balance of the Escrow Amount to Seller or as the Seller may otherwise direct in writing. The term of this Agreement shall expire upon the complete disbursement of the entire Escrow Amount, including any earnings thereon, in accordance with this Section 7.

8. Disbursement Instructions. In the event of any doubt or uncertainty by Escrow Agent as to the propriety of making periodic or final disbursements of the Escrow Amount, the Escrow Agent may retain the Escrow Amount, without penalty or liability, until the parties provide joint written instructions for the disbursement of the Escrow Amount or until a final adjudication is made as to its proper disposition. In this regard, Escrow Agent shall be entitled to rely absolutely on the advice of its counsel.

9. Tax Reporting. The Seller and Buyer hereby represent to the Escrow Agent that (a) there is no sale or transfer of a "United States Real Property Interest" as defined under Section 897(c) of the Internal Revenue Code, as the same may be amended from time to time (the "IRC") in the underlying transaction giving rise to this Agreement, and (b) such underlying transaction does not constitute an installment sale requiring tax reporting or withholding of imputed interest or original issue discount to the Internal Revenue Service ("IRS") or other taxing authority. The Seller and Buyer each agree that, for tax reporting purposes, all interest earned from the investment of the Escrow Amount shall be reported by the Escrow Agent as allocated to the Seller, and reported, as and to the extent required by law, by the Escrow Agent to the IRS, or any other taxing authority on IRS Form 1099 or 1042S (or other appropriate form) as income earned from the Escrow Amount by the Seller whether or not said income has been distributed during such year.

10. Certification of Taxpayer Identification Number. Each of the Seller and Buyer agree to provide the Escrow Agent with a certified tax identification number by signing and returning a Form W-9 to the Escrow Agent upon the execution and delivery of this Agreement. Each of the Seller and Buyer understand that, in the event their tax identification numbers are not certified to the Escrow Agent, the IRC may require withholding of a portion of any interest earned on the investment of the Escrow Amount.

11. Amendment; Waiver. The parties may amend this Agreement only by the parties' written agreement that identifies itself as an amendment to this Agreement. Any waiver of, or consent to depart from, the requirements of any provision of this Agreement will be effective only if it is in writing and signed by the parties giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any party to exercise, and no delay in exercising, any right under this Agreement will operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

12. Discharge. The Escrow Agent may be discharged from its duties as Escrow Agent under this Agreement upon thirty (30) days written notice from Buyer and Seller jointly and upon payment of any and all Fees and amounts due under this Agreement to Escrow Agent. In such event, the Escrow Agent shall be entitled to rely on instructions from Buyer and Seller jointly as to the disposition and delivery of the Escrow Amount.

13. Execution. This Agreement may be executed in any number of counterparts which, taken together, is one and the same agreement. This Agreement becomes effective when it has been executed by each party and delivered to all parties, provided, however, that this Agreement shall be effective as between Buyer and Seller when it has been executed by Buyer and Seller and delivered to each of Buyer and Seller. To evidence the fact that it has executed this Agreement, a party may send a copy of its executed counterpart to the other parties by facsimile or email transmission. Such party is deemed to have executed and delivered this Agreement on the date it sent such facsimile or email transmission if no execution date is otherwise specified in the Agreement. In such event, such party shall forthwith deliver to the other parties an original counterpart of this Agreement executed by such party.

14. Severability. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall remain in full force and effect and in no way be affected, impaired or invalidated.

15. Entire Agreement. This Agreement is the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, negotiations, discussions and understandings, written or oral, among the parties. There are no representations, warranties, conditions or other agreements, whether direct or collateral, or express or implied, that form part of or affect this Agreement, or that induced any party to enter into this Agreement or on which reliance is placed by any party, except as specifically set forth in this Agreement. The parties acknowledge and agree that (i) each has substantial business experience and is fully acquainted with the provisions of this Agreement, (ii) the provisions and language of this Agreement have been fully negotiated and (iii) no provision of this Agreement shall be construed in favor of any party or against any party by reason of such provision of this Agreement having been drafted on behalf of one party rather than the other parties.



16. Governing Law; Jurisdiction. This Agreement and the rights and obligations of the Parties hereunder are to be governed by and construed and interpreted in accordance with the Laws of the Commonwealth of Virginia applicable to Contracts made and to be performed wholly within Virginia, without regard to choice or conflict of laws rules. Each of the Parties irrevocably and unconditionally submits to the non-exclusive jurisdiction of the Northampton Circuit Court in Northampton County, Virginia or, if such court will not accept jurisdiction, the Supreme Court of the Commonwealth of Virginia or any court of competent civil jurisdiction sitting in Northampton County, Virginia. In any action, suit or other Proceeding, each of the Parties irrevocably and unconditionally waives and agrees not to assert by way of motion, as a defense or otherwise any claims that it is not subject to the jurisdiction of the above courts, that such action or suit is brought in an inconvenient forum or that the venue of such action, suit or other Proceeding is improper. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

17. Parties in Interest; Third Party Beneficiaries. Except as hereinafter provided, this Agreement is not intended to and shall not be construed to create upon any Person other than the parties any rights or remedies hereunder.

18. Successors and Assigns. No party to this Agreement may assign any right or delegate any performance under this Agreement without the prior written consent of the other parties. A purported assignment or purported delegation without prior written consent is void.

19. Specific Performance. Irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms of this Agreement. Any party may seek specific performance of the terms of this Agreement, in addition to any other remedy to which such party is entitled at law or in equity if such party has performed in accordance with the terms of this Agreement.

20. Headings. The headings in this Agreement are for convenience of reference only and shall neither be considered as part of this Agreement, nor limit or otherwise affect the meaning hereof.

21. Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by courier service such as Federal Express, or by other messenger) to the address set forth below:

*in the case of the Seller:*  
Town of Cape Charles

2 Plum Street  
Cape Charles, VA 23310  
Attention: John Hozey, Town Manager ([townmanager@capecharles.org](mailto:townmanager@capecharles.org))

***with a copy to:***

Thompson McMullan, P.C.  
100 Shockoe Slip  
Third Floor  
Richmond, VA 23219  
Attention: Cliona M. Robb, Esquire ([crobb@t-mlaw.com](mailto:crobb@t-mlaw.com))

***in the case of the Buyer:***

Virginia-American Water Company  
2223 Duke Street  
Alexandria, VA 22314  
Attention: Barry L. Suits ([barry.suits@amwater.com](mailto:barry.suits@amwater.com)), President

***with a copy to:***

Virginia-American Water Company  
1 Water Street  
Camden, NJ 08102  
Attention: Debbie Albrecht ([Debbie.albrecht@amwater.com](mailto:Debbie.albrecht@amwater.com)), Managing General  
Counsel

Any party may alter the address to which communications or copies are to be sent by giving notice of such change of address in conformity with the provisions of this paragraph for the giving of notice.

***Signature page follows.***

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

**TOWN OF CAPE CHARLES**

**VIRGINIA-AMERICAN WATER COMPANY**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Printed: \_\_\_\_\_

Its:

Its: President

**ATTEST:**

**ATTEST:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Name:

Its:

Its:

**ESCROW AGENT:**

[ \_\_\_\_\_ ]

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

## **Escrow Agreement Exhibit I**

Fee Schedule

**Escrow Agreement Exhibit II**

Terms of Escrow Account

The Escrow Amount shall be continuously invested in an interest-bearing account at \_\_\_\_\_  
Bank.

**Schedule 2.2**  
**List of Payees**

See entities listed on Schedule 2.5(a)(iv), which lists lenders requiring payoff letters (no payoffs will be done prior to Closing). If any additional payees are identified, Seller will supplement this schedule

**Schedule 2.5(a)(iii)**

**List of Governmental Authorities and Third Parties Requiring Written Consents**

The following permits need to be transferred:

Virginia Department of Health – Waterworks Operating Permit 3131120

Virginia Department of Environmental Quality – Ground Water Withdrawal Permit GW41201

Virginia Department of Environmental Quality – VPDES Permit VA0021288

If any additional written consents are required, Seller will supplement this schedule.

**Schedule 2.5(a)(iv)**  
**List of Lenders Requiring Payoff Letter**  
(There are no restrictions on early pay off or transfer of assets)

<b>Lender</b>	<b>POC Information</b>
VML VaCo 2010 IDA Bond Recovery Act Bond Pool II, subsidized interest	Cody Fedorishen Relationship Manager Wells Fargo Bank, N.A. Corporate Trust Services 9062 Old Annapolis Road Columbia, MD 21045-1951 <a href="mailto:cody.fedorishen@wellsfargo.com">cody.fedorishen@wellsfargo.com</a>
Pinnacle Finance 2016A Bond	Janet Bryant Collections Manager Pinnacle Public Finance Inc. a BankUnited Company 305-818-8525 (direct) 800-532-6864 <a href="mailto:jbryant@ppf-inc.com">jbryant@ppf-inc.com</a>
Pinnacle Finance 2016B Bond	Janet Bryant Collections Manager Pinnacle Public Finance Inc. a BankUnited Company 305-818-8525 (direct) 800-532-6864 jbryant@ppf-inc.com
Virginia Resources Authority 2010 Interest Free Bond	Spencer Murray Loan Compliance Manager (804) 644-3100 main office (804) 616-3455 direct dial <a href="mailto:smurray@virginiaresources.org">smurray@virginiaresources.org</a>

If any additional lenders require a payoff letter, Seller will supplement this schedule.



**Schedule 2.5(a)(v)**  
**List of Governmental Agencies Requiring Satisfaction Letters**

Virginia Resources Authority

If any additional satisfaction letters are required, Seller will supplement this schedule.

**Schedule 3.2(d)**  
**Necessary Approvals**

Resolution 20221110 Approving the Comprehensive Asset Purchase Agreement With Virginia-American Water Company

Ordinance 20221110A Approving the Sale of the Town of Cape Charles Waterworks System and Wastewater System to Virginia-American Water Company

Ordinance 20221110B Granting to Virginia-American Water Company the right to operate the systems within the Town of Cape Charles

If any additional Necessary Approvals are identified, Seller will supplement this schedule.

**Schedule 3.4(a)**  
**Listing of all Real Property**

<u>Tax Parcel</u>	<u>Use</u>
83A1-A-1A	Washington Avenue Pump Station
83A1-A-PS3	Fig Street Pump Station
83A3-1-23	Plum Street Pump Station. To be subdivided from existing parcel or easement granted prior to Closing.
83A3-1-419	Pine Street Pump Station. To be subdivided from existing parcel prior to Closing.
83A3-A-14	Waste Water Treatment Plant
83A3-A-4	Mason Avenue Pump Station. To be subdivided from existing parcel prior to Closing.
83A4-1-B-40	Water Treatment Plant, Storage Tower, Tower Well
83A4-1-B-41	Same as above
83A4-1-B-42	Same as above
83A4-1-B-43	Same as above
83A4-1-B-44	Same as above
83A4-1-B-45	Same as above
83A4-1-B-46	Same as above
83A4-1-B-61	East Well
83A4-1-B-62	East Well
83A4-1-B-63	East Well
83A4-1-B-64	East Well
90-19-B	KW1 & KW2 Wells. To be subdivided from existing parcel.
90-6-PS1	New Quarter Pump Station
90-7-PS04	Heron Point Pump Station

If any additional Real Property is identified, Seller will supplement this schedule.

**Schedule 3.4(b)(i)**  
**List of all easements relating to Real Property**

<u>Tax Parcel</u>	<u>Owner</u>	<u>Use</u>
83A3-A-9	Canonie Atlantic Company	Sewer force mains (6", 10", 12")
90-A-9	Canonie Atlantic Company	Sewer force mains (6", 2"), water main (6"), WTP backwash pipeline
83A3-A-5	Cape Charles RF, LLC	Sewer force mains (6", 10")
83A-3-A5A	Cape Charles Marine Services, LLC	Sewer force main (6")
83A3-A-17	Cape Charles Marine Services, LLC	Sewer force mains (6", 10"), WTP backwash pipeline, settling tank and outfall
83A3-A-19	Cape Charles Marine Services, LLC	WWTP outfall
83A3-A-19A	Cape Charles Marine Services, LLC	WWTP outfall
90-8-1A2	Cape Charles Marine Services, LLC	WWTP outfall
83A3-A-13	CITI Towers Assets II, LLC	WWTP outfall
83A3-A-16	CITI Towers Assets II, LLC	WWTP outfall
83A4-1-B-16	Cape Charles Historical Society	Sewer main
83A4-5-A	Selph, Barney & Jeanne	Water main
83A4-5-B	MLT Enterprises, LLC	Water main
83A1-14-MVR	Peacock Holdings VA, LLC	Water and sewer mains
Various*	Bay Creek at Cape Charles Community Association, Inc.	Water and sewer mains
	Bay Creek Development, LLC	Water and sewer mains
	Bay Creek South, LLC	Water and sewer mains
	Bay Creek Resort, LLC	Water and sewer mains

\*Various tax parcels within the Accawmacke Plantation Planned Unit Development (PUD).

And any additional easements not yet identified.

For any additional easements not yet identified, Seller will supplement this schedule. In the event additional easements are identified or deemed necessary after Closing, Seller will work with Buyer following Closing to secure or transfer such easements.

**Schedule 3.4(b)(ii)**  
**List of Rights of Way relating to Real Property or Acquired Assets**

None. If any rights of way are identified, Seller will supplement this schedule. In the event rights of way are identified or deemed necessary after Closing, Seller will work with Buyer following Closing to secure or transfer such rights of way.

### **Schedule 3.4(e)**

#### **List of any Conditions affecting Real Property, Acquired Assets or Improvements**

1. Plum Street Pump Station, Tax Parcel 83A3-1-23, currently has electrical panels powering Central Park lighting attached to the exterior of the building. These will either be relocated if the property is subdivided or addressed in an easement.
2. Mason Avenue Pump Station, Tax Parcel 83A3-A-4, currently has electrical service running to a panel at the beach restroom powering the restroom and fishing pier lights. As indicated on Schedule 3.4(a), Tax Parcel 83A3-A-4 will be subdivided prior to Closing, which will mean that post Closing, the pump station and the restroom will be on separate parcels. In addition, a meter will be installed to directly bill electricity to the Seller.
3. Water Treatment Plant, Tax Parcels 83A4-1-B-40 thru 46, currently has two WIFI transmission antennas installed on the water tower and associated control equipment at the tower base and in the plant building. This equipment is owned and used by Declaration Networks Group/Neubeam under a license agreement with the Town. The fee is \$2,400 per year, paid quarterly @\$600, plus free internet service is provided to the owner of the tower.
4. If any additional conditions are identified, Seller will supplement this schedule.

**Schedule 3.5(a)**  
**List of Personal Property**

<p><b>Water plant:</b>  2 wood desks  2 desk chairs  3 desktop computers w/ monitors  3 laptop computers  1 printer  2 phones  2 metal file cabinets  1 Hach DR3900 spectrophotometer  1 refrigerator  1 walk behind stacker</p>	<p><b>Wastewater plant:</b>  2 metal desks  3 desktop computers w/4 monitors  3 laptop computers  2 printers  4 phones  5 desk chairs  2 refrigerators  7 metal file cabinets  3 metal drawing racks  3 metal bookshelves  1 microwave  1 Gravity convection oven  1 Mettler Toledo XS204 balance  1 Raven environmental centrifuge  1 Hach DR 900  1 Oakton PH 150  1 YSI Pro 1020 dissolved oxygen probe  1 Thermo Scientific Model 3721 incubator  1 forklift  1 mobile bypass pump</p>
<p><b>Other:</b>  1 valve exerciser  1 vacuum trailer  1 pressure washer  1 mud sucker  1 2006 Ford F-150  1 2006 Ford F-350 dump truck  2 2016 Ford F-250  1 utility truck body</p>	
<p>If any additional personal property is identified, Seller will supplement this schedule.</p>	

**Schedule 3.5(b)**  
**List of All Acquired Assets (Personal Property) in Possession of Others**

None. If any such assets are identified, Seller will supplement this schedule.



**Schedule 3.6**  
**Undisclosed Liabilities**

None. If any otherwise undisclosed Liabilities are identified, Seller will supplement this schedule.

**Schedule 3.8**  
**List of Contracts**

GHD – Operational Engineering Support

GHD – Water Treatment Plant and Waste Water Treatment Plant Capacity Evaluation

GHD – Ground Water Withdrawal Permit Assistance

GHD – Engineering for connection of KW1 & KW2 wells to Water Treatment Plant and return finished water main to well site

Virginia-American Water – Transition Consulting Services

Suez – WWTP membrane replacement

If any additional contracts are identified, Seller will supplement this schedule.

**Schedule 3.9(d)**  
**List of Hazardous Materials**

Potassium Permanganate

Sodium Hypochlorite

Aluminum Sulphate

If any additional Hazardous Materials are identified, Seller will supplement this schedule.

**Schedule 3.9(e)**

**List of Underground Storage Tanks, Asbestos, Polychlorinated Biphenyl, Groundwater Monitoring Wells, Landfills, Surface Impoundments, or Disposal Areas**

See Schedule 3.12 for groundwater monitoring wells. None of the other enumerated items are present. If the presence of any other enumerated items is identified, Seller will supplement this schedule.

**Schedule 3.9(f)**

**Financial assurances under Environmental Law made by Seller**

None.

If any financial assurances become required under Environmental Law, Seller will supplement this schedule.

**Schedule 3.10**  
**List of all Permits used by Seller for Operation of the System**

Waterworks Operating Permit 3131120

Ground Water Withdrawal Permit GW41201

Virginia Pollution Discharge Elimination System Permit VA0021288

If any additional Permits are identified, Seller will supplement this schedule.

**Schedule 3.11**  
**Insurance Policies and Premiums**

See **Schedule 3.11 Attachment**, which consists of the following:

1. 7/1/2022 Renewal Notice (indicating coverage for both Acquired Assets and for non-utility assets that the Seller will retain)
2. Auto Spreadsheet for Acquired Assets (including as noted in the schedule one medium truck that will be retained by the Seller)
3. Statement of Values Spreadsheet (limited to coverage for Acquired Assets)



P.O. Box 3239, Glen Allen, VA 23058

1-800-963-6800 (Phone); 1-804-968-4662 (Fax); <http://www.vrsa.us>

## RENEWAL INVOICE

**Member Name:** Cape Charles, Town of

**Member Address:** 2 Plum Street  
Cape Charles, Virginia 23310

**Policy Period:** 7/1/2022 to 7/1/2023

**Policy Number:** P-2022-2023-VRSA-0104-1

Coverage	Limits	Deductibles	Premium
<b>Local Government Liability Coverage</b>			
General Liability Coverage	\$1,000,000 Per Occurrence	\$0	\$7,009
Law Enforcement Liability Coverage	Included in General Liability Limit	\$0	\$2,760
Public Officials Liability Coverage	Included in General Liability Limit	\$0	\$6,916
Land Use	\$100,000		
Medical Payments	\$10,000 Any One Person		
Damages to Premises Rented to You	\$1,000,000 Any One Fire		
<b>General Liability No Fault Coverage</b>	\$10,000 Per Occurrence	\$0	\$1,332
No Fault Property Damage			
<b>Automobile Liability Coverage</b>			
Auto Liability	\$1,000,000 Per Occurrence	\$0	\$8,542
Medical Payments Coverage	\$10,000 Per Person	\$0	
Uninsured/Underinsured Motorist	\$30,000 bodily injury each person/\$60,000 bodily injury each accident/\$20,000 property damage each accident	\$0	
Garagekeepers Legal Liability	See Endorsement		
<b>Automobile No Fault Coverage</b>			
Automobile No Fault Coverage	\$10,000 Per Occurrence	\$0	\$787
<b>Automobile Physical Damage Coverage</b>			
Auto Physical Damage Comprehensive		Refer to Schedule	\$4,922
Auto Physical Damage Collision		Refer to Schedule	
Hired Auto Physical Damage Comprehensive	See Endorsement		
Hired Auto Physical Damage Collision	See Endorsement		
<b>Excess Liability Coverage</b>	\$4,000,000 Per Occurrence		\$5,272
General Liability Excess			
Public Officials / Employment Practices			
Law Enforcement			
Automobile Liability			
Employers Liability	\$1,000,000/\$1,000,000/\$1,000,000		



<b>Cyber Liability Coverage</b>			\$1,000	\$1,210
Privacy Liability	\$250,000 Per Occurrence			
Data Breach Fund	\$250,000 Data Breach Fund Limit			
	\$1,000,000 Aggregate Limit for All Members Combined			
<b>Property Coverages</b>				\$90,389
Blanket Buildings, Contents, PIO	\$34,006,547		\$1,000	
Flood (Zones B, C & X only)	\$1,000,000		\$25,000	
Extra Expense	\$1,000,000		\$1,000	
Business Interruption - Property	\$100,000		\$1,000	
Debris Removal	\$500,000		\$1,000	
Earthquake	\$1,000,000		\$25,000	
<b>Miscellaneous Items Coverages</b>	Refer to Schedule			\$553
<b>Boiler &amp; Machinery Coverage</b>				
Property Damage Limit	\$1,000,000 Per Accident		\$1,000	\$2,405
Water Damage	\$100,000			
Hazardous Substances	\$100,000			
Demolition & ICC	\$250,000			
Computer Data & Media	\$100,000			
Perishable Goods	\$100,000			
Consequential and Ammonia	\$100,000			
Newly Acquired Locations (120 Days)	\$250,000			
Expediting Expenses	\$100,000			
CFC	\$100,000			
Deductible Endorsement	See Endorsement			
<b>Crime Coverage</b>				\$1,087
Form F - Computer and Funds Transfer Fraud	\$25,000		\$0	
Land Use Bond	\$5,000		\$0	
Form o - Employee Theft/Public Employees Dishonesty	\$100,000		\$0	
Form B - Forgery or Alteration	\$100,000		\$0	
Form C - Theft, disappearance, and destruction	\$100,000		\$0	
Form R - Money Orders & Counterfeit Money	\$100,000		\$0	
<b>Workers' Compensation Coverage</b>			\$0	\$18,973
Coverage A:	Statutory			
Coverage B:				
Bodily Injury by Accident	\$1,000,000 each accident			
Bodily Injury by Disease	\$1,000,000 each employee			
Bodily Injury by Disease	\$1,000,000 policy limit			
<b>Additional Premium Factors</b>				<i>Included</i>
Experience Modifier				0.82
Premium Discount				\$1,992

Classification	Code	Estimated Payroll	Rate	Manual Premium
Marina & Drivers	6836	\$0	2.62	
Building Maint/Cust	9015	\$57,928	1.33	\$770
Water Dept. Employee	7520	\$168,102	2.98	\$5,009
Garbage Collection	9403	\$26,061	6.91	\$1,801
Clerical	8810	\$807,061	0.07	\$565

Police Dept.	7720	\$323,894	4.00	\$12,956
Municipal Employees	9410	\$113,842	0.82	\$934
Sewage Op/Drive	7580	\$191,782	1.18	\$2,263
Park/Lawn, Parks & Rec, Non Construction	9102	\$73,782	1.72	\$1,269

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<b>Line of Duty Coverage</b>	Specific Excess Limits Provided per §15.2-2700	\$5,605
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**Schedule Credit/Debits** totaling -- are included in the above listed premiums.

**Total Premium:** \$157,762

**Previous Balance:** N/A

**Amount Due:** \$157,762

If you elect to pay on a quarterly installment basis, the following amounts will be due throughout the year. Endorsements requested during the policy year may alter the installment amounts and will be reflected in future invoices.

Due Date:	07/01/2022	10/01/2022	01/01/2023	04/01/2023
Amount:	\$39,441	\$39,441	\$39,441	\$39,441

\*Workers' compensation rates are TENTATIVE. Subject to VIRGINIA BUREAU OF INSURANCE APPROVAL.

Virginia Risk Sharing Association

Auto Schedule

	Date Added	Department	Year	VIN	Vehicle Type	APD Coll Dedu	Cost New	VRSA #	Member Veh#	Make	Description	APD Comp Deductibl	Cost Basis
<b>Member: Cape Charles, Town of</b>													
		Public Utilities	2016	4TEFS1829G1030239	Trailer	1,000.00	3,500.00	21	186-957L	Trailer	Trailer	1,000.00	Original Cost New
		Public Utilities	2006	1GCCS146X68217285	Light Truck	1,000.00	12,245.00	5	119-522L	Chevy Pick Up	Light Truck	1,000.00	Original Cost New
		Public Utilities	2011	1GCNKPE03BF192127	Medium Truck	1,000.00	20,437.00	14	165-138L	Chevy Silverado	Medium Truck	1,000.00	Original Cost New
		Public Utilities	2005	1FTRF122X5NB16911	Light Truck	1,000.00	23,000.00	11	119-511L	Ford F150	Light Truck	1,000.00	Original Cost New
		Public Utilities	2017	1FTBF2B64HED71150	Medium Truck	1,000.00	26,927.00	24		Ford F250	Medium Truck	1,000.00	Original Cost New
		Public Utilities	2006	2FAHP71W46X145584	Emergency- Other	1,000.00	23,000.00	15	119-531L	Ford Crown Victoria	Emergency- Other	1,000.00	Original Cost New
		Public Utilities	2016	1FTBF2B62GEA23183	Light Truck	1,000.00	25,568.00	19		Ford Truck	Light Truck	1,000.00	Original Cost New
<b>Totals for Cape Charles, Town of - 28 Vehicles Schedule</b>								<b>28</b>					
<b>Grand Totals - 28</b>								<b>28</b>					

		WATER	2021	1FT7X2B62MED95475	Medium Truck	1,000.00	32,561.30	0007		Ford F250	TRUCK	1,000.00	Original Cost New
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This one was purchased with a federal grant and loan, and will be retained by the town

**134,677.00** utility vehicles

**644,203.30** total vehicles

14,251.00 total premium

**2,979.31** utility premium allocated

<b>Client Name:</b>	<i>Virginia Risk Sharing Association</i>
<b>Report Name:</b>	<i>Current Vehicle Schedule (Policies)</i>
<b>Description:</b>	<i>Current Vehicle Schedule (Policies)</i>
<b>Filter:</b>	<i>Effective Date (Policy) is on or before 11/29/2022 and Expiry Date (Policy) is after 11/29/2022</i>
<b>Group By:</b>	<i>Member with PDF page break</i>
<b>Sort By:</b>	<i>No Sorts</i>
<b>Options:</b>	<i>None</i>
<b>Run Date:</b>	<i>11/29/2022</i>

Statement of Values  
Active Location Schedule

Site #	Site Name	Address	Valuation	Fire Protection	Area	Member Bldg #	Building Value	Contents Value	PIO Value	Total Insured Value	Bldg #	Bldg Name/Description	Status	Construction Type	Year Built	Member
6	Pump Station Mason Ave	Mason Avenue	Replacement Cost		289.00		\$72,416	\$85,196	\$22,872	\$180,484	2	Control & Generator Building	Cape Charles	Occupied	Non-Combustible	1,983 Cape Charles, Town of
6	Pump Station Mason Ave	Mason Avenue	Replacement Cost		113.00		\$22,208	\$39,082	\$0	\$61,290	1	Mason Avenue Pump Station Comminutor	Cape Charles	Occupied	Fire Resistive	1,983 Cape Charles, Town of
6	Pump Station Mason Ave	Mason Avenue	Replacement Cost		128.00		\$22,208	\$39,082	\$0	\$61,290	3	Pump Station Wet Well	Cape Charles	Occupied	Fire Resistive	1,983 Cape Charles, Town of
9	Washington Lift Station	Washington Avenue	Replacement Cost		279.00		\$73,756	\$106,145	\$0	\$179,901	1	Washington Lift Station	Cape Charles	Occupied	Joisted Masonry	1,983 Cape Charles, Town of
10	Pine Street Lift Station	Pine Street	Replacement Cost		271.00		\$82,371	\$106,145	\$0	\$188,516	1	Pine Street Lift Station	Cape Charles	Occupied	Joisted Masonry	1,983 Cape Charles, Town of
11	Plum Street Lift Station	Plum Street	Replacement Cost		271.00		\$82,371	\$106,145	\$0	\$188,516	1	Plum Street Lift Station	Cape Charles	Occupied	Joisted Masonry	1,983 Cape Charles, Town of
12	Water Treatment Plant Water Tank	2140 Stone Rd	Replacement Cost	EMERGENCY BACK-UP GENERATOR,EXIT LIGHTING,FIRE EXT	2,794.00		\$848,118	\$464,071	\$6,996	\$1,319,184	1	Water Treatment Plant	Cape Charles	Occupied	Fire Resistive	1,992 Cape Charles, Town of
12	Water Treatment Plant Water Tank	2140 Stone Rd	Replacement Cost	NOT APPLICABLE	0.00		\$1,650,488	\$0	\$0	\$1,650,488	2	Water Treatment Plant Water Tank	Cape Charles	Occupied	Non-Combustible	1,992 Cape Charles, Town of
18	Sewage Vacuum Pump Station	100 Nicklaus Dr	Replacement Cost		627.00		\$111,621	\$274,567	\$0	\$386,188	1	Sewage Vacuum Pump Station	Cape Charles	Occupied	Joisted Masonry	2,005 Cape Charles, Town of
19	Sewage Vacuum Pump Station	Bay Creek Prkwy	Replacement Cost		551.00		\$100,401	\$234,966	\$0	\$335,367	1	Sewage Vacuum Pump Station	Cape Charles	Occupied	Joisted Masonry	2,000 Cape Charles, Town of
20	Sewage Vacuum Pump Station	400 Fig Street	Replacement Cost		551.00		\$100,401	\$211,204	\$0	\$311,605	1	Sewage Vacuum Pump Station	Cape Charles	Occupied	Joisted Masonry	2,003 Cape Charles, Town of
22	New Waste Water Treatment Plant	500 BAYSHORE ROAD	Replacement Cost	EMERGENCY LIGHTING,EXIT LIGHTING,FIRE EXTINGUISHER	2,932.00		\$1,113,340	\$1,687,002	\$0	\$2,800,342	2	Headworks	CAPE CHARLES		Masonry Non-Combustible	2,010 Cape Charles, Town of
22	New Waste Water Treatment Plant	500 BAYSHORE ROAD	Replacement Cost	AUTO FIRE PROTECTION/ALARM SYS.,EMERGENCY LIGHTING	1,515.00		\$533,605	\$686,960	\$0	\$1,220,565	7	Solids Processing Building	CAPE CHARLES		Masonry Non-Combustible	2,010 Cape Charles, Town of
22	New Waste Water Treatment Plant	500 BAYSHORE ROAD	Replacement Cost	NONE	320.00		\$4,489	\$121,595	\$0	\$126,084	9	Storage Container	CAPE CHARLES		Non-Combustible	2,000 Cape Charles, Town of
22	New Waste Water Treatment Plant	500 BAYSHORE ROAD	Replacement Cost	AUTO FIRE PROTECTION/ALARM SYS.,EMERGENCY LIGHTING	3,279.00		\$1,107,681	\$1,050,583	\$0	\$2,158,264	4	Process Building	CAPE CHARLES		Masonry Non-Combustible	2,010 Cape Charles, Town of
22	New Waste Water Treatment Plant	500 BAYSHORE ROAD	Replacement Cost	EMERGENCY BACK-UP GENERATOR	221.00		\$527,716	\$0	\$0	\$527,716	8	Generator	CAPE CHARLES		Non-Combustible	2,010 Cape Charles, Town of
22	New Waste Water Treatment Plant	500 BAYSHORE ROAD	Replacement Cost	NONE	644.00		\$673,935	\$270,999	\$0	\$944,934	5	UV Disinfection/Post Aeration Facility	CAPE CHARLES		Fire Resistive	2,010 Cape Charles, Town of
22	New Waste Water Treatment Plant	500 BAYSHORE ROAD	Replacement Cost	NONE	3,644.00		\$1,495,173	\$5,217,917	\$0	\$6,713,090	3	Membrane/Bioreactor Facility	CAPE CHARLES		Fire Resistive	2,010 Cape Charles, Town of
22	New Waste Water Treatment Plant	500 BAYSHORE ROAD	Replacement Cost	NONE	664.00		\$269,015	\$160,823	\$0	\$429,838	6	Waste Sludge Holding Tank	CAPE CHARLES		Fire Resistive	2,010 Cape Charles, Town of
22	New Waste Water Treatment Plant	1270 Bayshore Road	Replacement Cost	AUTO FIRE PROTECTION/ALARM SYS.,EMERGENCY LIGHTING	2,057.00		\$501,890	\$102,563	\$67,589	\$672,041	1	Operations Building	Cape Charles		Masonry Non-Combustible	2,010 Cape Charles, Town of
							<b>\$9,393,205</b>	<b>\$10,965,044</b>	<b>\$97,456</b>	<b>\$20,455,705</b>						

**\$21,200,410**    **\$12,348,013**    **\$462,044**    **\$34,010,467** total town property

\$90,389 Total town premium  
**\$54,365 allocated utility premium**

<b>Client Name:</b>	<i>Virginia Risk Sharing Association</i>
<b>Report Name:</b>	<i>Current Location Schedule (Policies)</i>
<b>Description:</b>	<i>Current Location Schedule</i>
<b>Filter:</b>	<i>Effective Date (Policy) is on or before 11/28/2022 and Expiry Date (Policy) is after 11/28/2022</i>
<b>Group By:</b>	<i>Member with PDF page break</i>
<b>Sort By:</b>	<i>Site #</i>
<b>Options:</b>	<i>None</i>
<b>Run Date:</b>	<i>11/28/2022</i>

**Schedule 3.12**  
**Activity Regarding Permits**

See **Schedule 3.12 Attachment**, which consists of an Application for a new Ground Water Withdrawal Permit

If there any additional activity regarding Permits is identified, Seller will supplement this schedule.



COMMONWEALTH of VIRGINIA
DEPARTMENT OF ENVIRONMENTAL QUALITY
APPLICATION FOR A GROUNDWATER WITHDRAWAL PERMIT

1. APPLICANT INFORMATION:

FIN 54-6001186

Owner: Municipal Corporation of Cape Charles, VA Phone: 757-331-3259

Owner Address: 2 Plum Street, Cape Charles, VA 23310
(Street, City, State, Zip Code)

e-mail: bob.panek@capecharles.org

2. FACILITY INFORMATION:

Facility/System Name: Cape Charles Water Treatment Plant (WTP) / Cape Charles Waterworks

Facility Address: 2140 Stone Road, Cape Charles, VA 23310
(Street, Road, or Route location, City, State, Zip Code)

Contact Name: Scottie Neville Title: Plant Manager Phone: 757-331-1018

e-mail: waterplant@capecharles.org

Location of Withdrawal Well or Well System: Northampton County / Town of Cape Charles
(County/City)

3. PREAPPLICATION MEETING DATE: August 19, 2022

4. TYPE OF APPLICATION:

- Existing withdrawal, not previously permitted
New or expanded withdrawal (new permit requested would replace existing permit GW0041201)
Modification of permit Number
Reapplication for existing permit Number with modification
Reapplication for existing permit Number without modification

For Reapplications:

Existing withdrawal permit amount 63,200,000 gallons per year (Day, Month, Year)

Date of expiration of existing Groundwater Withdrawal Permit August 30, 2026 (permit # GW0041201)

5. REQUESTED WITHDRAWAL AMOUNT: Note - withdrawal amounts below reflect demand through year 2038

- 107,100,000 Maximum gallons per year (based on 120 gpd/ERC)
14,000,000 Maximum gallons per month (based on 185 gpd/ERC)
Maximum gallons per 15 year permit term\* (n/a)

(\*For seasonal or occasional withdrawal applications such as irrigation or drought relief)

6. TYPE OF USE:

- Public Water Supply - Municipal
Public Water Supply - Non Municipal
Non Public Water Supply Potable Use
Industrial
Commercial
Agriculture (Irrigation, Livestock)
Supplemental Drought Relief
Surface Water and Groundwater Conjunctive Use

Does the requested volume include a portion for irrigation? Yes No

7. FEE SUBMITTED: \$9,000.00 DATE Agricultural Application - No Fee

OFFICE USE ONLY

Date Application Received Application No.
Date Fee Received Amount Date LGOF Received



**8. JUSTIFICATION FOR THE AMOUNT OF WITHDRAWAL REQUESTED: SEE ATTACHMENT 1****Description of beneficial use:**

- a. Describe the nature of the activity and the proposed beneficial use of groundwater.
- b. Include an overview of system design and operation and a description of the product produced or the service provided.
- c. If the request is for a public water supply include an estimation of the percentage of the withdrawal for human consumptive use as defined in the application instructions. Additionally, attach a complete copy of the Virginia Department of Health Water Works Operation Permit and Engineering Description Sheets or equivalent.
- d. If the system contains conjunctive use (combination of surface water and groundwater sources), describe the system components and identify the apportionment between surface water and groundwater contributions

**Documentation of beneficial use:**

Attach documentation demonstrating that the annual, monthly, and permit term amount of groundwater volume requested is the smallest amount of volume necessary to support the proposed beneficial use and that the amount is representative to support similar uses when adequate conservation measures are employed.

**Water demand projections:**

- a. Include documentation to support the intended beneficial use over a fifteen year permit cycle such as population and water demand projections and expansion plans.
- b. Describe special treatment (i.e. RO, EDR) when proposed.
- c. Include descriptive text and all calculations showing how the total amount of water required to produce a product or provide a service was determined.
- d. Include specific requirements for each category of applicant: Public Water Supply, Agricultural, Commercial, and Industrial are described in the accompanying Application Instructions.

**Line Drawing:**

- a. Attach a line drawing showing the water flow through the facility/system.
- b. Indicate wells, meter locations, sources of surface intake, and treatment, or other operations generating wastewater.
- c. Construct a water balance on the line drawing by showing average flows between intakes, treatment units and discharge points.

This portion of the application submittal may be waived at the pre-application meeting if there are no planned modifications to the system including new wells and a satisfactory drawing is on file with the Department. Check the box below if this information was waived at the pre-application meeting.

Requirement for a line drawing of the system waived.

**Apportionment of withdrawal to individual wells:**

- a. Attach an operational pumping schedule for applications with multiple wells.
- b. Indicate whether the withdrawal from each well is daily, seasonal or intermittent.
- c. Describe the frequency of use and pumping volume for each well for each month in a calendar year.

This portion of the application submittal may be waived at the pre-application meeting if there are no planned modifications to the system including new wells and satisfactory apportionment information is on file with the Department or if the wells are operated equally. Check the box below if this information was waived at the pre-application meeting.

Requirement for apportionment of withdrawal to individual wells waived.

**9. ALTERNATIVES ANALYSIS: SEE ATTACHMENT 2**

Attach an analysis as described in the accompanying Application Instructions that evaluates alternative sources of water supply and the availability and use of lower qualities of groundwater that can still be put to beneficial use.

**10. WATER CONSERVATION AND MANAGEMENT PLAN: SEE ATTACHMENT 3**

Provide, as a stand-alone attachment, a Water Conservation and Management Plan which is an operational plan prepared as described in the accompanying Application Instructions that will be referenced and implemented by the permittee. The plan should be consistent with local and regional water supply plans in the applicant's geographic area developed as required by 9VAC25-780.

**11. WASTEWATER TREATMENT AND DISPOSAL:**

Will wastewater be generated as a result of the withdrawal of groundwater?

YES  NO (If yes, check the appropriate box below.)

Septic Tank and Drainfield  Land Application

Public Sewer Town of Cape Charles municipal public sewer system and WWTP  
(Name of system)

State Waters \_\_\_\_\_  
(Name of water body)

Permit # VA0021288

Application for a discharge permit from the Department of Environmental Quality has been submitted.

**12. WELL LOCATION(S): SEE ATTACHMENT 4**

Locate all wells (existing, proposed, abandoned, out of service), along with the facility property boundaries (note that operations on contiguous properties even if beneficial uses are different may be considered for inclusion into a single permit) and/or water supply service area associated with the application on:

- a. A United States Geological Survey 7 1/2 minute topographic map or copies of such maps. This map should contain the quadrangle name, the scale of the map, and a north arrow.
- b. A detailed location map for each existing and proposed well. The detailed location map must be of sufficient detail that all wells may be easily located for site inspection.

This portion of the application submittal may be waived at the pre-application meeting if there are no planned modifications to the system including new wells and satisfactory maps and drawings are on file with the Department. Check the boxes below as appropriate if this information was waived at the pre-application meeting.

- Requirement for United States Geological Survey map waived.  
 Requirement for detailed location map waived.

**13. EXISTING WELL INFORMATION**

Complete the following existing well information table unless appropriate well construction information is on file with the Department and this portion of the application submittal was waived at the pre-application meeting. Check the box below if this information was waived at the pre-application meeting.

Additionally, for re-applications, check the box below if the pump intake depths have not changed since issuance of the previous permit. If the pump intake depth has changed, then the complete information for that well should be submitted in the following table and a revised Pump Intake Record Form will need to be submitted showing the current pump intake depth.

- Requirement for well construction information waived.  
 Pump intakes have not changed since previous permit issuance.

### 13. EXISTING WELL INFORMATION WORKSHEET

Complete the well information worksheet for all existing wells associated with this application. **ATTACH** copies of original water well completion reports for each well listed below. DEQ well identification plates must be attached to each existing well. A new well plate will be supplied by the Department at the time of permit issuance

Well Name	Owner well #	DEQ Well #	Depth (ft.)	Pump Capac. (gpm)	Pump Set (ft)	Well* Type	Well** Status	ID Plate on Well (Y or N)	Screen Interval(s) (ft.)	Latitude	Longitude
										Datum: WGS84	
Keck Test Well #1		165-601	210	n/a	n/a	M	Abn		190-210	37.267435	-75.996262
Keck Test Well #2		165-602	125	n/a	n/a	M	Abn		190-210	37.267558	-75.996324
Keck Test Well #3		165-604	280	n/a	n/a	M	Abn		190-210	37.267629	-75.996367
Keck Test Well #4		165-606	125	n/a	n/a	M	Act		190-210	37.267545	-75.995216
Keck Test Well #5		165-607	115	n/a	n/a	M	Abn		190-210	37.266892	-75.995687
Keck Well 1	KW1	165-608	122	105	Not set	P	Act	Y	102-122	37.267447	-75.996057
Keck Well 2	KW2	165-609	122	105	Not set	P	Act	Y	102-122	37.266749	-75.995510
Ground bore hole		165-605	n/a	n/a	n/a	O	OOS		This was not dug. The borings were taken from Test Well #3 (DEQ 165-604).		
East Well 1	EW1	165-123	220	n/a	n/a	P	Abn		100-120, 165-185, 200-220		
Tower Well 1	TW1	165-387	210	235	100	P	Act	Y	105-115, 194-204	37.268280	-76.004960
East Well 2	EW2	165-480	212	n/a	n/a	P	Abn		170-210		
Tower Well 2	TW2	165-479	252	n/a	n/a	P	Abn		235-250		
West Well		165-48	210	n/a	n/a	P	Abn		65-85, 88-98, 105-115, 194-204		
MW BR-315	BR-315	165-315	200	n/a	n/a	M	Abn		190-200		
MW BR-185	BR-185	165-185	130	n/a	n/a	M	OOS		80-130		
MW TW2-388	TW2-388	165-388	280	n/a	n/a	M	Act		270-280		
MW EW2-393	EW2-393	165-393	220	n/a	n/a	M	Act				
East Well 3	EW3	165-558	220	245	95	P	Act	Y	100-120, 165-185, 200-220	37.268796	-76.002173

Attach additional sheets if necessary

\* Well Types: (P) Production, (M) Monitoring, (E) Emergency Standby, (R) Drought Relief, (S) Aquifer Storage & Recovery (D) Permanent Dewatering, (O) Other - Specify

\*\* Well Status: (Act) Active, (Abn) Abandoned, (Alt) Altered From the Original Construction, (OOS) Out of Service

**14. PROPOSED WELL INFORMATION      NOT APPLICABLE – NO NEW WELLS PROPOSED AT THIS TIME**

Complete the proposed well information worksheet for all wells proposed for construction within 24 months of application submittal. Contact the Department to obtain DEQ well identification numbers prior to application submittal. Reference the DEQ well identification number on all drilling documentation. A DEQ well identification plate must be attached to each completed well. A well plate will be supplied by the Department after well completion. Contact the Department at least two weeks prior to the start of drilling operations for each proposed well.

**PROPOSED WELL INFORMATION WORKSHEET**

Well Name	Owner well #	Depth (ft.)	Pump Capac. (gpm)	Pump Set (ft)	Well* Type	Well** Status	Screen Interval(s) (ft.)	DEQ Well #	Proposed Latitude	Proposed Longitude
									Datum:	

Attach additional sheets if necessary

\*Well Types: (P) Production, (M) Monitoring, (T) Test, (E) Emergency Standby, (R) Drought Relief, (S) Aquifer Storage & Recovery, (D) Permanent Dewatering, (O) Other - Specify

\*\* Well Status: (NEW) New, (REP) Replacement Well, (ALT) Altered

**15. LOCAL AND AREA WIDE PLANNING REQUIREMENTS:**

Include a completed Local Government Ordinance Form (LGOF) from the local governing body of the county, city or town in which the withdrawal is to occur, indicating that the location and operation of the withdrawing facility is in compliance with all ordinances adopted pursuant to Chapter 22 (§ 15.2-2200 et seq.) of Title 15.2 of the code of Virginia. **TOWN IS APPLICANT & OWNER. LOCATION AND OPERATION OF THE WITHDRAWING FACILITY IS IN COMPLIANCE WITH ALL ORDINANCES ADOPTED PURSUANT TO CHAPTER 22 OF TITLE 15.2 OF THE CODE OF VIRGINIA.**

If the LGOF is not enclosed, include documentation demonstrating that the county, city or town failed to respond within 45 days to such a request made by the applicant by certified mail, return receipt requested. 9VAC25-610-94(2)(i)

**16. MITIGATION PLAN:**

Pursuant to 9VAC25-610-110 D 3 g of the Groundwater Withdrawal Regulations, if the DEQ's technical evaluation determines the predicted area of impact extends beyond the property owned by the applicant and/or other groundwater users exist within the area of impact, a mitigation plan is required. Since the area of impact most often extends beyond the applicants property, it is recommended that a mitigation plan be submitted at the time of application to reduce application processing time. In the event that the results of the technical evaluation show that the area of impact remains on the applicant's property or there are no groundwater users within the area of impact, DEQ staff will inform the applicant that a mitigation plan is not required. A model mitigation plan is available from the Department.

**17. ADDITIONAL INFORMATION REQUIRED BY THE DEPARTMENT**

Refer to the Preapplication Meeting Form and ensure that any additional information requested at the meeting is included in the application. If requested information is not complete when the application is submitted, include a time frame for completion of the required activities. Check the box below if additional information was not requested at the pre-application meeting.

Additional information not requested at pre-application meeting.

**18. CERTIFICATION AND SIGNATURE**

I certify under penalty of law that this document and all information submitted were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system or those persons directly responsible for gathering information, the information submitted is to the best of my knowledge, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations. I further certify that I am an authorized signatory as specified in the Groundwater Withdrawal Permit Regulation 9VAC25-610-10 *et seq.*

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

# Attachment 1

Section 8: Justification for the Amount of  
Withdrawal Requested



## CAPE CHARLES, VA APPLICATION FOR A GROUNDWATER WITHDRAWAL PERMIT SECTION 8 - JUSTIFICATION FOR THE AMOUNT OF WITHDRAWAL REQUESTED

### Description of Beneficial Use

The permitted withdrawal will be used for the Town of Cape Charles' municipal public water supply, which is owned and operated by the Town. The Town's water system supplies potable water to residential and commercial customers within its municipal boundaries. The Town does not supply water to any customers outside its municipal boundaries. Raw water is currently supplied from two groundwater wells: Tower Well 1 (TW1) and East Well 3 (EW3). Four additional groundwater wells have been drilled: East Well 2 (EW2), Tower Well 2 (TW2), Keck Well 1 (KW1), and Keck Well 2 (KW2). There are no plans to use EW2 or TW2 for groundwater withdrawal due to poor water quality and low production volume. Design of a raw water force main to connect KW1 and KW2 to the Town's Water Treatment Plant (WTP) is currently underway, and these wells are expected to be incorporated into the Town's water supply system in the near future. Water from the currently active wells is conveyed to the Town's WTP located on State Route 184. Water treatment consists of oxidation and green sand filtration, ionic exchange softening (partial flow) to treat elevated iron and hardness, and disinfection. A 300,000 gallon elevated finished water storage tank is located at the WTP site and connected to the water distribution system. Backwash waste flow from the filters at the WTP is discharged to the site of the Town's previous (decommissioned) Wastewater Treatment Plant (WWTP) for settling and disposal via the existing outfall pipe. A copy of the Virginia Department of Health (VDH) Water Works Operation Permit and Engineering Description Sheet for the WTP is included with this attachment.

The Town currently has a permanent population of approximately 1,180 residents (2021 U.S. Census data, [https://datacommons.org/place/geoid/5112808?utm\\_medium=explore&mprop=count&popt=Person&hl=en](https://datacommons.org/place/geoid/5112808?utm_medium=explore&mprop=count&popt=Person&hl=en)), as well as a seasonal population of part-time residents and tourists which peaks during the summer months. The Town's water system currently serves about 1,250 residential, commercial, and municipal (Town-owned) connections, which equates to about 1,480 equivalent residential connections (ERCs).

The percentage of the Town's total groundwater withdrawal needed for human consumption is estimated at 79% based on metered water usage data from 2021. About 12% of the Town's total groundwater withdrawal is currently used for backwashing and regeneration of the filter and softener systems at the Town's WTP (as documented in the plant's monthly VDH Water Supply Reports). The incorporation of new raw water wells (including KW1 and KW2) into the water system is expected to improve the combined water quality entering the WTP based on initial testing data, which in turn would help extend filter/softener run times and reduce the proportion of raw water used for backwashing and regeneration. About 7% of the Town's total groundwater withdrawal goes to unmetered items such as fire protection, VDOT street cleaning, periodic distribution system flushing, theft from hydrants, undetected pipe leaks, connections with a faulty meter, and others. Unmetered usage is calculated as the difference between the total finished water flow recorded at the WTP and the total metered water usage. The remaining 81% of the Town's total groundwater withdrawal is for metered connections, and it is estimated that less than 2% of the total groundwater withdrawal is used for metered demands other than human consumption (based on metered water usage data recorded by the Town). A summary of the Town's water usage is provided in Table 1.

Table 1 Estimated Total Groundwater Withdrawal Usage by Type

Use	% of Total <sup>[1]</sup>
Backwashing and regeneration at WTP	12 <sup>[2]</sup>
Unmetered (fire protection, street cleaning, system flushing, theft, leaks, faulty meters, etc.)	7 <sup>[3]</sup>
Metered other than for human consumption	≤ 2
Metered for human consumption	≥ 79
<b>Total</b>	<b>100</b>

Note:

1. Represents estimated percentage of the Town's total groundwater (raw water) withdrawal.
2. Typical value based on WTP operating data (as documented in the plant's monthly VDH Water Supply Reports).
3. Approximate value calculated as the total groundwater withdrawal minus the volume used for backwashing and regeneration at the WTP and minus the total metered water usage from Town billing records.



An example water usage calculation for July 2021 is presented in Table 2 (July is typically the Town's highest monthly water usage for the year).

Table 2 Groundwater Withdrawal Usage by Type, July 2021

Use	Volume (gal)	% of Total <sup>[1]</sup>
Backwashing and regeneration at WTP	850,000 <sup>[2]</sup>	11.7
Unmetered	559,490 <sup>[3]</sup>	7.7
Metered other than for human consumption (associated non-residential connections with > 500 gpd average usage listed below) <i>Bay Creek HOA pool and tennis courts (~1,690 gpd) <sup>[5]</sup></i> <i>Bayshore Rd. harbor/marina area commercial (~1,040 gpd)</i> <i>Municipal pier slips (~960 gpd) <sup>[6]</sup></i> <i>The Oyster Farm Complete Angler (~620 gpd) <sup>[6]</sup></i> <i>Wako Chemicals (~590 gpd)</i>	~174,000 <sup>[4]</sup>	~2.4
Metered for human consumption (associated non-residential connections with > 500 gpd average usage listed below) <i>The Shanty (restaurant) (~7,040 gpd)</i> <i>Hotel Cape Charles (~3,420 gpd)</i> <i>Kelly's Gingernut Pub (restaurant) (~1,950 gpd)</i> <i>Cape Charles Brewing Co. (~1,920 gpd)</i> <i>The Oyster Farm (restaurant) (~1,740 gpd)</i> <i>Bay Creek HOA pool and tennis courts (~1,690 gpd) <sup>[5]</sup></i> <i>Bay Creek Resort and Golf Club clubhouse (~1,460 gpd)</i> <i>Bakery on Mason / 76 West Salon / Cape Charles Candy (~1,070 gpd)</i> <i>Bay Creek Resort and Golf Club clubhouse (~1,060 gpd)</i> <i>Municipal pier slips (~960 gpd) <sup>[6]</sup></i> <i>U.S. Coast Guard station/office (~840 gpd)</i> <i>Bay Haven Inn (~780 gpd)</i> <i>Blue (lodging) (~750 gpd)</i> <i>Salt and Sand Restaurant (~710 gpd)</i> <i>Alyssa House Bed &amp; Breakfast (~700 gpd)</i> <i>Cape Charles Coffee House (~680 gpd)</i> <i>The Oyster Farm Complete Angler (~620 gpd) <sup>[6]</sup></i> <i>Cape Charles Baptist Church (~610 gpd)</i> <i>Municipal bath house (~520 gpd)</i>	≥ 5,674,120	~78.2
<b>Total groundwater withdrawal</b>	<b>7,257,610 <sup>[2]</sup></b>	<b>100</b>

Note:

1. Represents estimated percentage of the Town's total groundwater (raw water) withdrawal.
2. As documented in the plant's monthly VDH Water Supply Report.
3. Calculated as the total groundwater withdrawal (7,257,610 gallons) minus the volume used for backwashing and regeneration at the WTP (850,000 gal) and minus the total metered water usage from Town billing records July 2021 (5,848,120 gal).
4. Represents approximate value based on estimated proportion of water use by non-residential connections for human consumption.
5. Represents total water use; connection is assumed to be mixed use, estimated at 67% for human consumption.
6. Represents total water use; connection is assumed to be mixed use, estimated at 50% for human consumption.

Residential use, including single family homes and condominiums, represents the largest single water demand accounting for about 64% of the Town's total groundwater withdrawal. Municipal (Town-owned facilities), commercial, and industrial use represented about 17% of the Town's total groundwater withdrawal. All of the residential water use and most of the combined municipal, commercial, and industrial water use is considered to be for human consumption. The non-residential connections with the

highest water usage are The Shanty (restaurant/bar), Hotel Cape Charles (hotel/restaurant/bar), Kelly's Gingernut Pub (restaurant/bar), Cape Charles Brewing Company (brewery/restaurant), and The Oyster Farm (restaurant/bar), each of which primarily use water for drinking, cooking, dishwashing, and maintaining hygiene. Limited water uses that are not for human consumption include miscellaneous applications associated with the Town's harbor and marina areas, a minor industrial chemical supply facility (specializing in the processing of horseshoe crab fluids), and maintenance of community amenities (the local golf courses are irrigated from dedicated surface water holding ponds and not from the Town's municipal water system).

**Documentation of Beneficial Use**

The amount of groundwater volume requested is considered to be the smallest amount of volume necessary to support the proposed beneficial use and is representative to support similar uses when adequate conservation measures are employed. The Town has a Water Conservation Management Plan (WCMP) in place which was developed in May 2008 for the previous groundwater withdrawal permit application, and recently submitted a WCMP Effectiveness Report to Virginia Department of Environmental Quality (DEQ) dated December 30, 2021, which are both included under Attachment 3 to this application for reference. As noted in the Effectiveness Report, the Town continues to take steps to minimize their groundwater usage. This is demonstrated by the high proportion of metered water usage which is for human consumption (as indicated in Table 1).

**Water Demand Projections**

Water demand projections for the Town were updated in 2022 as part of the WTP and WWTP Capacity Evaluation Study performed by GHD. The Town developed growth projections for individual zones within the service area for the water system based on recent trends, planned projects, zoning designations, anticipated sales and construction rates, and other factors. A summary of recent historical growth rates within the Town service area as well as the latest growth projections in terms of new equivalent residential connections (ERCs) each year and the cumulative (“cum.”) total ERCs served by the Town's water system is shown in Table 3.

Table 3 Town Growth Projections, May 2022

Year <sup>[1]</sup>	New ERCs per Zone								Total New ERCs	Cum. Total ERCs	% Growth per Year
	Old Town	Ferry Dock	Yacht Center	R-3	Bay Creek South	Bay Creek North	Oyster Farm	Rail Yard			
Prior baseline (existing as of 2011)	858	0	0	0	257	69	67	0	n/a	1,251	n/a
2012	1	0	0	0	1	0	0	0	2	1,253	0.2%
2013	2	0	0	0	5	1	0	0	8	1,261	0.6%
2014	3	0	0	0	3	3	3	0	12	1,273	1.0%
2015	28	0	1	0	6	0	0	0	35	1,308	2.7%
2016	3	0	0	0	1	2	0	0	6	1,314	0.5%
2017	7	0	0	0	3	0	0	0	10	1,324	0.8%
2018	29	0	0	0	2	1	0	0	32	1,356	2.4%
2019	25	1	2	0	4	2	0	0	34	1,390	2.5%
2020	5	0	1	0	5	2	0	0	13	1,403	0.9%
2021	5	0	0	0	12	2	0	0	19	1,422	1.4%

Year <sup>[1]</sup>	New ERCs per Zone								Total New ERCs	Cum. Total ERCs	% Growth per Year
	Old Town	Ferry Dock	Yacht Center	R-3	Bay Creek South	Bay Creek North	Oyster Farm	Rail Yard			
Current baseline (existing as of 2021)	966	1	4	0	299	82	70	0	n/a	1,422	n/a
2022	5	0	0	0	53	2	0	0	60	1,482	4.2%
2023	5	0	0	0	50	8	0	0	63	1,545	4.3%
2024	5	29	5	40	20	8	4	0	111	1,656	7.2%
2025	5	0	5	44	20	8	0	40	122	1,778	7.4%
2026	5	15	0	0	20	8	4	20	72	1,850	4.0%
2027	5	0	0	40	20	8	0	20	93	1,943	5.0%
2028	5	15	0	40	20	8	4	20	112	2,055	5.8%
2029	5	0	0	0	20	4	0	20	49	2,104	2.4%
2030	5	0	0	0	20	4	4	20	53	2,157	2.5%
2031	5	0	0	0	20	4	0	20	49	2,206	2.3%
2032	5	0	0	0	20	4	0	0	29	2,235	1.3%
2033	5	0	0	0	20	4	0	20	49	2,284	2.2%
2034	5	0	0	0	20	4	0	0	29	2,313	1.3%
2035	5	0	0	0	20	4	0	20	49	2,362	2.1%
2036	5	0	0	0	20	4	0	0	29	2,391	1.2%
2037	5	0	0	0	20	2	0	0	27	2,418	1.1%
2038	5	0	0	0	20	2	0	0	27	2,445	1.1%
<b>Total through 2038</b>	<b>1,051</b>	<b>60</b>	<b>14</b>	<b>164</b>	<b>702</b>	<b>168</b>	<b>86</b>	<b>200</b>	<b>n/a</b>	<b>2,445</b>	<b>n/a</b>

Note:

1. Values listed in each row of the column represent projections through the end of the indicated calendar year.

The average annual growth rate from 2012-2021 in terms of water system ERCs was 1.3%. Over that period the Town's population of full-time residents showed an average annual increase of about 1.8%, going from about 993 residents in 2012 up to about 1,140 residents in 2021 (U.S. Census data, [https://datacommons.org/place/geold/5112808?utm\\_medium=explore&mprop=count&popt=Person&hl=en](https://datacommons.org/place/geold/5112808?utm_medium=explore&mprop=count&popt=Person&hl=en)). The gradual easing of supply chain constraints following the COVID-19 pandemic and a new owner for the Bay Creek development within Town are expected to contribute to faster growth in the near future. The pace of new home and business construction in the Old Town has also been strong. Additionally, the former Bay Coast Railroad yard located near the downtown commercial district and harbor is slated to be sold for mixed use development soon. To meet the increasing workforce needs as the Town continues to grow, a workforce housing development in the R-3 multi-family zone is now in the planning and permitting process. The first phase should be on-line by 2024 with additional phases to follow. As the Town continues to establish itself as a recreational and retirement destination it is expected that the local water demand will expand as well.

The Town's current groundwater withdrawal is approaching the corresponding limits under the existing Virginia DEQ Permit to Withdraw Groundwater (permit number GW0041201). The monthly net pumped volumes withdrawn by the active raw water supply wells for the WTP in thousands of gallons (Kgal) for 2018-2021 is graphed in Figure 1, along with the current monthly withdrawal limit of 7,900 Kgal.

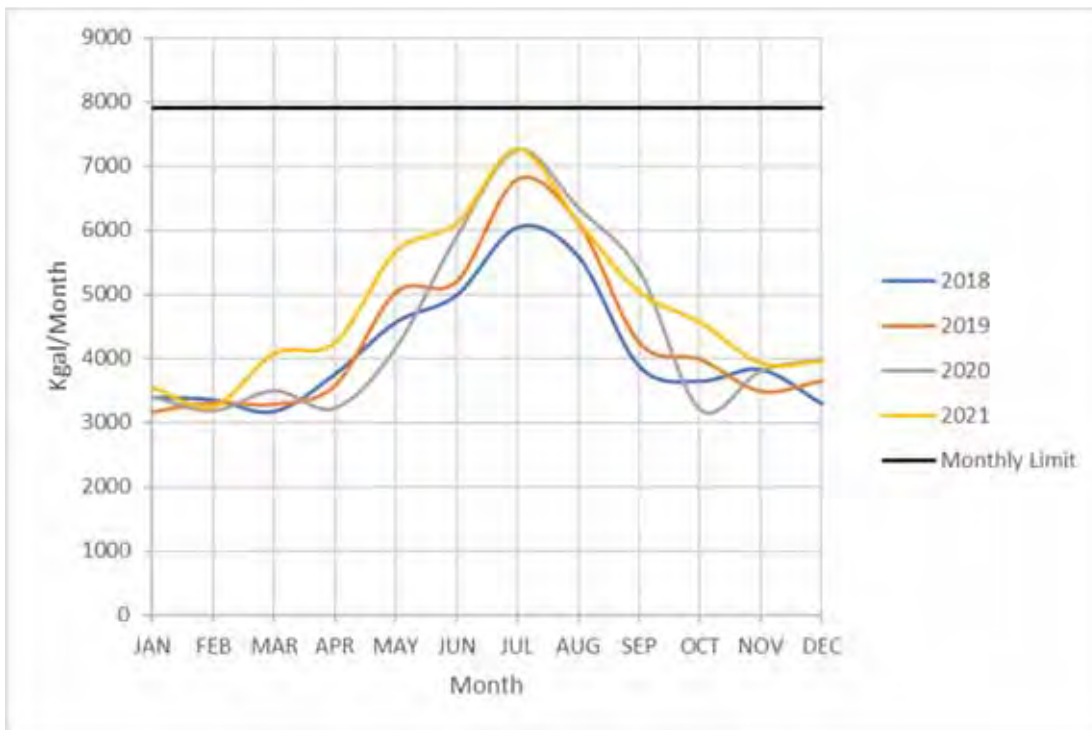


Figure 1 Monthly Groundwater Withdrawal Volumes, 2018-2021

Figure 1 demonstrates generally increasing monthly withdrawals over the course of the 4-year span. The significant increase in volume between July 2018, 2019, and 2020; and the negligible increase between July of 2020 and 2021; highlight the potential year-to-year variation in water demand. The impact of the COVID-19 pandemic could also be contributing to the recent flow trends. Finally, the graph shows that July withdrawal volumes are approaching the corresponding monthly withdrawal limit. Table 4 shows the total volume of groundwater withdrawn in millions of gallons (Mgal) for 2018-2021 and corresponding year-to-year increases.

Table 4 Total Annual Groundwater Withdrawal Volume, 2018-2021

	2018	2019	2020	2021
Volume (Mgal)	49.6	51.9	53.3	57.7
Year-to-Year Increase	N/A	4.6%	2.5%	8.3%

Table 5 shows the Town’s highest recorded daily, monthly, and annual groundwater withdrawal volumes between 2018-2021 in comparison with the current corresponding withdrawal permit limits.

Table 5 Recorded Groundwater Withdrawal Volumes and Permit Limits, 2018-2021

Basis	Permit Limit (Mgal)	Withdrawn (Mgal)	Withdrawn / Permit Limit
Daily	0.360	0.334	92.8 %
Monthly	7.90	7.26	91.9 %
Annual	63.2	57.7	91.3 %

Future water demands were projected by applying a typical unit flow, in terms of total groundwater withdrawal rate in gallons per day (gpd) per ERC, to the growth projections presented in Table 3. The applicable unit flow for the Town’s water system was calculated by dividing the total groundwater withdrawal volume for a given period of time (including water usage for backwashing and regeneration of the WTP facilities and unmetered usage) by the number of ERCs served. Historically, the Town’s annual average unit flows ranged from 150-157 gpd/ERC between 1999 and 2006, then dropped to 120 gpd/ERC

in 2007 with the implementation of additional water conservation measures. In more recent years, the Town's annual average unit flow has varied from 100 gpd/ERC in 2018 to 111 gpd/ERC in 2021. The ratio of maximum monthly water demand to the corresponding annual average water demand from 2019-2021 has ranged from 1.5 in 2021 to 1.6 in 2020, with a three-year average value of 1.54. The ratio of peak day water demand to the corresponding annual average water demand from 2019-2021 has ranged from 2.0 in 2020 to 2.2 in 2019, with a three-year average value of 2.11.

An annual average unit flow of 120 gpd/ERC (in terms of gross total groundwater withdrawal) is assumed at this time for projecting long-term water demands. This unit flow is reflective of the actual historical unit flow in the area as recently as 2007, and a nominal increase from the observed unit flows of 100-111 gpd/ERC from 2018-2021. A future increase in commercial development and/or full-time residents could lead to higher unit flows even with water conservation measures in place, so the Town considers 120 gpd/ERC to be realistic while allowing some flexibility for growth and normal variability in water demand. A corresponding maximum monthly unit flow of 185 gpd/ERC and peak day unit flow of 253 gpd/ERC is assumed based on multiplying the annual average of 120 gpd/ERC by 1.54 and 2.11, respectively (i.e., the three-year average ratios of maximum month and peak day demands to annual average demand).

Figure 2 depicts the projected annual raw water volume demand in Mgal at the annual average design unit flow of 120 gpd/ERC in blue. The annual average projected water demand for the year 2038 was estimated as 2,445 ERCs multiplied by 120 gpd/ERC, or about 107.1 Mgal. The current GWWP annual withdrawal limit of 63.2 Mgal is also shown in black and the approximate average withdrawal volume at the end of the anticipated permit term in year 2038 is shown in red for reference.

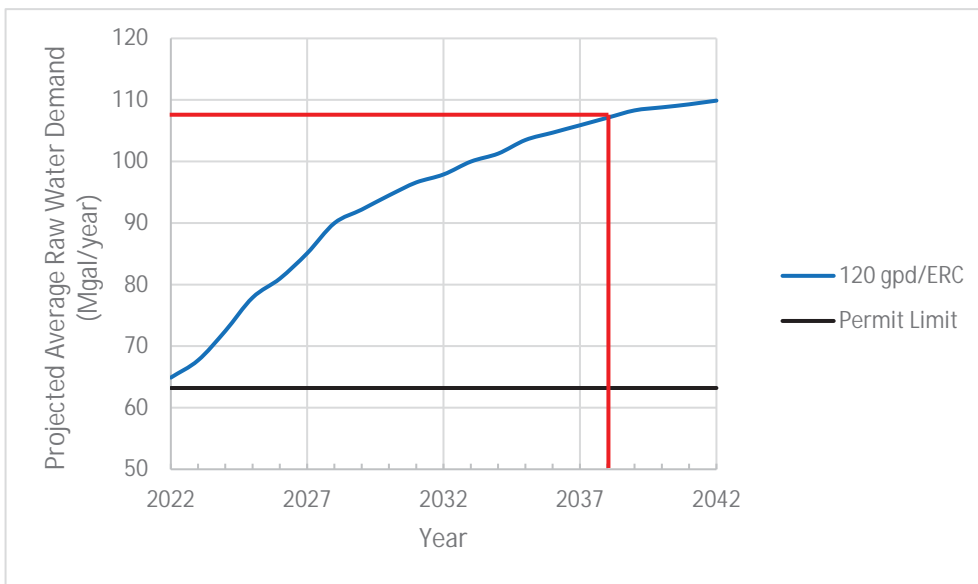


Figure 2 Projected Annual Average Raw Water (Groundwater) Demand

Following a similar approach, the maximum monthly projected water demand for the year 2038 was estimated as 14.0 Mgal/month at 185 gpd/ERC, and the peak daily projected water demand for the year 2038 as 620 Kgal/day at 253 gpd/ERC. The anticipated water demand at the end of the anticipated permit period (in year 2038) is summarized in Table 6.

Table 6 Projected Groundwater Demand in Year 2038

Condition	Unit Flow (gpd/ERC)	Groundwater Demand <sup>(1)</sup>
Annual Average	120	107,100,000 gal/year
Maximum Monthly	185	14,000,000 gal/month
Peak Daily	253	620,000 gal/day

Note:

1. Values calculated based on 2,445 total water system ERCs in year 2038 (end of anticipated permit period).

## Line Drawings

A map of the Town's existing raw water well sites and a schematic process flow diagram of the Town's WTP are included in this attachment. The Town's WTP capacity is proposed to be expanded through the addition of new filter and softener equipment as well as other related modifications in order to accommodate the projected water demand.

## Apportionment of Withdrawal to Individual Wells

Table 7 lists the Town's total existing raw water well capacity.

Table 7 Existing Raw Water Well Source Capacity

Well	Well Yield Capacity		Well Pump Capacity		Limiting Capacity
	gpm	gpd <sup>[1]</sup>	gpm	gpd <sup>[2]</sup>	gpd <sup>[3]</sup>
Existing Wells Connected to WTP					
EW3	245	196,000	243	349,920	196,000
TW1	275	220,000	236	339,840	220,000
Subtotal					416,000
Existing Wells Not Currently Connected to WTP <sup>(4)</sup>					
KW1	300	240,000	105 <sup>[5]</sup>	151,200	151,200
KW2	300	240,000	105 <sup>[5]</sup>	151,200	151,200
Subtotal					302,400
<b>Total Existing Well Capacity</b>					<b>718,400</b>

Notes:

1. Calculated by dividing measured well yield capacity listed in gpm by 0.5 gpm of well capacity per ERC and then multiplying the resulting ERC quantity by 400 gpd per ERC based on VDH standards.
2. Calculated by multiplying the well pump capacity listed in gpm by 60 minutes per hour and 24 hours per day.
3. Represents the lesser value of the well yield capacity and well pump capacity in gpd.
4. Design of a new raw water force main to connect KW1 and KW2 to the WTP is currently under development by GHD and expected to be ready for bidding in early 2023.
5. Per the design variance request approved by the Virginia DEQ on May 8, 2015, the original well pumps for KW1 and KW2 are proposed to be replaced with smaller Goulds Model 100H07 4 (or similar) well pumps to achieve a design capacity of 105 gpm each.

Currently the Town primarily operates a single raw water well at a time, except during peak demand conditions when they potentially run both EW3 and TW1. The well pump(s) run continuously at full capacity for as long as it takes to produce enough finished water to satisfy the daily demand and fill the elevated storage tank at the end of the operating shift, and then are stopped until the following day. Under average operating conditions the active well pump primarily runs during normal day shift hours (e.g., 7:00-3:00), but during peak conditions the well pump(s) run nearly 24 hours/day to keep up with demand.

In the future once raw water wells KW1 and KW2 are connected to the WTP, the Town expects to use KW1 and KW2 as the primary raw water sources since initial testing data suggests that those newer wells will produce higher quality raw water. Both KW1 and KW2 were constructed identically on the same property and draw from the same aquifer, and are expected to be used interchangeably to distribute run time. As such, approximately equal withdrawals are assumed for KW1 and KW2 during the anticipated permit term. Existing raw water wells EW3 and TW1 will be utilized as secondary raw water sources for supplemental capacity when needed and to help limit daily operating hours for the WTP. Similar to current operations, it is expected that the active well pump(s) will run continuously at full capacity for as long as it takes to satisfy daily demand and fill the elevated storage tank.

Based on the anticipated groundwater demand listed in Table 6, the combined raw water capacity of KW1 and KW2 is expected to be sufficient for the annual average water usage at the beginning of the anticipated permit term (which would require about 13 hours/day of run time for both KW1 and KW2). During periods of higher demand, and at average demand later in the anticipated permit term, EW3 and/or TW1 would be operated in addition to KW1 and KW2 for supplemental capacity on an as-needed basis to satisfy system demands and limit the daily operating time for the WTP to 12-16 hours/day when possible. The resulting apportionment of withdrawal to individual raw water wells over the length of the 15-year permit term based on anticipated operating procedures is summarized in Table 8. Due to the limited capacity of KW1 and KW2, a relatively higher percentage of the overall withdrawal than what is shown in Table 8 is expected to come from KW1 and KW2 at the start of the anticipated permit term, while a relatively lower percentage is expected to come from KW1 and KW2 at the end of the anticipated permit term.

Table 8 Apportionment of Withdrawal to Individual Wells

Well	Approximate Apportionment of Total Groundwater Withdrawal
KW1	33%
KW2	33%
EW3	17%
TW1	17%
<b>Total</b>	<b>100%</b>

Pumped volume for each well will vary over time as the Town's average water demand continues to increase and in response to daily and monthly fluctuations in water usage. Figure 2 shows the Town's estimated annual average groundwater withdrawal volume for each year, and Figure 1 shows the typical month-to-month variation in the Town's groundwater withdrawal rate. These graphs and the approximate well apportionment from Table 8 can be used to estimate the monthly volume pumped for each individual well for a given year. The Town's total average annual groundwater withdrawal at the midpoint of the anticipated 15-year permit term would be roughly 95 Mgal, so applying the apportionment percentages from Table 8 the average monthly withdrawal for each individual well would be about 2.6 Mgal for KW1, 2.6 Mgal for KW2, 1.3 Mgal for EW3, and 1.3 Mgal for TW1. The withdrawal volume during the month with the lowest water usage would be approximately 67% of the average monthly withdrawal volume for the entire year, and the withdrawal volume during the month with the highest water usage would be approximately 150% of the average monthly withdrawal volume for the entire year based on Figure 1.

Construction details for the existing active raw water wells are as follows:

- TW1 was drilled in 1996 and is constructed of 8-inch Schedule 80 PVC casing and 20-slot PVC screens across the Upper Yorktown-Eastover (UYE) aquifer and Middle Yorktown-Eastover (MYE) aquifer. It was pump tested at 250 gpm with a static water level of 11.75 feet, a measured drawdown after 48 hours of 75.92 feet, and a calculated specific capacity of 3.29 gpm per foot of drawdown (gpm/ft).
- EW3 was drilled in 2008 and is constructed of 8-inch and 6-inch Schedule 80 PVC casing and 10-slot PVC screens across the UYE and MYE aquifers. It was pump tested at 245 gpm with a static water level of 12.5 feet, a measured drawdown after 48 hours of 76.4 feet, and a calculated specific capacity of 3.83 gpm per foot of drawdown (gpm/ft).
- KW1 and KW2 were both drilled in 2010 and each is constructed of 8-inch Schedule 40 PVC casing and 6-inch PVC 0.010 mesh screen across the UYE aquifer. The well pumping capacity of KW1 and KW2 is limited by Virginia DEQ requirements for the maximum allowable flow velocity through the well screen. In May 2015 Virginia DEQ approved a request to use a Goulds Model 100H07 4 or similar well pump in each of these wells, which is expected to achieve a design capacity of 105 gpm each pump/well.



# COMMONWEALTH OF VIRGINIA

DEPARTMENT OF HEALTH

DIVISION OF WATER SUPPLY ENGINEERING

WATERWORKS OPERATION PERMIT

Town of Cape Charles Is Hereby Granted Permission

To Operate a Community Waterworks Having a Design Capacity of 360,000 gpd  
at Town of Cape Charles Located In Northampton County In Accordance With the Provisions of  
(City, Town and/or County)

Title 32.1, Chapter 6, Article 2, Sections 32.1 - 172 and 173 Code of Virginia as Amended and Section 1.27 of the Waterworks Regulations  
of the Virginia Department of Health As Amended. This Permit Is Issued In Accordance with Previously Issued Permits Operation Permit  
No. 3131120, dated June 30, 1977; Construction Permit No. 303891, dated May 29, 1991; Construction Permit No. 302593,  
dated May 28, 1993.

And With The Understanding That This Owner Will Operate the Waterworks in Accordance with Part II "Operation Regulations for Waterworks" of the  
Waterworks Regulations of the Virginia Department of Health and any Variances and/or Exemptions Noted Below.

Variances and/or Exemptions Granted (x) None ( ) See Attached

An Engineering Description Sheet Is Attached Dated September 13, 1995

RECOMMENDED [Signature]  
Director, Division of Water Supply Engineering

PERMIT NO. 3131120

EFFECTIVE DATE September 13, 1995

EXPIRATION DATE N/A

RECOMMENDED [Signature]  
Director, Office of Water Programs

APPROVED [Signature]  
Acting State Health Commissioner





## SOURCE

The Replacement East Well (2008) was drilled on April 15<sup>th</sup> and 16<sup>th</sup> 2008, to a total depth of 220 feet. The well was completed to a depth of 220 feet with 8 and 6-inch diameter PVC casing and screens, and it was grouted to 100 feet. The screens are shown at depths of 100-120; 165-185; and 200-220 feet. The static water level was 12.5 feet and the well yielded 245 gpm for a drawdown of 64 feet during a 48 hour drawdown test. The well is equipped with a submersible pump (driven by a 20 H.P. electric motor) rated at 243 gpm @ 260 feet TDH.

The West Well (originally named as deep well or Well No. 5) was drilled on February 27, 1973 and it was completed on August 15, 1973 to a total depth of 210 feet. The first 60 feet is grouted and cased with 14-inch diameter casing while the remaining of the well is equipped with 6-inch diameter casing, or screen. The screens are shown at depths of 65-85; 88-98; 105-115; and 194-204 feet. The static water level was 15 feet and the well yielded 275 gpm for a drawdown of 90 feet during a 30 hour yield and drawdown test. The submersible pump (driven by 20 H.P electric motor) in the well is rated at 275 gpm. The actual pumping rate under the system head conditions (elevated tank level 85% full) has been measured to be 236 gpm.

## TREATMENT

### Fluoridation:

Sodium fluoride is the first chemical fed to the raw water. The feed equipment consists of a single head metering pump (maximum capacity of 5.5 gph @ 150 psi), finished water make up line protected by an RPZ, and a 50 gallon upflow type saturator.

### Oxidation and disinfection chemical addition:

Both potassium permanganate and sodium hypochlorite are employed for the oxidation of iron and manganese in the raw water and for continuous regeneration of the greensand filter media. Potassium permanganate solution is applied upstream of the sodium hypochlorite application. The potassium permanganate feed equipment consists of a 100 gallon solution tank with a mixer mounted on top and a single head metering pump (maximum capacity of 1.83 gph @ 150 psi). Sodium hypochlorite feed equipment for oxidation (pre) and disinfection (post) consists of a dual head metering pump (maximum capacity of 3.66 gph combined) feeding pure liquid sodium hypochlorite from 55 gallon original containers to the raw water as well as the finished water lines. An automatic chlorine analyzer is located downstream of the chlorine injection point in the finished water line. Contact time for disinfection is provided by the riser pipe volume of the elevated storage tank.

### Iron and manganese removal filters:

This unit consists of two (steel, cylindrical-10 feet diameter x 7 feet side wall) greensand media filters with 158 sq. feet of filter area. Filters are provided with air scour, headloss gauges, and sampling ports. The filter media consists of 1.3 feet of support gravel, 2 feet of manganese green sand and 1 foot of anthracite. The backwash and rinse water is supplied by the elevated storage tank and the waste is discharged to the polishing pond at the Cape Charles wastewater treatment plant.

Softening (ion exchange):

This unit consists of an ion exchange water softener and a brine regeneration system. Partial flow from the green sand filters is treated by the softener and is blended with the bypassed water for a target hardness of 80 mg/l in the finished water. The softener is a cylindrical steel tank (10 feet diameter x 7 feet side wall) containing 3.5 feet of ion exchange resin supported on 1.25 feet of gravel. The brine system consists of a 1,500 gallon capacity fiber glass brine tank with manual salt and water feed system and a 525 gpm regenerant pump. Regeneration can be accomplished with either automatic or manual control. The regenerant and rinse waste stream are discharged to the polishing pond at the Cape Charles wastewater treatment plant.

pH adjustment:

The chemical feed equipment consists of a single head metering pump (maximum capacity of 1.83 gph @ 150 psi) and a 50 gallon chemical solution tank with a mixer mounted on top. Sodium carbonate (soda ash) solution is added to the finished water line downstream of the sodium hypochlorite addition for post disinfection. There is a provision to change the point of application of pH adjustment chemicals from the finished water to the raw water if necessary.

STORAGE

The storage is provided by a 300,000 gallon elevated tank which looks like a light house and is located right next to the treatment plant building. The tank floats on the distribution system with the exception of the riser pipe which provides the volume necessary for contact time for disinfection. Wet riser volume of approximately 27,500 gallons provides 68 minutes of contact time at 400 gpm treatment capacity.

The Department of Environmental Quality has issued a permit (No. GW 0037200) for this groundwater source public water system. Cape Charles is entrusted with resource use responsibilities via that permit, and is advised to be aware of any compliance requirements of that permit.

EVALUATION OF SYSTEM

Design Basis: per *Waterworks Regulations*, one ERC = 400 gpd

1. Estimated Water Demand: (1,030 connections)(400 gpd/ERC) = 413,000 gpd

2. Source Capacity

Well	Well Yield (gpd) =gpm/(0.5 gpm/ERC)* 400gpd/ERC		Well Pump (gpd) = gpm * 1440 min/day		Limiting Capacity (gpd)
EWR 2008	245	196,000	243	349,920	196,000
Tower	275	220,000	236	339,840	220,000
Total					416,000

3. Storage Capacity: 300,000 gallon elevated tank = 300,000 gallons effective  
300,000 gallons/ 200 gallons/ERC = 1,500 ERC  
1,500 ERC \* 400 gpd/ERC = 600,000 gallons

4. Treatment Capacity:

1. Filter Capacity

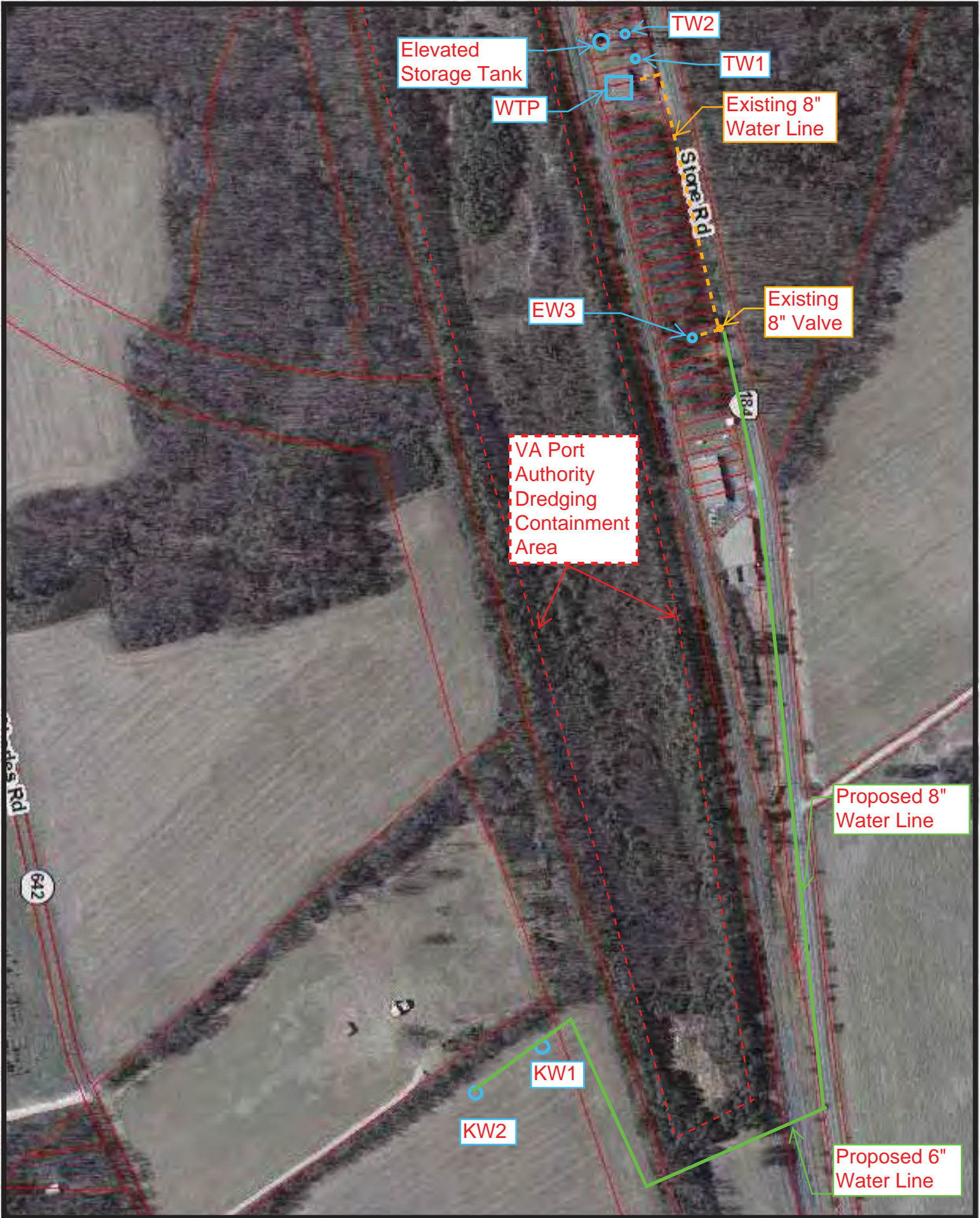
- a. Filtration capacity = 474 gpm (158 sq.ft x 3 gpm/sq. ft.)
- b. Flow control set at = 400 gpm
- c. 400 gpm \* 1440 min/day = 576,000 gpd

Filter production = 400 gpm x 1440 min/day = 576,000 gpd

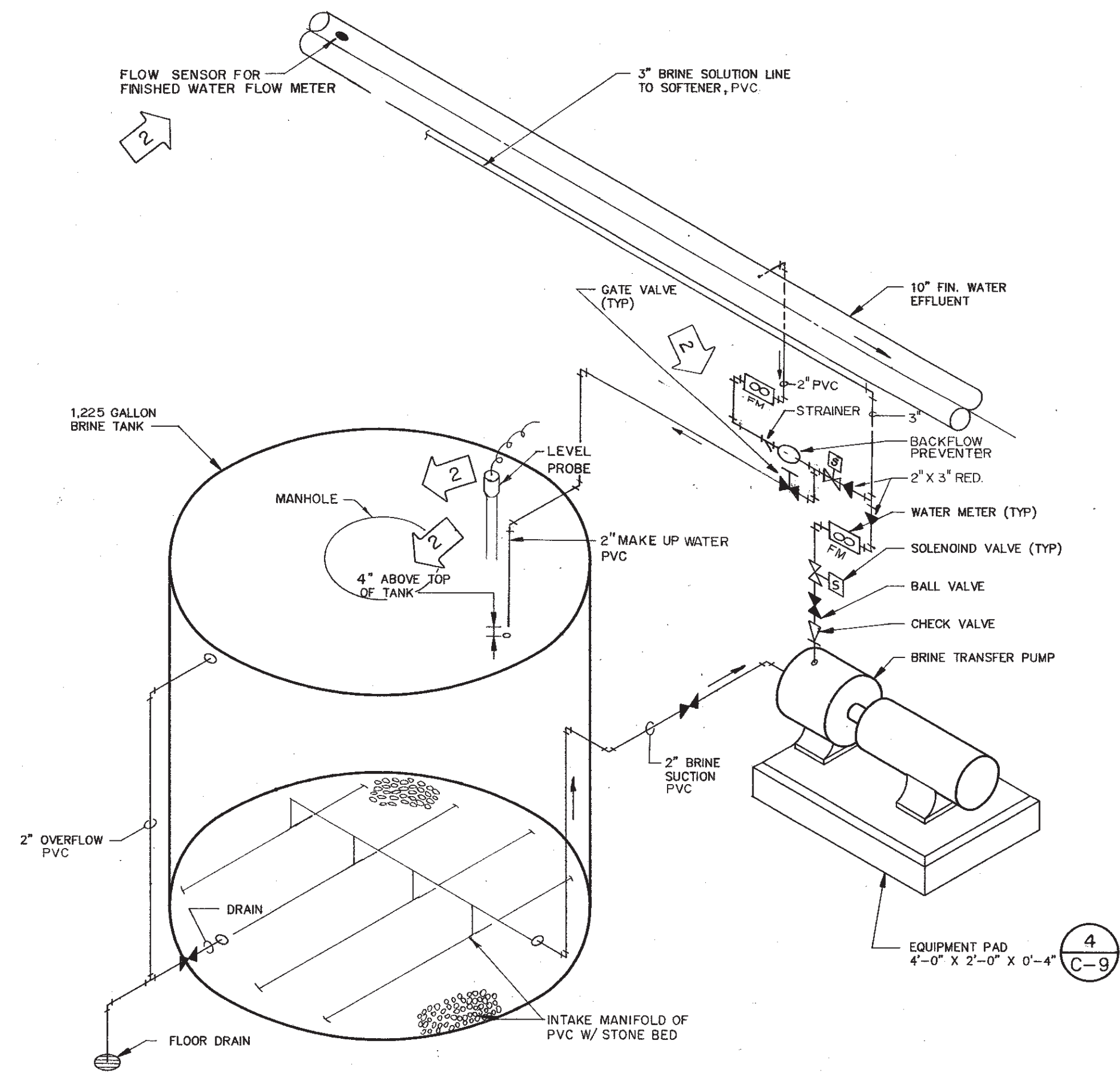
2. Softener Capacity (with 60:40, filter: by pass ratio)

- a. Softening actual capacity = 316 gpm (79 sq. ft x 4 gpm/sq.ft)
- b. Softener effective capacity =  $\frac{316 \text{ gpm} \times 1440 \text{ min/d}}{0.6 \text{ (ratio factor)}} = 758,400 \text{ gpd}$

Conclusion: This waterworks is limited to a capacity of 416,000 gallons per day due to limited well yield.

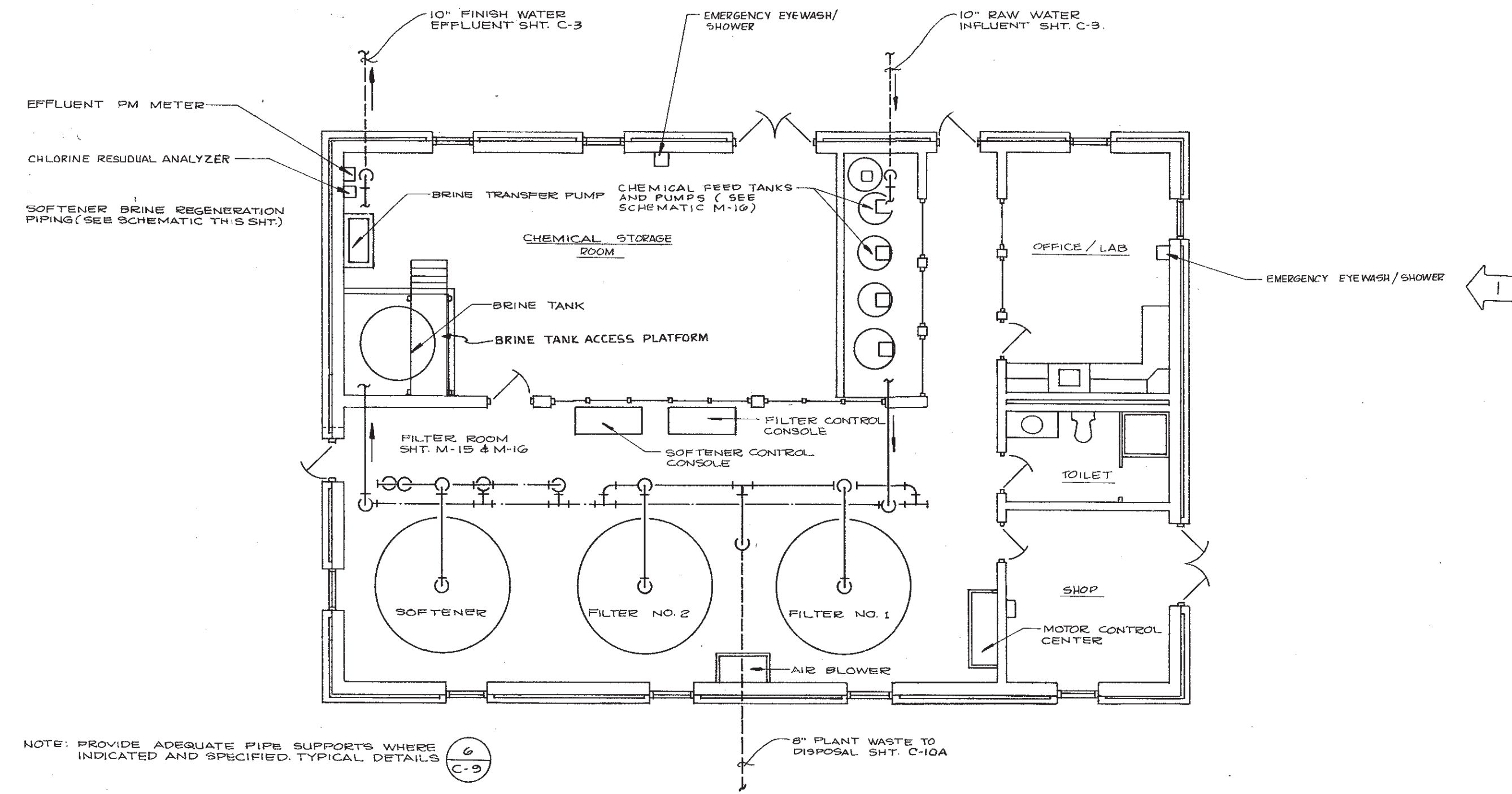


**Well Map: Town of Cape Charles TW2, KW1, and KW2 Proposed Connections to the WTP**



**SOFTENER BRINE REGENERATION PIPING SCHEMATIC**

NOT TO SCALE



**WATER TREATMENT EQUIPMENT FLOOR PLAN**

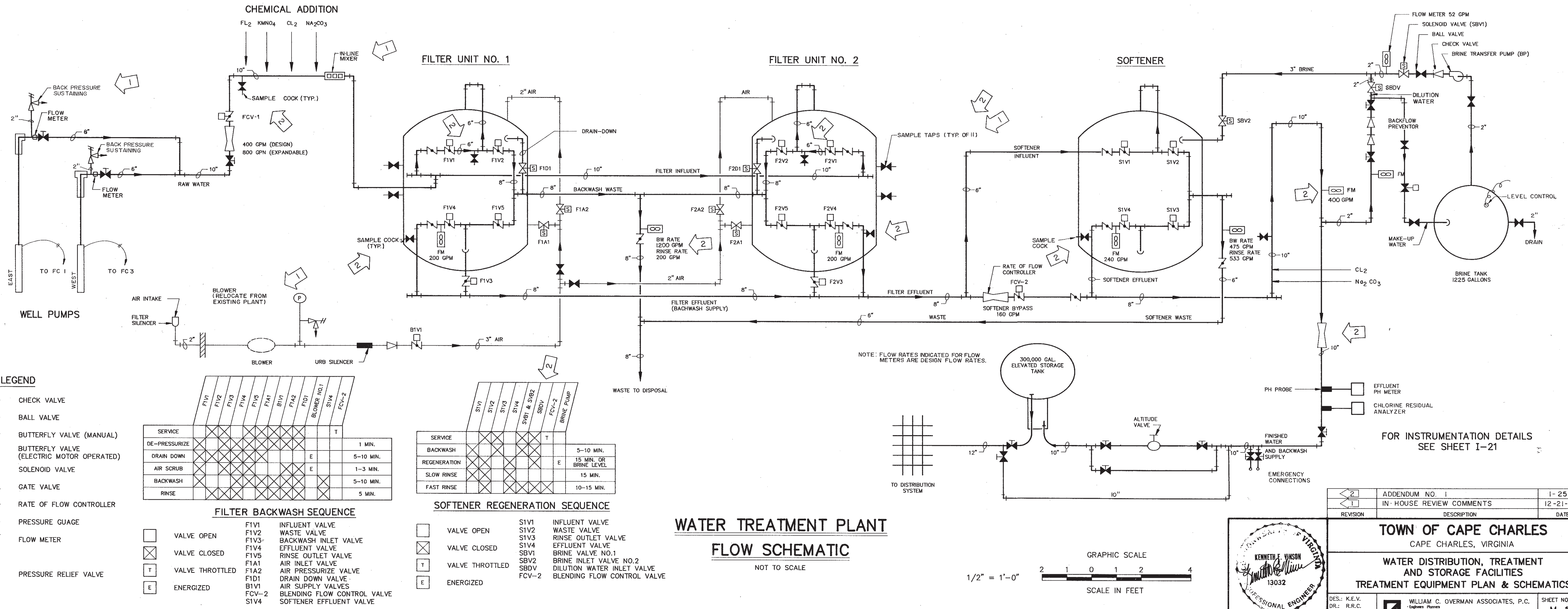
SCALE: 1/8" = 1'-0"

AS BUILT

DATE 6/11/93

RECORD DOCUMENTS

This set of documents consists of corrected drawings showing the reported location of the work. The information submitted by the contractor and incorporated by the engineer into the record documents has been assumed to be reliable, and the engineer will not be responsible for the accuracy of this information, nor for any errors or omissions which may appear in the record documents as a result.

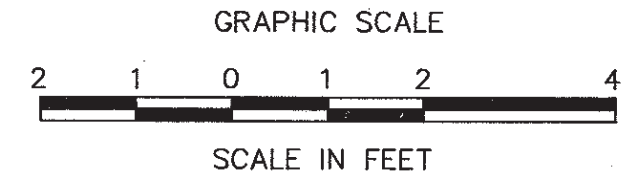


**WATER TREATMENT PLANT**

**FLOW SCHEMATIC**

NOT TO SCALE

1/2" = 1'-0"



**LEGEND**

- CHECK VALVE
- BALL VALVE
- BUTTERFLY VALVE (MANUAL)
- BUTTERFLY VALVE (ELECTRIC MOTOR OPERATED)
- SOLENOID VALVE
- GATE VALVE
- RATE OF FLOW CONTROLLER
- PRESSURE GAUGE
- FLOW METER
- PRESSURE RELIEF VALVE

**FILTER BACKWASH SEQUENCE**

SERVICE	F1V1	F1V2	F1V3	F1V4	F1V5	F1A1	F1A2	F1D1	F1V4	F1V2	F1V1	BLWNR NO.1	S1V4	FCV-2
DE-PRESSURIZE														
DRAIN DOWN														
AIR SCRUB														
BACKWASH														
RINSE														

**SOFTENER REGENERATION SEQUENCE**

SERVICE	S1V1	S1V2	S1V3	S1V4	SBV1 & SBV2	SBV1	SBV2	FCV-2	BRINE PUMP
BACKWASH									
REGENERATION									
SLOW RINSE									
FAST RINSE									

**FILTER BACKWASH SEQUENCE**

<input type="checkbox"/>	VALVE OPEN	F1V1	INFLUENT VALVE
<input type="checkbox"/>	VALVE OPEN	F1V2	WASTE VALVE
<input type="checkbox"/>	VALVE OPEN	F1V3	BACKWASH INLET VALVE
<input type="checkbox"/>	VALVE OPEN	F1V4	EFFLUENT VALVE
<input type="checkbox"/>	VALVE OPEN	F1V5	RINSE OUTLET VALVE
<input type="checkbox"/>	VALVE OPEN	F1A1	AIR INLET VALVE
<input type="checkbox"/>	VALVE OPEN	F1A2	AIR PRESSURIZE VALVE
<input type="checkbox"/>	VALVE OPEN	F1D1	DRAIN DOWN VALVE
<input type="checkbox"/>	VALVE OPEN	B1V1	AIR SUPPLY VALVES
<input type="checkbox"/>	VALVE OPEN	FCV-2	BLENDED FLOW CONTROL VALVE
<input type="checkbox"/>	VALVE OPEN	S1V4	SOFTENER EFFLUENT VALVE
<input checked="" type="checkbox"/>	VALVE CLOSED		
<input type="checkbox"/>	VALVE THROTTLED		
<input type="checkbox"/>	ENERGIZED		

**SOFTENER REGENERATION SEQUENCE**

<input type="checkbox"/>	VALVE OPEN	S1V1	INFLUENT VALVE
<input type="checkbox"/>	VALVE OPEN	S1V2	WASTE VALVE
<input type="checkbox"/>	VALVE OPEN	S1V3	RINSE OUTLET VALVE
<input type="checkbox"/>	VALVE OPEN	S1V4	EFFLUENT VALVE
<input type="checkbox"/>	VALVE OPEN	SBV1	BRINE VALVE NO.1
<input type="checkbox"/>	VALVE OPEN	SBV2	BRINE INLET VALVE NO.2
<input type="checkbox"/>	VALVE OPEN	SBV1	DILUTION WATER INLET VALVE
<input type="checkbox"/>	VALVE OPEN	FCV-2	BLENDED FLOW CONTROL VALVE
<input checked="" type="checkbox"/>	VALVE CLOSED		
<input type="checkbox"/>	VALVE THROTTLED		
<input type="checkbox"/>	ENERGIZED		

REVISION	DESCRIPTION	DATE
2	ADDENDUM NO. 1	1-25-91
1	IN-HOUSE REVIEW COMMENTS	12-21-90

**TOWN OF CAPE CHARLES**  
CAPE CHARLES, VIRGINIA

**WATER DISTRIBUTION, TREATMENT AND STORAGE FACILITIES**  
**TREATMENT EQUIPMENT PLAN & SCHEMATICS**

DES.: K.E.V.  
DR.: R.R.C.  
DATE: 9-27-90

WILLIAM C. OVERMAN ASSOCIATES, P.C.  
Engineers/Planners  
380 Cleveland Place Virginia Beach, Va. 23462

SHEET NO. **M-14**



# Attachment 2

Section 9: Alternatives Analysis

## **CAPE CHARLES, VA APPLICATION FOR A GROUNDWATER WITHDRAWAL PERMIT SECTION 9 – ALTERNATIVES ANALYSIS**

Limited alternative sources exist for the Town's water supply based on location and usage type. There are no significant sources of fresh surface water in the vicinity of Cape Charles that would provide sufficient capacity to warrant development as an alternative water source, and the relatively flat topography of the region makes it impractical to create new reservoirs. The areas of Northampton and Accomack Counties on the Eastern Shore, including the Town of Cape Charles, are supplied water by a sole source aquifer so obtaining water from neighboring municipalities would likely provide little to no benefit. As documented in section 8 (Attachment 1) of this application, almost all of the Town's total groundwater withdrawal is utilized for backwashing and regeneration of the filter and softener systems at the Water Treatment Plant (WTP) or for human consumption.

The Town is pursuing a water reuse project which would divert treated effluent from the Town's Wastewater Treatment Plant (WWTP) to irrigation ponds at the nearby Bay Creek Resort and Golf Club, where it would be used for irrigation of the golf courses. The Town has already implemented provisions for water reuse at the WWTP and extended a water reuse pipeline to the edge of the WWTP property, and expects to complete the reuse pipeline and obtain final authorization for the application in the near future. Irrigation of the golf courses at Bay Creek does not currently use the Town's public water system, so this is not expected to directly impact the Town's projected groundwater withdrawal volumes.

Due to the small amount of the Town's groundwater withdrawal that is used for purposes other than human consumption, there are limited opportunities for further water reuse or the use of lower quality groundwater. Most of the notable water demands supplied by the Town's water system which are not considered to be for human consumption still involve relatively high public exposure, such as maintenance of community amenities and miscellaneous usage in the harbor and marina areas (as discussed in section 8 (Attachment 1) of this application). Attempting to implement water reuse for such applications would involve significant costs due to the lack of existing water reuse distribution piping, extensive regulatory review and permitting effort, and would have a minimal effect on the Town's total groundwater withdrawal.

Advanced treatment for desalination and/or indirect potable reuse have been implemented in other locations where water resources are extremely scarce, but the associated technologies would involve substantial capital and operating costs as well as extensive regulatory review and permitting effort. Therefore, at this time such options would be considered only if no other alternatives were available.

A copy of the Town's Water Conservation and Management Plan is included in section 10 (Attachment 3) of this application and outlines measures that the Town has in place to reduce water demand, particularly during potential drought conditions.



# Attachment 3

Section 10: Water Conservation and  
Management Plan

**SECTION 13**

**WATER CONSERVATION & MANAGEMENT PLAN  
APPLICATION FOR GROUNDWATER WITHDRAWAL PERMIT  
GROUNDWATER WITHDRAWAL PERMIT NO. GW0041200**

**Municipal Corporation of Cape Charles  
2 Plum Street  
Cape Charles, VA 23310**



**May 2008**

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## **TOWN OF CAPE CHARLES WATER CONSERVATION & MANAGEMENT PLAN**

### **1.0 INTRODUCTION**

The Town of Cape Charles is aware of the need to conserve and manage effectively its valuable water resources. Without an effective and comprehensive plan aimed at reducing water loss and utilizing water use efficiency, the Town cannot hope to satisfy its much needed water demands into the next decade. The effects of an inadequate water supply are such that the entire Town would experience reduced economic development opportunities and the resulting reduction in needed revenues for Cape Charles to prosper beyond the year 2010. Every effort must be made to efficiently maximize currently available supplies thus reducing the need for additional sources.

The following constitutes the Town of Cape Charles's Water Conservation and Management Plan, which is designed to optimize water resources and to help reduce its need for future water demands. The Town of Cape Charles first developed a Water Conservation and Management Plan in 1998 to address the conservation needs, and continues to refine and develop the Plan as needed.

### **1.1 REGULATORY REQUIREMENTS**

In 1992, Virginia adopted the Groundwater Management Act (Title 62.1, Chapter 25, code of Virginia, 1950, as amended) regulating groundwater withdrawals in critical aquifer use areas. The Eastern Virginia and the Eastern Shore Groundwater Management Areas were established at that time due to a decline in groundwater levels of up to 200 feet in some places due to excessive groundwater use. In these management areas, a groundwater withdrawal permit is required for any application to initiate a new withdrawal or expand an existing withdrawal in the groundwater management area. As part of the Ground Water Withdrawal Permit (GWWP) application, a Water Conservation and Management Plan (WCMP) must be submitted with the GWWP application and becomes an enforceable part of the GWWP permit. In accordance with 9VAC25-610-100, a WCMP must include at a minimum the following items.

- The use of water saving plumbing and processes including, where appropriate, the use of water saving fixtures in new and renovated plumbing as provided in the Uniform Statewide Building Code;

- A water loss reduction program;
- A water use education program;
- An evaluation of potential water reuse options; and
- Requirements for mandatory water use restrictions during water shortage emergencies declared by the local governing body.

## **1.2 THE NEED FOR WATER CONSERVATION**

The Town of Cape Charles is situated on Virginia's Eastern Shore, a peninsula that is surrounded by saltwater on three sides. Groundwater represents the primary source of freshwater in the region and is derived from and limited by the amount of recharge the aquifers receive from precipitation. The fresh groundwater occurs as a shallow lens, approximately 250 feet thick in the Cape Charles area that floats on underlying brackish and saline groundwater. A delicate balance exists between the fresh groundwater lens beneath the peninsula and the surrounding saltwater. Over-pumping can cause intrusion of saltwater from lateral migration of the freshwater-saltwater boundary or upconing of saltwater from underlying brackish aquifers. Intrusion of saltwater can degrade groundwater quality to the point that groundwater can no longer be used as a direct, untreated source of fresh water for public consumption, commercial and agricultural uses. For this reason, the Town will have to carefully manage its future water supply needs to ensure a sustainable source of water can be developed without detrimental impact to the freshwater resources and those who depend on them.

Water conservation is a focused effort by a water user to reduce the use of water. This effort can minimize development of new resources and reduce the cost of future water service. Each gallon of water that is not used through conservation is one less that needs to be stored, treated, pumped and distributed. The reduction in the use of water may also result in energy savings if the water needs to be heated for washing or bathing or pass through a wastewater treatment system before it is returned to the environment.

Water conservation has reached a new level of awareness. Conservation may represent a practical alternative to developing and increasing the water supply or at least complement new water supply development projects until technologies evolve to meet the needs of an ever growing population. Clean water supplies, like other natural resources, are a limited resource, which must be managed carefully so that they are preserved for future generations. Efforts to conserve existing supplies and the efficient allocation of water resources need to be made at each stage of the water supply planning process.

### 1.3 OBJECTIVES

The objective of the Water Conservation and Management Plan is to develop a documented, effective conservation and management strategy that is designed to minimize the demand for groundwater and comply with 9VAC25-610. The plan consists of operational programs and strategies that will be used every day in the management and maintenance of the water and wastewater utility. The specific conservation and management strategies are presented in the following sections and are briefly summarized in the conclusion.

## 2.0 WATER CONSERVATION DURING NORMAL CONDITIONS

This section of the Water Conservation and Management Plan addresses low flow devices and fixtures that are required by the Virginia Uniform Statewide Building Code:

### 2.1 Flow Rates for Plumbing Fixtures

The Town Manager will continue to work very closely with the Town's inspectors to ensure that low flow devices and fixtures are utilized in new construction and renovations in existing structures. In addition, the Town Manager will promote incentive programs to encourage existing households to retrofit with low flow devices.

The Town's inspectors will continue to implement the Comprehensive Water Conservation Program, first developed in 1998 as promulgated by the Commonwealth of Virginia via the Virginia Uniform Statewide Building Code. As listed below, these requirements are consistent with the Federal Energy Policy Act of 1992. In all new construction and in all remodeling and/or replacement of plumbing fixtures, only fixtures not exceeding the following flow rates and/or water consumption shall be permitted:

Lavatory nonpublic	2.2 gallon per minute at 60 psi
Lavatory public	0.5 gallon per minute at 80 psi
Lavatory public metering self-closing	0.25 gallon per metering cycle
Shower Head	2.5 gallon per minute at 80 psi
Sink faucet	2.2 gallon per minute at 60 psi
Urinal	1.0 gallon per flushing cycle
Water Closet	1.6 gallon per flushing cycle

Replacing older showerheads with low-flow fixtures, installing faucet aerators in older baths and kitchens, and water saving flappers in older toilet tanks can reduce household water use by approximately 10 to 15 percent.

### **2.1.1 Public Lavatories**

Lavatories in a public facility restroom shall be equipped with standard valve or spring self-closing faucets having outlet devices that limit the flow rate to a maximum of 0.5 gallons per minute or self-closing metering valves which limit flow of 0.25 gallons per cycle.

### **2.1.2 Car Washes**

No commercial car washing facilities are located within the service area. All new car wash installations shall be equipped with an approved water recycling system.

### **2.1.3 Continuous Flow Equipment**

All new construction, all repair or replacement of continuous flow devices, any other water connector device or appliance requiring a continuous flow of five (5) gallons per minute or more shall be equipped with a recycling system or as approved by the Town Manager.

### **2.1.4 Leak Repairs**

The owner of any residual dwelling, commercial, or industrial facility who is found to be an excessive user of water due to leakage from water lines or plumbing fixtures on the premises, and who fails to repair and stop such leakage during a reasonable period of time after notice by the Town Manager, shall be subject to the penalties for noncompliance.

The Town's employees shall observe customers piping which exists in and adjacent to the Public Works and Utility's facilities during meter reading for leaks on the customers plumbing. Employees shall make note of any leaks observed and report the leaks to the Utility. The Utility shall notify the customer in timely manner that a leak has been observed on their plumbing. The Utility will also notify a customer in a timely manner if abnormally high usage is indicated on the account which could indicate a possible leak.

### **2.1.5 Water Reuse Evaluation**

For all new commercial or industrial construction, an evaluation by the owner for potential water reuse options will be studied and the results are to be submitted to the

Town Manager at the time construction plans are submitted for approval. In all instances where it is determined by the Town Manager to be feasible, such modifications will be incorporated into the design prior to approval by the Town.

As part of the new wastewater treatment expansion, the Town of Cape Charles will evaluate the reuse of high quality treated wastewater. The wastewater generated may be used for irrigation purposes, commercial reuse, or other uses allowed by the DEQ.

#### **2.1.6 Waste of Water (General)**

No person shall permit water to run from any hydrant, meter, valve, or fixture without proper care to prevent waste. All such use must be metered or an estimated use reported to the utilities clerk. Prior notification is required except for emergencies.

#### **2.1.7 Penalties for Noncompliance**

This section outlines the Town of Cape Charles specific penalties for noncompliance with the above listed provisions. The following penalties are addressed:

- A. Any person who shall violate any provision of this plan, or any of the conservation regulations promulgated by the Town Manager or his or her designee pursuant thereto, shall, upon conviction thereof, in addition to additional charges and/or other actions set forth herein, be fined not more than two hundred fifty dollars (\$250.00). Each act, or each day's continuation of a violation shall be considered a separate offense.
- B. In addition to the foregoing, the Town Manager or his or her designee may suspend water service to any person violating the provisions of this plan or the regulations promulgated hereunder. If water service is terminated, the person shall pay a reconnection fee or fifty dollars (\$50.00) plus all outstanding fines and fees before service will be restored.

### **3.0 WATER CONSERVATION DURING EMERGENCY CONDITIONS**

#### **3.1 Purpose**

The following section outlines the Town of Cape Charles specific water conservation requirements during emergency supply conditions. During emergency conditions the protection of the health, safety and welfare of the residents of the Town of Cape Charles



may require that certain uses of water, nonessential to public health, safety and welfare, be reduced, restricted or curtailed; and as the shortage of potable water may become increasingly more critical, conservation measures to further reduce consumption or curtail essential water use may be required.

During periods of water shortage emergencies, declared by the local governing body, DEQ Director, or the Town of Cape Charles, customers will be notified that there is a water shortage emergency and that water use reductions or restrictions are mandatory. The Town of Cape Charles will be responsible for enforcing penalties, such as imposing fines to customers using water for restricted purposes during water shortage emergencies. Requirements for mandatory use reductions during local or regional water shortage emergencies typically involve local ordinances, which detail restrictions and penalties that may be applied during a declared water shortage emergency, described below.

In the event a water shortage and an emergency is declared by the local governing body or the director of DEQ, all water usage shall be ceased except for sanitary and human consumptive uses.

### **3.2 Procedures**

1. The Town Council or the Director of the Commonwealth of Virginia Department of Environmental Quality finds that when there exists an immediate potential for a shortage of potable water in the Town of Cape Charles's water system that increasingly more restrictive conservation measures may be required to prevent a water shortage.
2. The Town Manager or his or her designee is hereby directed to implement conservation measures at such times by ordering the restricted use or absolute curtailment of the use of water for certain non-essential purposes for the duration of the water shortage in the manner hereinafter set out. In exercising his discretionary authority and making the determinations set forth herein, the Town Manager or his or her designee shall give due consideration to water storage, system purification and pumping capacity, daily water consumption data, fire service requirements, pipeline conditions including stoppages and leaks, estimates of minimum essential supplies to preserve public health and safety, and any other pertinent data.
3. The provisions of this plan or regulations promulgated hereunder by the Town Manager or his or her designee which are hereby authorized shall not apply to any governmental activity, institution facility, commercial business or industry which

shall be declared by the Town Manager, upon a proper showing, to be necessary for the public health,- safety and welfare, or the imposition of the provisions of this plan are reasonably determined to place a severe economic hardship on the establishment or cause a substantial loss of employment.

4. Upon Determination by the Town Manager of the existence of the following conditions, the Town Manager shall take the following actions:
  - a. Condition 1: Voluntary Use Restrictions (Drought Watch). When moderate but limited supplies of water are available, the Town Manager shall, through appropriate means, call upon the general public to employ prudent restraint in water usage, and to conserve water voluntarily by whatever means available.
  - b. Condition 2: Mandatory Use Restrictions (Drought Warning) When very limited supplies of water are available, the Town Manager shall order curtailment of less essential usage of water, including, but not limited to, one or more of the following:
    - 1) The watering of shrubbery, trees, lawns, grass, plants or any other vegetation, except indoor plantings, greenhouse or nursery stocks and except watering by commercial nurseries of freshly planted plants and once a week for five (5) weeks following planting.
    - 2) The washing of automobiles, trucks, trailers, boats, airplanes, or any other type of mobile equipment, with the exception of facilities operating with a water recycling system approved by the Town Manager; provided, however, that any facility operating with a water recycling system shall permanently display in public view a notice stating that such recycling system is in operation. In lieu of the provisions hereof, the Town Manager may curtail the hours of operation of commercial enterprises offering such services.
    - 3) The washing of streets, driveways, parking lots, service station aprons, office buildings, exteriors of homes or apartments, or other outdoor surfaces.
    - 4) The operation of any ornamental fountain or other structure requiring a similar use of water.
    - 5) The filling of swimming and/or wading pools, or the refilling of swimming and/or wading pools which were drained after the effective date of the Town Manager's order except for commercial use.

- 6) The use of water from hydrants for any purpose other than fire suppression or other public emergency or scheduled flushing if deemed necessary to maintain water quality in the distribution system.
- c. Condition 3: Water Rationing (Drought Emergency). When critically limited supplies of water are available, the Town Manager shall institute mandatory reductions to each customer as follows:
  - 1) Industrial, institutional, commercial, governmental, and all other non-residential customers shall be allotted a percentage reduction based on their average monthly billings over the preceding six-month period.
  - 2) Individual residential customers shall be limited to a specific volume or percentage reduction based on the same procedure noted above.
  - 3) If allotted monthly usage is exceeded, the customer shall be charged ten dollars (\$10.00) for every seven hundred and fifty (750) gallons of water consumed above the allotted volume. Where prior consumption data is not available, the Town Manager or his or her designee shall estimate allocations based on the best available data.
- d. Condition 4: When only limited supplies of water are available, the Town Manager or his or her designee shall restrict the use of water to purposes that are absolutely essential to life, health and safety.

### **3.3 Written Report Required**

When it is determined that Conditions 2, 3, and 4 are in existence, a written report will be prepared with supporting documentation. Each report shall be promptly filed with the Town Clerk who shall make the report available for public inspection. The Town Manager shall forthwith transmit a copy of said report to the Town Council.

### **3.4 Penalties for Noncompliance**

1. Any person who shall violate any provision of this plan, or any of the conservation regulations promulgated by the Town Manager pursuant thereto, shall, upon conviction thereof, in addition to additional charges and/or other actions set forth herein, be fined not more than two hundred fifty dollars (\$250.00). Each act or each day's continuation of a violation shall be considered a separate offense.
2. In addition to the foregoing, the Town Manager may suspend water service to any person violating the provisions of this plan or the regulations promulgated hereunder. If such water service is terminated, then the person shall pay a reconnection fee of

fifty dollars (\$50.00) plus all outstanding fines and fees before service will be restored.

### **3.5 Notice of Temporary or Final Ceasing of Emergency**

The Town Manager shall notify the Town Council when the resource shortage is over and the emergency situation no longer exists. Information regarding the temporary or final ceasing of emergency conditions will be made available to the public via posting notices in public buildings and utilizing other public information strategies.

## **4.0 WATER REUSE**

The Water Reuse and Reclamation Regulations (9 VAC 25-740) promote the reclamation and reuse of wastewater that are protective of state waters and public health as an alternative to directly discharging pollutants into state waters. The Chesapeake Bay Watershed Nutrient Credit Exchange Program also identifies the reuse and reclamation of wastewater as a means of reducing the Nitrogen and Phosphorus waste loads to the Chesapeake Bay.

Existing industrial water demands utilize a potable water source in their production needs. Future alternatives will be provided to possibly eliminate this dependency on potable water and allow for the conversion to a non-potable process water. The development of the Sustainable Technologies Industrial Park in the Town of Cape Charles is being promoted to demonstrate the potential of energy-efficient, water-conserving and nonpolluting industries. Proposed industrial water demands will promote the use of non-potable process water, reclaimed wastewater. These applications will dictate the advanced treatment and reuse of wastewater plant effluent as a way of reducing the demand of potable water sources.

This section discusses the opportunity for reducing potable water demands in the Town of Cape Charles by developing non-potable reuse and reclaimed wastewater supplies.

### **4.1 Construction Reuse Markets**

Non-potable water used for soil compaction, dust control and other construction purposes is a potential reuse option. Where workers or the public have access or exposure, it is not considered necessary for people to avoid contact. This usage would have to be approved by the DEQ and state and local Health departments. Truck drivers would need

instructions as to specific hauling requirements and the potential hazards involved with non-potable water. The following additional criteria would require adoption:

1. Tanker trucks and other equipment which contain non-potable water would have to be clearly identified with warning signs.
2. Tanker trucks used for non-potable water would have to be thoroughly cleaned of contaminants prior to use.
3. Use of non-potable water could not create any odor or other nuisance.
4. Ponding or runoff of non-potable water should not occur.
5. Non-potable water should be applied so as to minimize public or employee contact with the water.
6. Non-potable water must not be introduced into any part of a domestic water system.
7. After project is complete, tanker trucks should be cleaned and disinfected.
8. Tanker trucks used to transport non-potable water shall not be used to carry domestic water.

## **4.2 Irrigation Reuse Markets**

Bay Creek is developing the residential and recreational area south of Cape Charles, including two golf courses. The Bay Creek management has been open to the option of using the wastewater as a supplement for irrigation and augmenting storage in surface water features, provided no reclaimed water signage is required. The Town of Cape Charles will evaluate the potential uses of reclaimed water for Bay Creek that will comply with reuse regulations and Bay Creek's management requests.

## **4.3 Industrial Reuse Markets**

At the present time, there is only one large user of industrial process water in the Cape Charles area that could likely utilize treated effluent. Bayshore Concrete is located less than 1 mile from the Town's Wastewater Treatment Plant and uses up to 60,000 gpd for process water in the manufacturing of concrete structures, cooling, and dust control. Process water is currently supplied from individual water supply wells owned and permitted by Bayshore Concrete. Much of this process water could likely be supplied from wastewater and the drinking water at the facility could be supplied from the Town's public water system. Because Bayshore Concrete's wells are close to the Chesapeake Bay, reducing or eliminating the pumping from these wells will reduce the potential of

saltwater intrusion and water quality degradation, which could eventually impact the Town's wells.

The availability of treated effluent water supplies could be desirable in attracting other industries into the area without placing demands on the potable water supply. Cape Charles staff will continue to incorporate this option within its economic development program. The viability of the industrial reuse market is a function of many factors, including:

- Location of non-potable source
- Specific water quality requirements of the industry
- Degree of treatment required for the reclaimed water
- Cost of reclaimed water and availability of alternative supplies

## **5.0 PUBLIC EDUCATION PROGRAM**

A key factor in reducing water use by the general public is the development of a comprehensive education program. It is extremely important to educate water consumers on the various aspects of the water industry and information on how drinking water is produced and why we need to conserve. The goal of the water use education program will be to make the customer understand their water sources, the costs of supplying the water to the customer, the problems associated with supplying water, and how changes in consumer behavior can lower the cost of supplying water and result in a lower water bill for the customer. By understanding the environment that water suppliers are faced with on a daily basis, the public will have a better appreciation of water and the need to become directly involved in conservation programs. To achieve this goal, the Town of Cape Charles has selected the following items for the establishment of a comprehensive public education program:

- A. Bill Inserts - On an annual basis, inserts will be added to the outgoing water bills or the consumer confidence reports. These inserts will include water conservation techniques and leak detection strategies. This method can be useful in showing the consumer how water conservation is a winning deal for both the water customer and the Town. Consumers benefit by having lower water bills and the Town benefits by the preservation of its water resources.
- B. Brochures - During public events, water conservation brochures and pamphlets will be available for public distribution. These same items will be available on a continuous basis at the Town Hall.

- C. Video Tapes - A variety of water conservation video tapes will be available from the Town Hall to be checked out by the public free of charge. These tapes can be used for classroom instruction in schools or for other types of public meetings. These tapes will cover such subjects as water conservation, general lawn care, and efficient watering devices.
- D. Water Conservation Hot Line - A telephone number will be made available for residents to have their water conservation questions answered by a knowledgeable Town employee. In addition, requests for information on various water conservation topics will be coordinated through this function.
- E. News Releases - Greater emphasis will be placed on keeping the public informed through news releases by the print media, radio, and the Cape Charles website ([www.capecharles.org](http://www.capecharles.org)). This method of public education will not be used only during emergencies, but on a regular basis to keep the public informed on water related issues.

These programs will be targeted to representative age groups and will be given by Town staff and/or guest speakers. Information and assistance will be available to teachers who wish to develop their own water awareness program.

## **6.0 WATER USE REDUCTION PROGRAM**

### **6.1 Water Loss Audit**

The Town is actively upgrading the water system to provide 100% metering of all connections. The metering program will provide the Town with the tools to accurately assess water loss and audit water uses. The water distribution will be evaluated for leaks using the comparison of system water meters and the pump house master meter; thus, an unaccounted for water analysis will show any major leaks or discrepancies. For the purposes of this plan, the unaccounted for water analysis will occur annually at a minimum to establish the system base line for error within metering equipment. In addition, potential discrepancies between the amount of water produced and the amount sold to customers will be reviewed on a monthly to bimonthly basis once the majority of homes are metered. The current billing system will be modified and upgraded to assist in analyzing water usage and detecting possible leaks. Utility operators will also be able to detect leaks on the basis of daily and weekly review of water use data including well pump operational logs and wellhead meter readings which can detect possible leaks by a

general comparison to typical seasonal water use. More frequent reviews may be possible as new technologies are implemented within the meter reading systems.

The audit will also identify sources of water demand on the system that would normally escape detection through normal metering devices, in particular municipal uses. Examples of this type of demand are:

- Water for Fire Fighting
- Water Main Flushing
- Water Meter Errors
- Water Main Breaks
- Water Leak Detection
- Water Tank Drainage and Leaks
- Water Treatment Backwashing

Water for Fire Fighting: All hydrant use will be recorded at the water plant and reported to the utilities clerk either within 24 hours. The Town of Cape Charles Volunteer Fire Department will report water use (i.e. fire fighting, hydrant flushing, etc.) to the utilities clerk within 24 hours of said usage. Prior notice of water usage in excess of 1,000 gallons is required to be given the utilities clerk, except in emergency situations.

Water Main Flushing: All main flushing performed by the Utilities Department (i.e. water quality improvement, construction, etc.) will require the submittal of an estimate of water consumption.

Water Meter Errors: The Town of Cape Charles is currently installing and replacing meters as needed. Meter errors are evaluated based on historical use and unanticipated changes in water use rates, and visual inspections during meter reading. There are presently approximately 1160 meters in the Town. The town has recently purchased meter-testing equipment to check suspect meters for accuracy

Water Main Breaks: All main breaks will require the reporting of the estimated volume of water loss by the Utility Department.

Water Leak Detection: The Utilities Department will develop an ongoing leak detection program in conjunction with the water system metering upgrades. Water loss estimates will be quantified and water leaks may be estimated based on the ongoing water loss



audits. The Town will purchase leak detection equipment in 2008 to facilitate the program.

If a leak in the system occurs, it will be fixed within 24 hours. If the usage data or unaccounted for water analysis indicates a water leak which cannot be visually located, the system will be searched for leaks. Additionally, exceptionally high usage at customer's meters must be also be reviewed from billing department data. The location of leaks in the distribution system and the success of a repair program depend on the following factors:

- Pipe age and material;
- System operating pressures;
- Soil Type;
- Soil pH; and
- Pipeline depth

Generally, the initial searches for leaks include walking the system lines and looking for puddles or wet areas that could hint of a leak. For subsurface leaks in well-drained soils, electronic leach detection equipment will be employed.

Employees shall inspect all pump station piping for leaks during each visit and shall notify management of any leaks observed in the pump stations or in the distribution system in a timely manner.

The entire distribution system will be visually inspected on each meter reading cycle by walking and driving the system and reviewing the meter locations and searching for apparent leaks. Upon bill generation for customer bills, high usage bills will be reviewed carefully and may be re-read to verify the usage and look for customer leaks.

Upon notification that a leak exists in the pump station or on the distribution system, the leak(s) shall be repaired in a timely manner. Customers are responsible for home plumbing leaks and water usage may be discontinued by the Town until the repair is made if sufficient water is being wasted, the customer is not responsive, or the home is abandoned.

Water Tank Drainage and Leaks: All water system storage tank draining will be reported. Further, the Town will develop an inspection program for all water storage tanks which would include leak detection.

Water Treatment Backwashing: All backwashing operations conducted at the water treatment plant are metered. The backwash volumes are tabulated and are used to evaluate system performance. In conjunction with the water treatment system upgrades, the backwash operations will be monitored and will be used as required to improve the overall water treatment efficiency and minimize water loss.

All forms for reporting loss and unaccounted for loss will be maintained by the Utility Department.

## **6.2 Water Use Reduction through Future Rate Structures**

Water billing can be used as a means to disseminate water conservation information to water users and to provide incentives to customers to use water efficiently. The Town has adapted a water rate structure to promote water conservation. Conservation-based rate structures such as flat rates, increasing block rates, seasonal rates, or quantity-based surcharges encourage water conservation and discourage wasteful water use. Increasing rate structures are most effective and allow for average water use at a reasonable rate. However, above an allowable amount of normal household water usage, the rates become higher per unit of water used. Residents who use large amounts of water each month would pay substantially more than residents who do not.

## **6.3 Outdoor Water Use**

Outdoor water use increase significantly during the summer months primarily due to increased seasonal population and lawn and garden irrigation. As part of the water use education program and through conservation-based rate structures, the Town will help reduce excessive outdoor water use and promote better conservation and management practices by the customers. Developing proper grass watering practices and encouraging the use of drought tolerant landscaping can greatly reduce irrigation demands. Watering less frequently can better establish root systems, which make grass and shrubs more drought tolerant.

In addition, Bay Creek has adopted covenants that do not allow the use of town water for outside use such as lawn watering and car washing. However, Bay Creek also requires sod and extensive landscaping so irrigation is necessary. To accommodate the irrigation needs, all homes on larger lots require their own shallow well. For smaller lots (New Quarter, the Condos, Bayside Village), Bay Creek provides a central irrigation system with one shallow well for every 8 to 12 homes. All of Bay Creek's common areas are irrigated using water from their lake system.



*Municipal Corp. of*  
***Cape Charles***

## Water Conservation Management Plan Effectiveness Report

December 30, 2021 (submitted in lieu of the September 1, 2020 report)

The Town of Cape Charles understands the importance for water conservation and the Water Conservation Management Plan (WCMP) continues to be an effective resource to achieve this goal.

Water conservation procedures of Section 2 continue to be relevant. The town follows the Virginia Uniform Statewide Building Code and implements the Comprehensive Water Conservation Program which requires low flow fixtures in new construction and renovation. These practices are closely monitored and enforced by the town's Code Official.

Sections 3, 4, and 5 are available for use as needed.

Section 6 has seen particular focus. The Water Treatment Plant (WTP) has adjusted the processes for backwashes and softener regeneration to use as little water as possible yet still achieve the desired results of said processes. This includes reduced times in backwash and rinse flow through filters and minimizing the vessel drain down prior to air scrub to use less water.

The distribution system is closely monitored by the Department of Utilities employees. Leaks are of utmost concern, and they are found and fixed as soon as possible. Leaks are identified by the monitoring of graphs at the WTP, fielding calls from the public and visual inspections throughout town. This includes reading water meters by hand every month. The town intends to have all water meters replaced or retrofitted to convert to an AMR/AMI system in the next 3 years. This will improve accuracy for billing and future audits for water use. In addition, it will increase efficiency in leak detection by reading in real time versus once per month.

Additional efforts to reduce water use include all hoses at marinas are required to have nozzles, seasonal facilities have the water shut off and contactor water use is billed to prevent unnecessary volume taken.

While the WCMP is due for a general update, its overall effectiveness remains high.

Scott Neville  
WTP Manager  
757-331-1018

# Attachment 4

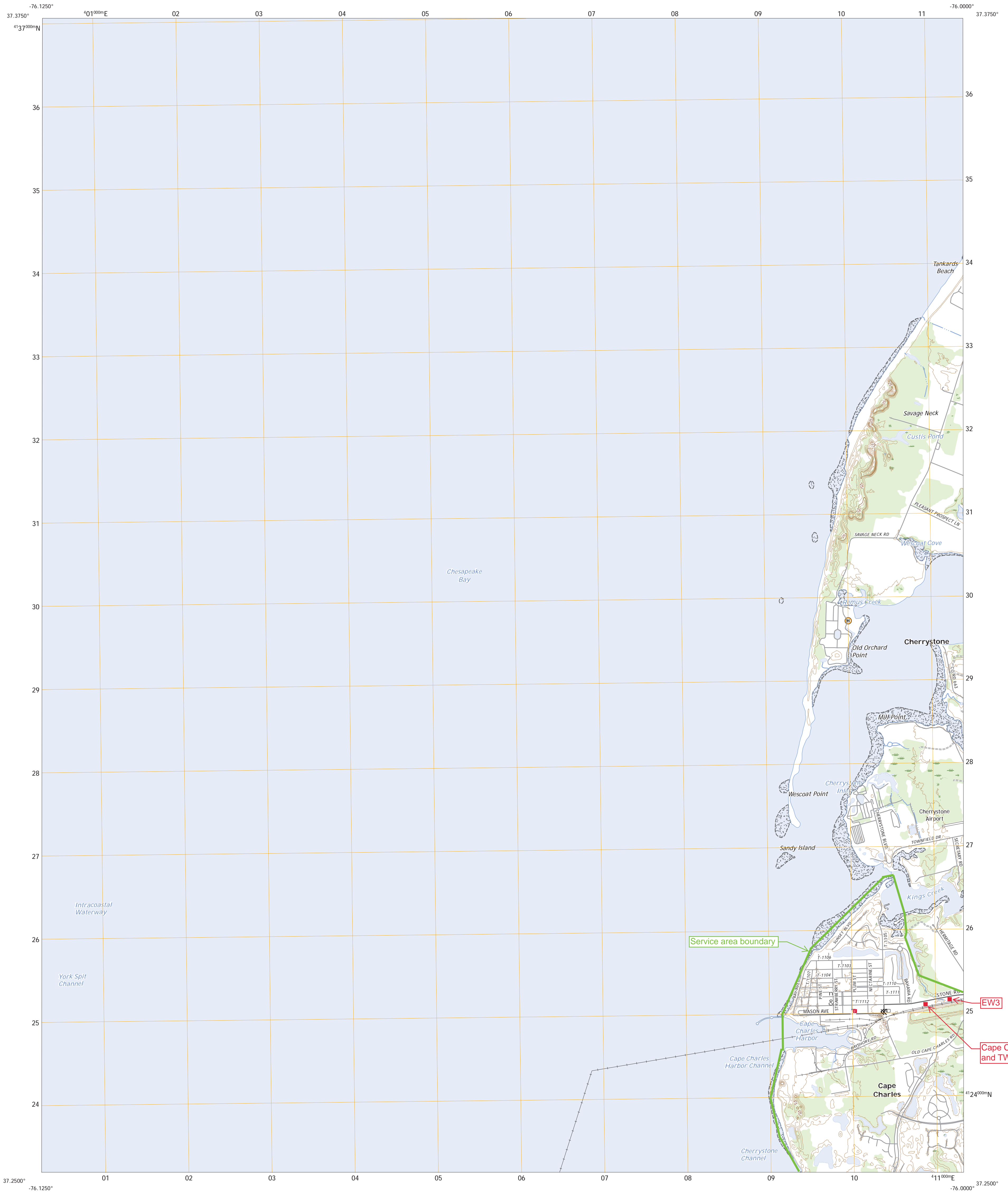
Section 12: Well Locations



U.S. DEPARTMENT OF THE INTERIOR  
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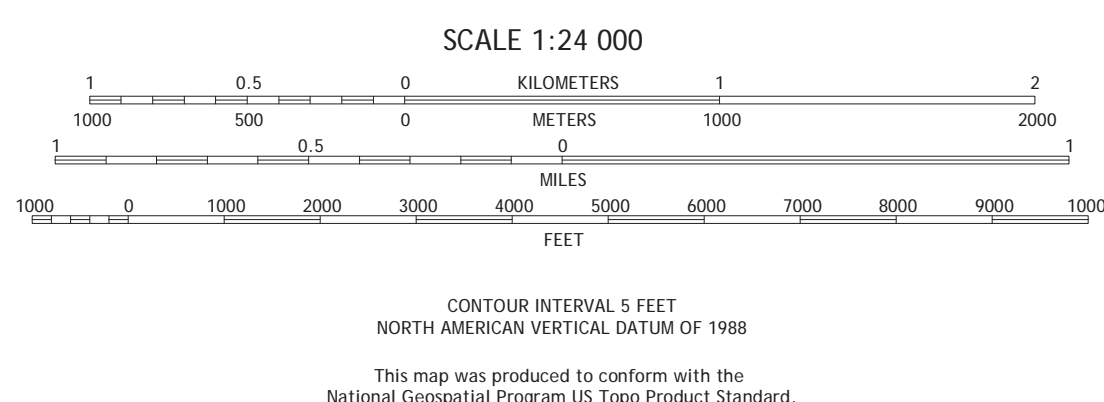
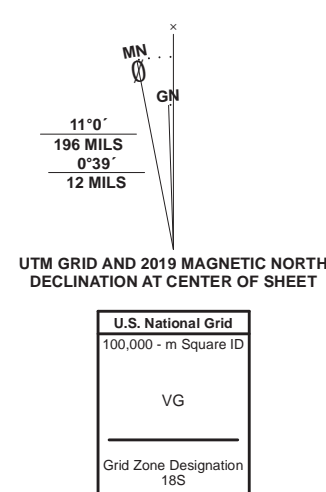


CAPE CHARLES QUADRANGLE  
VIRGINIA - NORTHAMPTON COUNTY  
7.5-MINUTE SERIES



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Imagery.....NAP, October 2018 - October 2018  
Roads.....U.S. Census Bureau, 2016  
Names.....GNIS, 1979 - 2021  
Hydrography.....National Hydrography Dataset, 2005 - 2021  
Contours.....National Elevation Dataset, 2017  
Boundaries.....Multiple sources; see metadata file 2019 - 2021  
Wetlands.....FWS National Wetlands Inventory 1994 - 2000



QUADRANGLE LOCATION

1	2	3
4	5	6
7	8	9

ADJOINING QUADRANGLES

- 1 Bethel Beach
- 2 West of Franktown
- 3 Franktown
- 4 East of New Point Comfort
- 5 Cheston
- 6 East of Popoquin East
- 7 Elliotts Creek
- 8 Townsend

ROAD CLASSIFICATION

Expressway	Local Connector
Secondary Hwy	Local Road
Ramp	4WD
Interstate Route	US Route
	State Route

CAPE CHARLES, VA  
2022

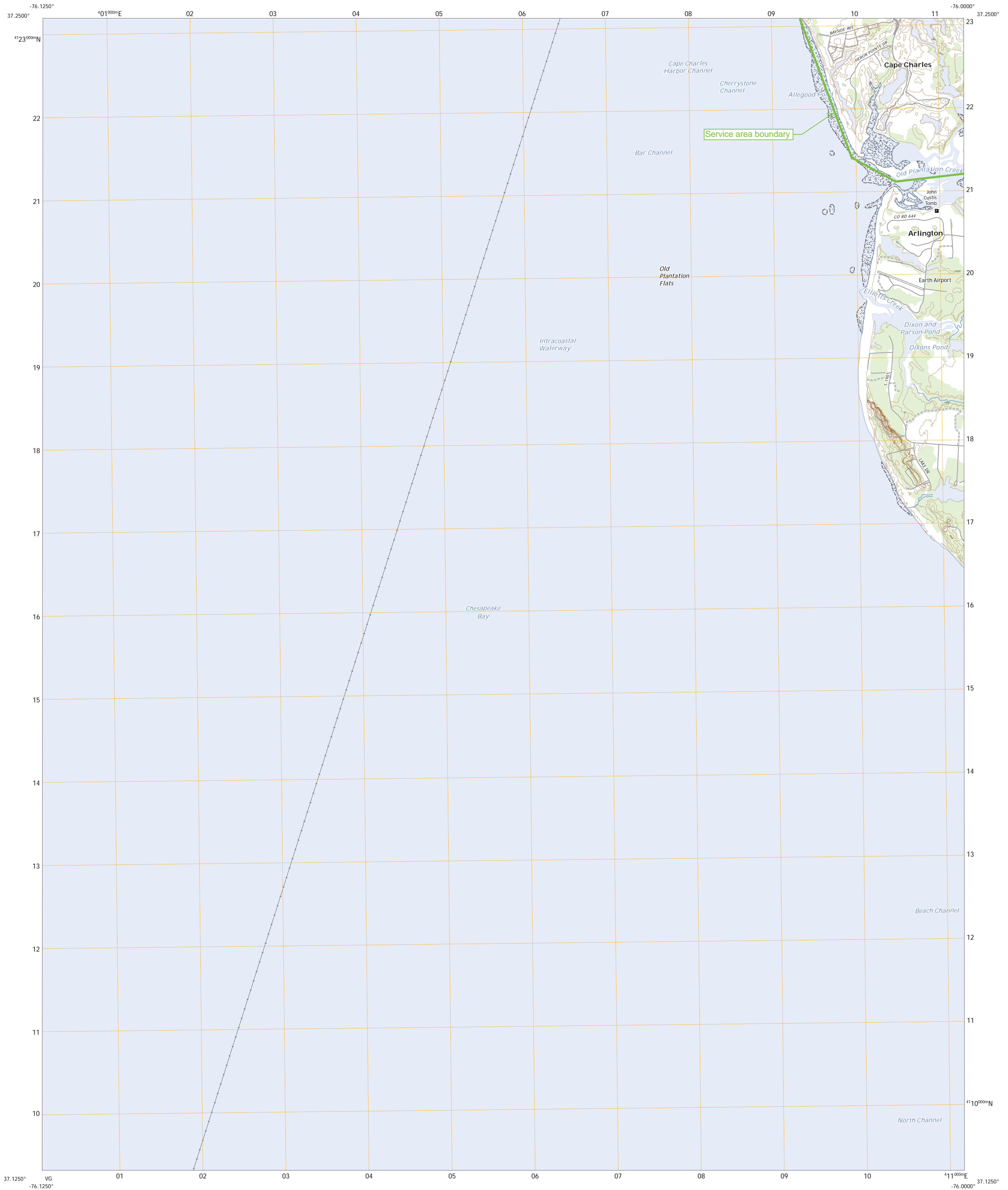




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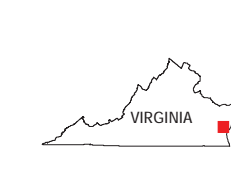
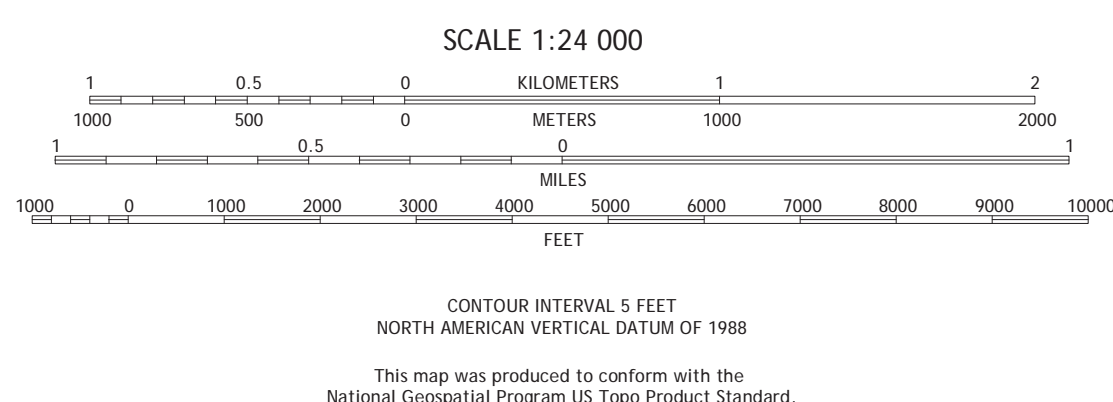
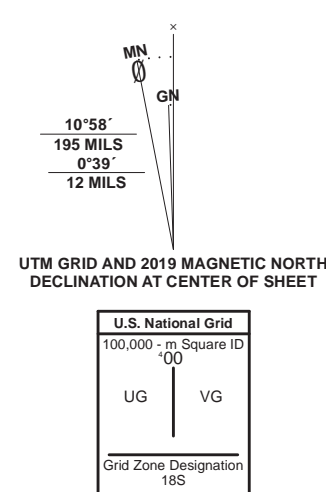


ELLIOTTS CREEK QUADRANGLE  
VIRGINIA - NORTHAMPTON COUNTY  
7.5-MINUTE SERIES



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Contours.....National Elevation Dataset, 2017  
Boundaries.....Multiple sources; see metadata file 2019 - 2021  
Wetlands.....FWS National Wetlands Inventory 1994 - 2009



QUADRANGLE LOCATION

1	2	3
4	5	6
7	8	9

ADJOINING QUADRANGLES

- 1 East of New Point Comfort
- 2 Cape Charles
- 3 Cheriton
- 4 East of Pogonson East
- 5 Townsend
- 6 East of Hampton
- 7 Chesapeake Channel
- 8 Fishermans Island

ROAD CLASSIFICATION

Expressway	Local Connector
Secondary Hwy	Local Road
Ramp	4WD
Interstate Route	US Route
	State Route

ELLIOTTS CREEK, VA  
2022

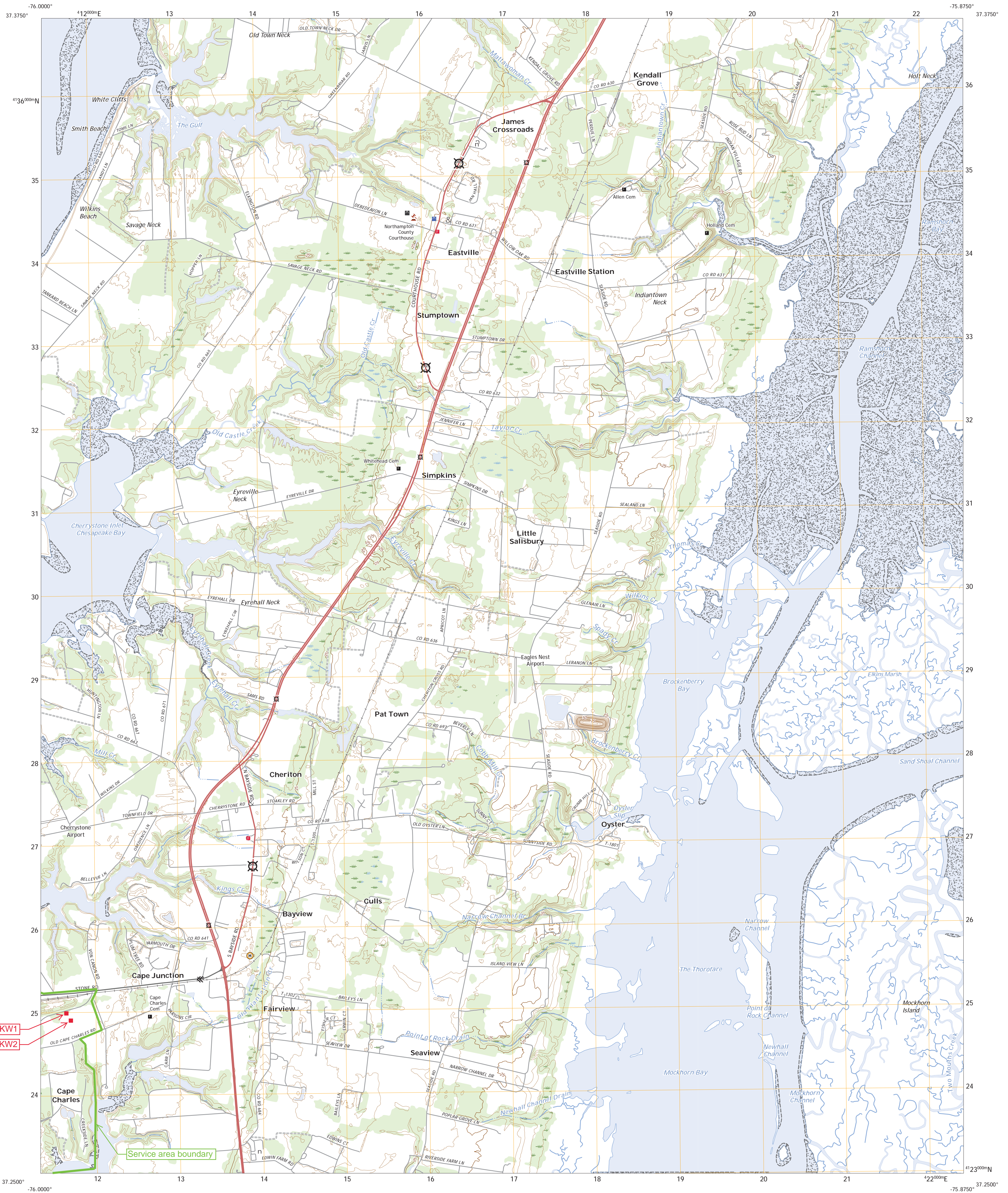




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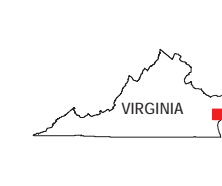
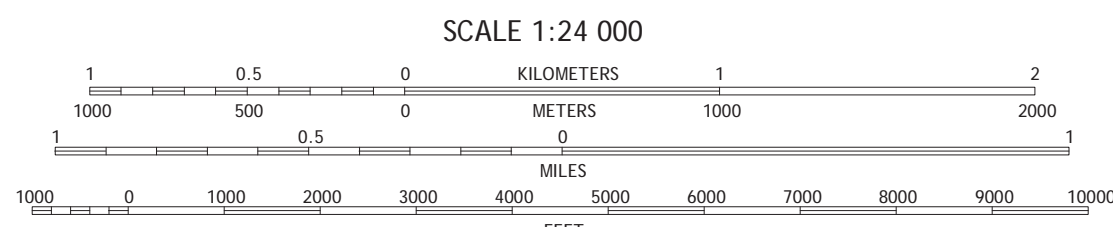
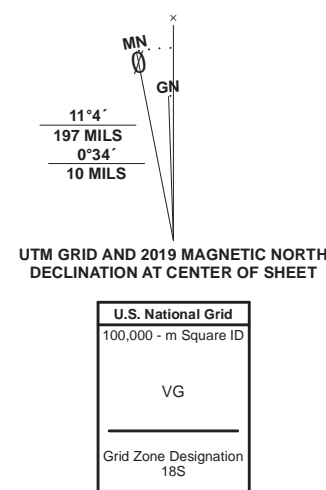


CHERITON QUADRANGLE  
VIRGINIA - NORTHAMPTON COUNTY  
7.5-MINUTE SERIES



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Contours:.....National Elevation Dataset, 2017  
Boundaries:.....Multiple sources; see metadata file 2019 - 2021  
Wetlands:.....FWS National Wetlands Inventory 1994 - 2000



QUADRANGLE LOCATION

1	2	3
4	5	6
7	8	9

ADJOINING QUADRANGLES

ROAD CLASSIFICATION

Expressway	Local Connector
Secondary Hwy	Local Road
Ramp	4WD
Interstate Route	US Route
	State Route

CHERITON, VA  
2022

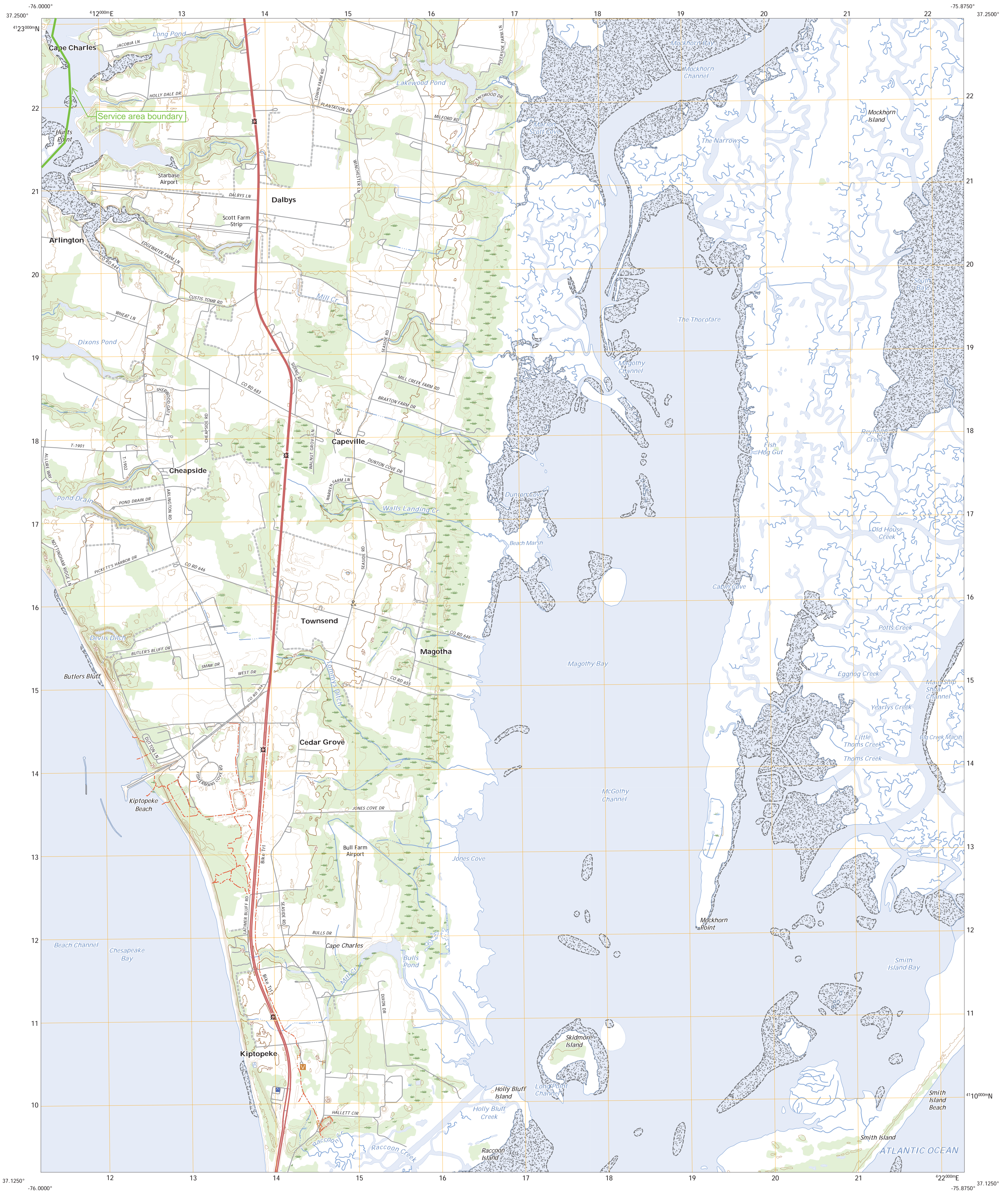




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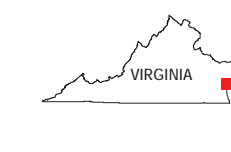
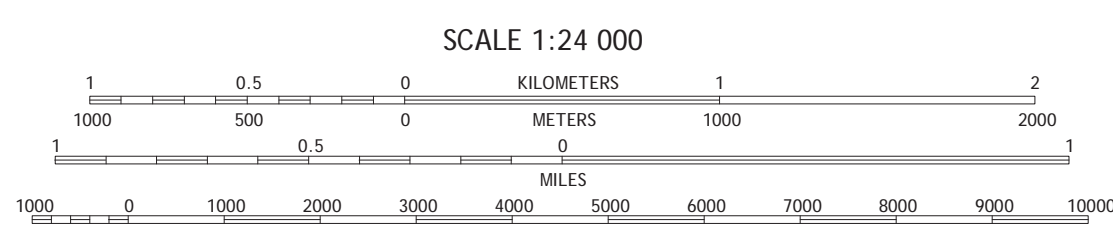
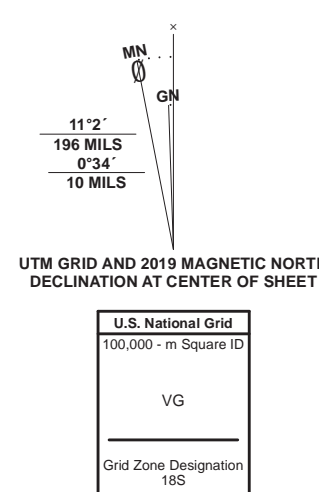


TOWNSEND QUADRANGLE  
VIRGINIA - NORTHAMPTON COUNTY  
7.5-MINUTE SERIES



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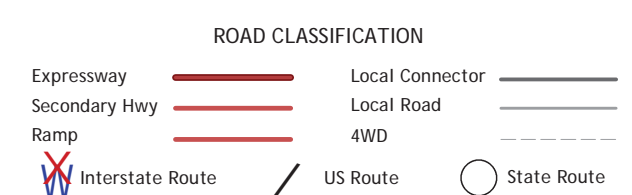
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Boundaries:.....Multiple sources; see metadata file 2019 - 2021  
Wetlands:.....FWS National Wetlands Inventory 1994 - 2009



QUADRANGLE LOCATION

1	2	3
4	5	6
7		

ADJOINING QUADRANGLES



TOWNSEND, VA  
2022







WTP & TW1

Randolph Ave.

EW3

Hermitage Rd.

Rt 184 Stone Rd.

KW1

KW2

Active Raw Water Well Locations

### Schedule 3.14

#### List of Notices of Default, Breach or, Violations of Laws, Permits, Order, Ordinances, Rules, and Regulations

None regarding water treatment facility and distribution system.

Regarding the wastewater treatment facility, there are no defaults to report, and there are three outstanding notices of violation from the Virginia Department of Environmental Quality. Below is a list of Notices of Violation received from DEQ regarding the wastewater treatment facility. The three items shown in bolded text are the three outstanding notice of violation:

NOV No. W2021-11-T-0001; November 15, 2021  
Town of Cape Charles WWTP  
VPDES Permit or Registration No. VA0021288  
Enforcement action and corrective actions complete

**NOV No. W2022-08-T-0001; August 19, 2022**  
**Town of Cape Charles WWTP**  
**VPDES Permit or Registration No. VA0021288**  
**Enforcement action and corrective actions pending**

**NOV No. W2022-09-T-0005; September 12, 2022**  
**Town of Cape Charles WWTP**  
**VPDES Permit or Registration No. VA0021288**  
**Enforcement action and corrective actions pending**

NOV No. W2022-09-T-0008; September 29, 2022  
Town of Cape Charles WWTP  
VPDES Permit or Registration No. VAN050001  
Enforcement action taken and penalties paid

**NOV No. W2022-11-T-0001; November 9, 2022**  
**Town of Cape Charles WWTP**  
**VPDES Permit or Registration No. VA0021288**  
**Enforcement action and corrective actions pending**

If Seller receives notice of any additional defaults, breaches or violations, Seller will supplement this schedule.

**Schedule 3.15**  
**Financial Statements**

See **Schedule 3.15 Attachment**, which consists of Seller's audited financial statement as of June 30, 2021 and the unaudited budget and balance sheets as of June 30, 2022.

**MUNICIPAL CORPORATION OF CAPE CHARLES, VIRGINIA**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2021**

MUNICIPAL CORPORATION OF CAPE CHARLES, VIRGINIA

ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

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MUNICIPAL CORPORATION OF CAPE CHARLES, VIRGINIA

ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

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MUNICIPAL CORPORATION OF CAPE CHARLES, VIRGINIA

ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

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**Independent Auditors' Report**

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To the Honorable Members of the Municipal Corp. Council  
Municipal Corporation of Cape Charles  
Cape Charles, Virginia

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Municipal Corporation of Cape Charles, Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Municipal Corporation's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Municipal Corporation of Cape Charles, Virginia, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-8, 55, and 56-62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Municipal Corporation of Cape Charles, Virginia's basic financial statements. The supporting schedules and other statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The supporting schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supporting schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The other statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2022, on our consideration of Municipal Corporation of Cape Charles, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Municipal Corporation of Cape Charles, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Municipal Corporation of Cape Charles, Virginia's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "D. F. Clark", followed by a long horizontal line extending to the right.

Richmond, Virginia  
March 18, 2022

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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To the Honorable Members of the Town Council  
To the Citizens of the Municipal Corporation of Cape Charles  
Cape Charles, Virginia

As management of Municipal Corporation of Cape Charles, Virginia (the "Town") we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. Please read it in conjunction with the Town's basic financial statements, which follow this section.

### Financial Highlights

#### Government-wide Financial Statements

< The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$30,439,954 (net position).

#### Fund Financial Statements

The General Fund, on a current financial resource basis, reported revenues and other financing sources in excess of expenditures and other uses by \$879,104 (Exhibit 5).

< As of the close of the current fiscal year, the Town's general fund reported an ending fund balance of \$2,156,754, an increase of \$879,104 in comparison with the prior year.

< The combined long-term obligations decreased \$526,051 during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner like a private-sector business.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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### Overview of the Financial Statements (Continued)

#### Government-wide financial statements (Continued)

The statement of net position presents information on all the Town's assets and deferred outflows and liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, police protection, cultural events, recreation, and community development.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Municipal Corporation of Cape Charles, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town has one major governmental fund - the General Fund.

Proprietary funds - Proprietary funds consist of enterprise funds. Enterprise funds are established to account for the delivery of goods and services to the general public and use the accrual basis of accounting, similar to private sector business.

The Water and Sewer Fund provides a centralized source for water/sewer services. The Harbor Fund provides docking facilities and fuel sales for harbor customers. The Sanitation Fund provides refuse collection services.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**Overview of the Financial Statements (Continued)**

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and the schedules related to pension funding. Other supplementary information consists of detailed budgetary schedules and statistical information.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$30,439,954 at the close of the most recent fiscal year. The following table summarizes the Town's Statement of Net Position:

Municipal Corporation of Cape Charles, Virginia's Net Position

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 3,011,986	\$ 2,130,569	\$ 3,399,036	\$ 2,574,294	\$ 6,411,022	\$ 4,704,863
Capital assets	5,670,565	5,856,788	26,036,033	26,757,681	31,706,598	32,614,469
<b>Total assets</b>	<b>\$ 8,682,551</b>	<b>\$ 7,987,357</b>	<b>\$ 29,435,069</b>	<b>\$ 29,331,975</b>	<b>\$ 38,117,620</b>	<b>\$ 37,319,332</b>
Deferred outflows of resources:						
Pension related items	\$ 201,802	\$ 92,777	\$ 67,267	\$ 49,958	\$ 269,069	\$ 142,735
OPEB related items	23,025	17,499	7,675	9,422	30,700	26,921
<b>Total deferred outflows of resources</b>	<b>\$ 224,827</b>	<b>\$ 110,276</b>	<b>\$ 74,942</b>	<b>\$ 59,380</b>	<b>\$ 299,769</b>	<b>\$ 169,656</b>
Current liabilities	\$ 686,410	\$ 518,275	\$ 482,003	\$ 506,940	\$ 1,168,413	\$ 1,025,215
Long-term liabilities outstanding	1,115,814	1,146,606	5,627,888	6,123,147	6,743,702	7,269,753
<b>Total liabilities</b>	<b>\$ 1,802,224</b>	<b>\$ 1,664,881</b>	<b>\$ 6,109,891</b>	<b>\$ 6,630,087</b>	<b>\$ 7,912,115</b>	<b>\$ 8,294,968</b>
Deferred inflows of resources:						
Deferred revenue - prepaid taxes	\$ 11,317	\$ 5,046	\$ -	\$ -	\$ 11,317	\$ 5,046
Pension related items	37,366	94,014	12,456	50,624	49,822	144,638
OPEB related items	3,136	5,234	1,045	2,818	4,181	8,052
<b>Total deferred inflows of resources</b>	<b>\$ 51,819</b>	<b>\$ 104,294</b>	<b>\$ 13,501</b>	<b>\$ 53,442</b>	<b>\$ 65,320</b>	<b>\$ 157,736</b>
Net position:						
Net investment in capital assets	\$ 4,745,696	\$ 4,872,289	\$ 20,479,589	\$ 20,720,447	\$ 25,225,285	\$ 25,592,736
Restricted:						
Debt covenants	-	-	257,584	257,582	257,584	257,582
Net pension asset	106,804	250,753	35,602	135,021	142,406	385,774
Unrestricted	2,200,835	1,185,178	2,613,844	1,594,776	4,814,679	2,779,954
<b>Total net position</b>	<b>\$ 7,053,335</b>	<b>\$ 6,308,220</b>	<b>\$ 23,386,619</b>	<b>\$ 22,707,826</b>	<b>\$ 30,439,954</b>	<b>\$ 29,016,046</b>

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**Government-wide Financial Analysis (Continued)**

During the current fiscal year, the Town's net position increased by \$1,423,908. The following table summarizes the Town's Statement of Activities:

Municipal Corporation of Cape Charles, Virginia's Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 309,082	\$ 174,248	\$ 2,947,092	\$ 2,506,288	\$ 3,256,174	\$ 2,680,536
Operating grants and contributions	781,367	46,675	-	814	781,367	47,489
Capital grants and contributions	226,195	2,042	10,586	251,397	236,781	253,439
General revenues:						
General property taxes	1,510,056	1,379,090	-	-	1,510,056	1,379,090
Other local taxes	1,218,900	877,759	-	-	1,218,900	877,759
Grants and other contributions not restricted	70,132	74,508	-	-	70,132	74,508
Other general revenues	37,426	65,996	673,498	292,854	710,924	358,850
Gain on disposal of capital assets	-	85,100	-	-	-	85,100
Total revenues	<u>\$ 4,153,158</u>	<u>\$ 2,705,418</u>	<u>\$ 3,631,176</u>	<u>\$ 3,051,353</u>	<u>\$ 7,784,334</u>	<u>\$ 5,756,771</u>
Expenses:						
General government administration	\$ 1,561,687	\$ 1,060,616	\$ -	\$ -	\$ 1,561,687	\$ 1,060,616
Public safety	658,500	552,590	-	-	658,500	552,590
Public works	552,730	568,051	-	-	552,730	568,051
Parks, recreation, and cultural	373,047	389,251	-	-	373,047	389,251
Community development	121,252	61,464	-	-	121,252	61,464
Interest and other fiscal charges	25,278	29,333	-	-	25,278	29,333
Enterprise funds	-	-	3,067,932	2,863,923	3,067,932	2,863,923
Total expenses	<u>\$ 3,292,494</u>	<u>\$ 2,661,305</u>	<u>\$ 3,067,932</u>	<u>\$ 2,863,923</u>	<u>\$ 6,360,426</u>	<u>\$ 5,525,228</u>
Transfers	<u>\$ (115,549)</u>	<u>\$ (2,328,870)</u>	<u>\$ 115,549</u>	<u>\$ 2,328,870</u>	<u>\$ -</u>	<u>\$ -</u>
Change in net position	\$ 745,115	\$ (2,284,757)	\$ 678,793	\$ 2,516,300	\$ 1,423,908	\$ 231,543
Beginning of year	6,308,220	8,592,977	22,707,826	20,191,526	29,016,046	28,784,503
End of year	<u>\$ 7,053,335</u>	<u>\$ 6,308,220</u>	<u>\$ 23,386,619</u>	<u>\$ 22,707,826</u>	<u>\$ 30,439,954</u>	<u>\$ 29,016,046</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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### Financial Analysis of the Town's Funds

As noted earlier, the Town used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental fund reported a fund balance of \$2,156,754, an increase of \$879,104 in comparison with the prior year. \$2,135,687 of June 30, 2021 fund balance was unassigned.

Proprietary Funds - The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the end of the year amounted to \$2,613,844. Total net position increased \$678,790.

### General Fund Budgetary Highlights

During the year, actual revenues and other sources were more than budgetary estimates by \$29,822. Actual expenditures and other uses were less than budgetary estimates by \$1,073,780, resulting in a positive variance of \$1,103,602.

### Capital Asset and Debt Administration

Capital assets - The Town's investment in capital assets for its governmental activities and business type activities as of June 30, 2021 amounts to \$5,670,565 and \$26,036,033, respectively (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

Additional information on the Town's capital assets can be found in Note 5 of this report.

Long-term debt - At the end of the current fiscal year, the Town had total long-term debt outstanding of \$6,481,313. Of this amount, \$6,382,908 comprises debt backed by the full faith and credit of the Town. The remainder of the Town's debt represents amounts secured solely by specific property (notes payable).

During the current fiscal year, the Town's total debt outstanding decreased by \$540,420.

Additional information on the Town's long-term debt can be found in Note 6 of this report.

### Next Year's Budgets

The fiscal year 2022 budget increased by approximately 23%.

### Requests for Information

This financial report is designed to provide a general overview of the Municipal Corporation of Cape Charles, Virginia's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager, 2 Plum Street, Cape Charles, Virginia 23310.

Municipal Corporation of Cape Charles, Virginia  
Statement of Net Position  
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,277,546	\$ 1,024,154	\$ 3,301,700
Investments	334,940	104,225	439,165
Receivables (net of allowance for uncollectibles):			
Taxes receivable	69,668	-	69,668
Accounts receivable	159,274	323,787	483,061
Other receivable	-	185	185
Due from other governmental units	42,687	-	42,687
Inventories	-	9,166	9,166
Prepaid items	21,067	3,876	24,943
Net pension asset	106,804	35,602	142,406
Restricted assets:			
Cash and cash equivalents - facility fees	-	1,640,457	1,640,457
Investments - bond reserve	-	257,584	257,584
Capital assets (net of accumulated depreciation):			
Land and land improvements	2,165,460	-	2,165,460
Buildings and improvements	821,349	130,302	951,651
Improvements other than buildings	-	5,076,372	5,076,372
Water and sewer system	-	20,680,912	20,680,912
Machinery and equipment	191,511	135,790	327,301
Infrastructure	2,492,245	-	2,492,245
Construction in progress	-	12,657	12,657
Total assets	<u>\$ 8,682,551</u>	<u>\$ 29,435,069</u>	<u>\$ 38,117,620</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	\$ 201,802	\$ 67,267	\$ 269,069
OPEB related items	23,025	7,675	30,700
Total deferred outflows of resources	<u>\$ 224,827</u>	<u>\$ 74,942</u>	<u>\$ 299,769</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 71,316	\$ 191,135	\$ 262,451
Accrued liabilities	77,612	22,509	100,121
Customers' deposits	-	13,153	13,153
Accrued interest payable	8,867	33,957	42,824
Unearned revenue	528,615	221,249	749,864
Long-term liabilities:			
Due within one year	131,927	490,927	622,854
Due in more than one year	983,887	5,136,961	6,120,848
Total liabilities	<u>\$ 1,802,224</u>	<u>\$ 6,109,891</u>	<u>\$ 7,912,115</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	\$ 37,366	\$ 12,456	\$ 49,822
OPEB related items	3,136	1,045	4,181
Deferred revenue - property taxes	11,317	-	11,317
Total deferred inflows of resources	<u>\$ 51,819</u>	<u>\$ 13,501</u>	<u>\$ 65,320</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 4,745,696	\$ 20,479,589	\$ 25,225,285
Restricted:			
Debt service and bond covenants	-	257,584	257,584
Net pension asset	106,804	35,602	142,406
Unrestricted	2,200,835	2,613,844	4,814,679
Total net position	<u>\$ 7,053,335</u>	<u>\$ 23,386,619</u>	<u>\$ 30,439,954</u>

The notes to the financial statements are an integral part of this statement.



Municipal Corporation of Cape Charles, Virginia  
 Statement of Activities  
 For the Year Ended June 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Capital Grants and Contributions			
<b>PRIMARY GOVERNMENT:</b>							
Governmental activities:							
General government administration	\$ 1,561,687	\$ 5	\$ 683,265	\$ -	\$ (878,417)	\$ -	\$ (878,417)
Public safety	658,500	304,032	71,957	-	(282,511)	-	(282,511)
Public works	552,730	-	11,943	226,195	(314,592)	-	(314,592)
Parks, recreation, and cultural	373,047	5,045	14,202	-	(353,800)	-	(353,800)
Community development	121,252	-	-	-	(121,252)	-	(121,252)
Interest on long-term debt	25,278	-	-	-	(25,278)	-	(25,278)
Total governmental activities	\$ 3,292,494	\$ 309,082	\$ 781,367	\$ 226,195	\$ (1,975,850)	\$ -	\$ (1,975,850)
Business-type activities:							
Water and Sewer Harbor	\$ 1,789,060	\$ 1,698,977	\$ -	\$ -	\$ (90,083)	\$ -	\$ (90,083)
Sanitation	1,050,715	1,045,163	-	10,586	-	5,034	5,034
Total business-type activities	\$ 3,067,932	\$ 2,947,092	\$ -	\$ 10,586	\$ (110,254)	\$ (110,254)	\$ (110,254)
Total primary government	\$ 6,360,426	\$ 3,256,174	\$ 781,367	\$ 236,781	\$ (1,975,850)	\$ (110,254)	\$ (2,086,104)
General revenues:							
General property taxes					\$ 1,510,056	\$ -	\$ 1,510,056
Restaurant food taxes					543,518	-	543,518
Business license taxes					209,124	-	209,124
Other local taxes					466,258	-	466,258
Unrestricted revenues from use of money and property					33,986	599	34,585
Miscellaneous					3,440	672,899	676,339
Grants and contributions not restricted to specific programs					70,132	-	70,132
Transfers					(115,549)	115,549	-
Total general revenues and transfers					\$ 2,720,965	\$ 789,047	\$ 3,510,012
Change in net position					\$ 745,115	\$ 678,793	\$ 1,423,908
Net position - beginning					6,308,220	22,707,826	29,016,046
Net position - ending					\$ 7,053,335	\$ 23,386,619	\$ 30,439,954

The notes to the financial statements are an integral part of this statement.

Municipal Corporation of Cape Charles, Virginia  
 Balance Sheet  
 Governmental Fund  
 June 30, 2021

---

	<u>General</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,277,546
Investments	334,940
Receivables:	
Taxes receivable	69,668
Accounts receivable	159,274
Due from other governmental units	42,687
Prepaid items	21,067
Total assets	<u>\$ 2,905,182</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 71,316
Accrued liabilities	77,612
Unearned revenue	528,615
Total liabilities	<u>\$ 677,543</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property taxes	<u>\$ 70,885</u>
<b>FUND BALANCE</b>	
Nonspendable:	
Prepaid items	\$ 21,067
Unassigned	2,135,687
Total fund balance	<u>\$ 2,156,754</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,905,182</u>

The notes to the financial statements are an integral part of this statement.

Municipal Corporation of Cape Charles, Virginia  
 Reconciliation of the Balance Sheet of Governmental Fund  
 to the Statement of Net Position  
 June 30, 2021

---

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balance per Exhibit 3 - Balance Sheet - Governmental Fund	\$	2,156,754
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	\$	10,352,366
Accumulated depreciation	(4,681,801)	5,670,565
The net pension asset is not an available resource and, therefore, is not reported in the funds.		
		106,804
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue.		
Unavailable property taxes		59,568
Deferred outflows of resources are not available to pay for current period expenditures, and therefore, are not reported in the funds.		
Pension related items	\$	201,802
OPEB related items	23,025	224,827
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
Bonds and notes payable	\$	(924,869)
Net OPEB liability	(91,369)	
Compensated absences	(99,576)	
Accrued interest payable	(8,867)	(1,124,681)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$	(37,366)
OPEB related items	(3,136)	(40,502)
Net position of governmental activities		\$ 7,053,335

The notes to the financial statements are an integral part of this statement.

Municipal Corporation of Cape Charles, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
For the Year Ended June 30, 2021

	<u>General</u>
<b>REVENUES</b>	
General property taxes	\$ 1,519,701
Other local taxes	1,218,900
Permits, privilege fees, and regulatory licenses	250,254
Fines and forfeitures	52,373
Revenue from the use of money and property	33,986
Charges for services	6,455
Miscellaneous	3,440
Recovered costs	85,994
Intergovernmental:	
Commonwealth	128,539
Federal	949,155
Total revenues	\$ 4,248,797
<b>EXPENDITURES</b>	
Current:	
General government administration	\$ 1,569,936
Public safety - police department	519,768
Public safety - code enforcement	133,415
Public works	585,624
Parks, recreation, and cultural	241,603
Community development	117,151
Debt service:	
Principal retirement	123,651
Interest and other fiscal charges	27,017
Total expenditures	\$ 3,318,165
Excess (deficiency) of revenues over (under) expenditures	\$ 930,632
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers out	\$ (115,549)
Issuance of note payable	64,021
Total other financing sources (uses)	\$ (51,528)
Net change in fund balance	\$ 879,104
Fund balance - beginning	1,277,650
Fund balance - ending	\$ 2,156,754

The notes to the financial statements are an integral part of this statement.

Municipal Corporation of Cape Charles, Virginia  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balance of Governmental Fund  
 to the Statement of Activities  
 For the Year Ended June 30, 2021

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental fund	\$	879,104
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded the depreciation expense in the current period.

Capital asset additions	\$	98,503	
Depreciation expense		<u>(284,726)</u>	(186,223)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Details of this item consist of changes in unavailable taxes.

Increase (decrease) in unavailable property taxes			(9,645)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. A summary of items supporting this adjustment is as follows:

Principal retirement on general obligation bonds	\$	94,384	
Principal retirement on notes payable		29,267	
Issuance of notes payable		<u>(64,021)</u>	59,630

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

The following is a summary of items supporting this adjustment:

Change in compensated absences	\$	(12,884)	
Change in OPEB related items		(8,330)	
Change in pension related items		21,724	
(Increase) decrease in accrued interest payable		<u>1,739</u>	2,249

Change in net position of governmental activities	\$	<u><u>745,115</u></u>
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The notes to the financial statements are an integral part of this statement.

Municipal Corporation of Cape Charles, Virginia  
Statement of Net Position  
Proprietary Funds  
June 30, 2021

	Water and <u>Sewer</u>	<u>Harbor</u>	<u>Sanitation</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 768,919	\$ -	\$ 255,235	\$ 1,024,154
Investments	104,225	-	-	104,225
Accounts receivable, net of allowance for uncollectibles	168,140	135,952	19,695	323,787
Other receivables	185	-	-	185
Inventories	-	9,166	-	9,166
Prepaid items	3,876	-	-	3,876
Total current assets	<u>\$ 1,045,345</u>	<u>\$ 145,118</u>	<u>\$ 274,930</u>	<u>\$ 1,465,393</u>
Noncurrent assets:				
Net pension asset	\$ 35,602	\$ -	\$ -	\$ 35,602
Restricted assets:				
Cash and cash equivalents - facility fees	\$ 1,640,457	\$ -	\$ -	\$ 1,640,457
Investments - bond reserve	257,584	-	-	257,584
Total restricted assets	<u>\$ 1,898,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,898,041</u>
Capital assets (net of accumulated depreciation):				
Water and sewer system	\$ 20,680,912	\$ -	\$ -	\$ 20,680,912
Buildings and improvements	-	130,302	-	130,302
Improvements other than buildings	-	5,076,372	-	5,076,372
Machinery and equipment	125,879	2,797	7,114	135,790
Construction in progress	12,657	-	-	12,657
Total capital assets	<u>\$ 20,819,448</u>	<u>\$ 5,209,471</u>	<u>\$ 7,114</u>	<u>\$ 26,036,033</u>
Total noncurrent assets	<u>\$ 22,753,091</u>	<u>\$ 5,209,471</u>	<u>\$ 7,114</u>	<u>\$ 27,969,676</u>
Total assets	<u>\$ 23,798,436</u>	<u>\$ 5,354,589</u>	<u>\$ 282,044</u>	<u>\$ 29,435,069</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 67,267	\$ -	\$ -	\$ 67,267
OPEB related items	7,675	-	-	7,675
Total deferred outflows of resources	<u>\$ 74,942</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,942</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 85,786	\$ 69,382	\$ 35,967	\$ 191,135
Accrued liabilities	21,840	669	-	22,509
Interest payable	24,556	9,401	-	33,957
Unearned revenue	221,249	-	-	221,249
Customer deposits payable	13,153	-	-	13,153
Bonds payable - current portion	408,135	78,693	-	486,828
Compensated absences - current portion	4,099	-	-	4,099
Total current liabilities	<u>\$ 778,818</u>	<u>\$ 158,145</u>	<u>\$ 35,967</u>	<u>\$ 972,930</u>
Noncurrent liabilities:				
Bonds payable - net of current portion	\$ 4,426,724	\$ 642,892	\$ -	\$ 5,069,616
Compensated absences - net of current portion	36,889	-	-	36,889
Net OPEB liability	30,456	-	-	30,456
Total noncurrent liabilities	<u>\$ 4,494,069</u>	<u>\$ 642,892</u>	<u>\$ -</u>	<u>\$ 5,136,961</u>
Total liabilities	<u>\$ 5,272,887</u>	<u>\$ 801,037</u>	<u>\$ 35,967</u>	<u>\$ 6,109,891</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	\$ 12,456	\$ -	\$ -	\$ 12,456
OPEB related items	1,045	-	-	1,045
Total deferred inflows of resources	<u>\$ 13,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,501</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 15,984,589	\$ 4,487,886	\$ 7,114	\$ 20,479,589
Restricted for debt service and bond covenants	257,584	-	-	257,584
Restricted for net pension asset	35,602	-	-	35,602
Unrestricted	2,309,215	65,666	238,963	2,613,844
Total net position	<u>\$ 18,586,990</u>	<u>\$ 4,553,552</u>	<u>\$ 246,077</u>	<u>\$ 23,386,619</u>

The notes to the financial statements are an integral part of this statement.

Municipal Corporation of Cape Charles, Virginia  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2021

	<u>Water and Sewer</u>	<u>Harbor</u>	<u>Sanitation</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Charges for services:				
Water	\$ 602,084	\$ -	\$ -	\$ 602,084
Sewer	1,096,657	-	-	1,096,657
Harbor fees	-	497,883	-	497,883
Refuse collection	-	-	202,938	202,938
Fuel and oil sales	-	532,854	-	532,854
Penalties	236	-	14	250
Other revenues	-	14,426	-	14,426
Miscellaneous	890	-	-	890
Total operating revenues	<u>\$ 1,699,867</u>	<u>\$ 1,045,163</u>	<u>\$ 202,952</u>	<u>\$ 2,947,982</u>
<b>OPERATING EXPENSES</b>				
Personnel services	\$ 421,720	\$ 82,220	\$ -	\$ 503,940
Fringe benefits	133,546	53,234	-	186,780
Contractual services	86,148	187,195	213,268	486,611
Other supplies and expenses	410,982	473,493	12,518	896,993
Depreciation	674,466	229,537	2,371	906,374
Total operating expenses	<u>\$ 1,726,862</u>	<u>\$ 1,025,679</u>	<u>\$ 228,157</u>	<u>\$ 2,980,698</u>
Operating income (loss)	<u>\$ (26,995)</u>	<u>\$ 19,484</u>	<u>\$ (25,205)</u>	<u>\$ (32,716)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	\$ 599	\$ -	\$ -	\$ 599
Connection fees	110,800	-	-	110,800
Facility fees	561,209	-	-	561,209
Interest and fiscal charges	(62,198)	(25,036)	-	(87,234)
Total nonoperating revenues (expenses)	<u>\$ 610,410</u>	<u>\$ (25,036)</u>	<u>\$ -</u>	<u>\$ 585,374</u>
Income (loss) before contributions and transfers in	<u>\$ 583,415</u>	<u>\$ (5,552)</u>	<u>\$ (25,205)</u>	<u>\$ 552,658</u>
Capital contributions and construction grants:				
Commonwealth	-	10,586	-	10,586
Transfers in	-	115,549	-	115,549
Change in net position	<u>\$ 583,415</u>	<u>\$ 120,583</u>	<u>\$ (25,205)</u>	<u>\$ 678,793</u>
Net position - beginning	18,003,575	4,432,969	271,282	22,707,826
Net position - ending	<u>\$ 18,586,990</u>	<u>\$ 4,553,552</u>	<u>\$ 246,077</u>	<u>\$ 23,386,619</u>

The notes to the financial statements are an integral part of this statement.

Municipal Corporation of Cape Charles, Virginia  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2021

	Water and Sewer	Harbor	Sanitation	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 1,679,954	\$ 905,973	\$ 200,836	\$ 2,786,763
Payments for operating expenses	(484,293)	(664,046)	(206,924)	(1,355,263)
Payments to employees	(547,480)	(113,792)	-	(661,272)
Net cash provided by (used for) operating activities	<u>\$ 648,181</u>	<u>\$ 128,135</u>	<u>\$ (6,088)</u>	<u>\$ 770,228</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	\$ -	\$ 115,549	\$ -	\$ 115,549
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	\$ (32,564)	\$ (152,162)	\$ -	\$ (184,726)
Principal payments on bonds	(404,835)	(75,955)	-	(480,790)
Connection fees	111,015	-	-	111,015
Facility fees	561,209	-	-	561,209
Capital grants	-	10,586	-	10,586
Interest payments	(64,742)	(26,653)	-	(91,395)
Net cash provided by (used for) capital and related financing activities	<u>\$ 170,083</u>	<u>\$ (244,184)</u>	<u>\$ -</u>	<u>\$ (74,101)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends received	\$ 438	\$ -	\$ -	\$ 438
Net increase (decrease) in cash and cash equivalents	<u>\$ 818,702</u>	<u>\$ (500)</u>	<u>\$ (6,088)</u>	<u>\$ 812,114</u>
Cash and cash equivalents - beginning, including restricted of \$1,078,911	1,590,674	500	261,323	1,852,497
Cash and cash equivalents - ending, including restricted of \$1,640,457	<u><u>\$ 2,409,376</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 255,235</u></u>	<u><u>\$ 2,664,611</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ (26,995)	\$ 19,484	\$ (25,205)	\$ (32,716)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	\$ 674,466	\$ 229,537	\$ 2,371	\$ 906,374
(Increase) decrease in accounts receivable	(21,719)	(86,796)	(2,116)	(110,631)
(Increase) decrease in deferred outflows of resources	(32,527)	16,966	-	(15,561)
Increase (decrease) in deferred inflows of resources	(24,672)	(15,269)	-	(39,941)
(Increase) decrease in net pension asset	60,842	38,577	-	99,419
Increase (decrease) in net OPEB liability	1,450	(11,602)	-	(10,152)
(Increase) decrease in inventories	-	2,623	-	2,623
(Increase) decrease in prepaid items	(3,876)	-	-	(3,876)
Increase (decrease) in customer deposits	1,807	-	-	1,807
Increase (decrease) in accounts payable	8,392	1,268	18,862	28,522
Increase (decrease) in unearned revenue	-	(52,394)	-	(52,394)
Increase (decrease) in accrued liabilities	8,320	(7,249)	-	1,071
Increase (decrease) in compensated absences	2,693	(7,010)	-	(4,317)
Total adjustments	<u>\$ 675,176</u>	<u>\$ 108,651</u>	<u>\$ 19,117</u>	<u>\$ 802,944</u>
Net cash provided by (used for) operating activities	<u><u>\$ 648,181</u></u>	<u><u>\$ 128,135</u></u>	<u><u>\$ (6,088)</u></u>	<u><u>\$ 770,228</u></u>

The notes to the financial statements are an integral part of this statement.



# MUNICIPAL CORPORATION OF CAPE CHARLES, VIRGINIA

Notes to Financial Statements  
June 30, 2021

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## Note 1 – Summary of Significant Accounting Policies:

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The Municipal Corporation of Cape Charles, Virginia (the "Municipal Corp.") is governed by an elected mayor and a six-member Council. The Municipal Corp. provides a full range of services for its citizens. These services include police protection, sanitation services, and utilities.

The financial statements of Municipal Corporation of Cape Charles, Virginia have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board (GASB). The more significant of the Municipal Corp.'s accounting policies are described below.

### Financial Statement

#### Government-wide and Fund Financial Statements

Government-wide Financial Statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display financial position of the primary government (governmental and business-type activities). Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Note 1 – Summary of Significant Accounting Policies: (Continued)**

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Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Budgetary Comparison Schedules** - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedules present the original budget, the final budget, and the actual activity of the major governmental funds.

**A. Financial Reporting Entity**

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the Municipal Corp. of Cape Charles (the primary government). Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

**B. Individual Component Unit Disclosures**

*Blended Component Units.* The Municipal Corp. has no blended component units at June 30, 2021.

*Discretely Presented Component Units.* - The Municipal Corp. has no discretely presented component units at June 30, 2021.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Note 1 – Summary of Significant Accounting Policies: (Continued)*

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**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utility and subsequently remitted to the Municipal Corp., are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the Municipal Corp.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

In the fund financial statements, financial transactions and accounts of the Municipal Corp. are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

*Note 1 – Summary of Significant Accounting Policies: (Continued)*

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**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed.

The General Fund is the primary operating fund of the Municipal Corp. This fund is used to account for and report all financial resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. The General Fund is considered a major fund for reporting purposes.

2. Proprietary Funds

Proprietary Funds account for operations that are financed in a manner similar to those found in private business enterprises. The measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

Enterprise Funds

Enterprise funds account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. Enterprise Funds consist of the Water and Sewer, Harbor, and Sanitation Funds.

**D. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Restricted cash consists of facility fees collected for future expansion of the water/sewer system.

**E. Investments**

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments (external investment pools) are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Restricted investments consist of reserve accounts established as required by Rural Development bond covenants.

**F. Prepaid Items**

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

*Note 1 – Summary of Significant Accounting Policies: (Continued)*

**G. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “due to/from other funds” (i.e. the current portions of the interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e. the noncurrent portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles. The Municipal Corp. calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance for uncollectible utility billing, sanitation billing and harbor billing amounted to \$81,954, \$11,293, and \$61,909, respectively, at June 30, 2021. The allowance for uncollectible property taxes was \$61,257 at June 30, 2021.

**Real and Personal Property Tax Data:**

The tax calendars for real and personal property taxes are summarized below.

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	December 5	December 5
Lien Date	January 1	January 1

The Municipal Corp. bills and collects its own property taxes. Property taxes are based upon the rate levied by Municipal Corp. Council multiplied by the taxable assessed value. The assessed value of real and personal property is determined for the Municipal Corp. by the Commissioner of Revenue of the County of Northampton.

**H. Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Municipal Corp. as land, buildings, and equipment with an initial individual cost of more than \$5,000 (with the exception of land values) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized for the fiscal year ended June 30, 2021.

*Note 1 – Summary of Significant Accounting Policies: (Continued)*

**H. Capital Assets (Continued)**

Property, plant and equipment, and infrastructure of the Municipal Corp. are depreciated using the straight-line method over the following estimated useful lives.

Assets	Years
Buildings and improvements	20-40
Improvements other than buildings	5-40
Machinery and equipment	3-20
Water/sewer system	15-50
Infrastructure	25

**I. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**J. Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**K. Net Position**

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

*Note 1 – Summary of Significant Accounting Policies: (Continued)*

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**K. Net Position (Continued)**

Sometimes the Municipal Corp. will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Municipal Corp.'s policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

**L. Pensions**

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Corp.'s Retirement Plan and the additions to/deductions from the Municipal Corp.'s Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**M. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI OPEB Plans and the additions to/deductions from the VRS OPEB Plans' fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**N. Long-term Obligations**

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities or business-type activities statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued and premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**O. Inventories**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of items for resale. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

*Note 1 – Summary of Significant Accounting Policies: (Continued)*

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**P. Fund Balance**

The following classifications of fund balance describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (Corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When fund balance resources are available for a specific purpose in more than one classification, it is the Municipal Corp.'s policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

Municipal Corp. Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Municipal Corp. Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

**Q. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Municipal Corp. has one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension asset and net OPEB liability and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension asset and net OPEB liability measurement date. For more detailed information on this item, reference the related notes.



*Note 1 – Summary of Significant Accounting Policies: (Continued)*

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**Q. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Municipal Corp. has two types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, and amount prepaid on next year's taxes and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on next year's taxes are reported as inflows of resources. In addition, certain items related to the measurement of the net pension asset and net OPEB liability are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

*Note 2 – Stewardship, Compliance, and Accounting:*

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The following procedures are used by the Municipal Corp. in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1<sup>st</sup>, the Town Manager submits to the Municipal Corp. Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Municipal Corp. Council or Municipal Corp. Manager.
5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30, for all Municipal Corp. units.

Expenditures and Appropriations

Expenditures did not exceed appropriations in any fund for the fiscal year ended June 30, 2021.

*Note 3 – Deposits and Investments:*

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**Deposits**

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

*Note 3 – Deposits and Investments: (Continued)*

**Investments**

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard and Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

**Credit Risk of Debt Securities**

The Municipal Corp.’s rated debt investments as of June 30, 2021 were rated by Standard and Poor’s and the ratings are presented below using the Standard and Poor’s rating scale. The Municipal Corp.’s investment policy has an emphasis on high credit quality and known marketability. The Municipal Corp.’s policy seeks to maximize the rate of return on investments while maintaining a low level of risk.

<u>Rated Debt Investments</u>	<u>Fair Quality Rating</u>
	<u>AAAm</u>
Local Government Investment Pool	\$ 435,506
Money Market Mutual Fund	261,243
Total	<u>\$ 696,749</u>

**Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Municipal Corp. categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Municipal Corp. maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources.

Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

*Note 3 – Deposits and Investments: (Continued)*

**Fair Value Measurement (Continued)**

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

The Municipal Corp. has the following recurring fair value measurements as of June 30, 2021:

Investment type	Balance June 30, 2021	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Money market mutual fund:</b>				
U.S. Government Obligations	\$ 261,243	\$ 261,243	\$ -	\$ -
	\$ 261,243	\$ 261,243	\$ -	\$ -

**External Investment Pools**

The fair value of the position in the external investment pool (Local Government Investment Pool) is the same as the value of the pool shares. As LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

*Note 4 – Due from Other Governments:*

At June 30, 2021, the Municipal Corp. has receivables from other governments as follows:

	<u>Governmental Activities</u>
Other Local Governments:	
County of Northampton	\$ 17,508
Commonwealth of Virginia:	
Communications tax	5,413
Federal Government:	
CDBG	19,766
Total due from other governments	<u>\$ 42,687</u>

Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

**Note 5 – Capital Assets:**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2021:

Governmental Activities:	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
Capital assets not subject to depreciation:				
Construction in progress	\$ 92,247	\$ -	\$ 92,247	\$ -
Land and land improvements	<u>2,165,460</u>	<u>-</u>	<u>-</u>	<u>2,165,460</u>
Total capital assets not subject to depreciation	<u>\$ 2,257,707</u>	<u>\$ -</u>	<u>\$ 92,247</u>	<u>\$ 2,165,460</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 3,562,808	\$ 6,528	\$ -	\$ 3,569,336
Machinery and equipment	1,466,003	91,975	-	1,557,978
Infrastructure	<u>2,967,345</u>	<u>92,247</u>	<u>-</u>	<u>3,059,592</u>
Total capital assets subject to depreciation	<u>\$ 7,996,156</u>	<u>\$ 190,750</u>	<u>\$ -</u>	<u>\$ 8,186,906</u>
Accumulated depreciation:				
Buildings and improvements	\$ 2,672,498	\$ 75,489	\$ -	\$ 2,747,987
Machinery and equipment	1,279,329	87,138	-	1,366,467
Infrastructure	<u>445,248</u>	<u>122,099</u>	<u>-</u>	<u>567,347</u>
Total accumulated depreciation	<u>\$ 4,397,075</u>	<u>\$ 284,726</u>	<u>\$ -</u>	<u>\$ 4,681,801</u>
Total capital assets subject to depreciation, net	<u>\$ 3,599,081</u>	<u>\$ (93,976)</u>	<u>\$ -</u>	<u>\$ 3,505,105</u>
Governmental activities capital assets, net	<u>\$ 5,856,788</u>	<u>\$ (93,976)</u>	<u>\$ 92,247</u>	<u>\$ 5,670,565</u>

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Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

*Note 5 – Capital Assets: (Continued)*

Business-type Activities:	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
Capital assets not subject to depreciation:				
Construction in progress	\$ 20,594	\$ -	\$ 7,937	\$ 12,657
Capital assets subject to depreciation:				
Water and sewer system	\$ 30,250,983	\$ 32,564	\$ -	\$ 30,283,547
Buildings and improvements	755,670	-	-	755,670
Improvements other than buildings	8,152,694	160,099	-	8,312,793
Machinery and equipment	956,130	-	-	956,130
 Total capital assets subject to depreciation	 \$ 40,115,477	 \$ 192,663	 \$ -	 \$ 40,308,140
Accumulated depreciation:				
Water and sewer system	\$ 8,965,421	\$ 637,214	\$ -	\$ 9,602,635
Buildings and improvements	592,793	32,575	-	625,368
Improvements other than buildings	3,053,460	182,961	-	3,236,421
Machinery and equipment	766,716	53,624	-	820,340
 Total accumulated depreciation	 \$ 13,378,390	 \$ 906,374	 \$ -	 \$ 14,284,764
 Total capital assets subject to depreciation, net	 \$ 26,737,087	 \$ (713,711)	 \$ -	 \$ 26,023,376
Business-type activities capital assets, net	<u>\$ 26,757,681</u>	<u>\$ (713,711)</u>	<u>\$ 7,937</u>	<u>\$ 26,036,033</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$ 65,520
Public safety	12,091
Public works	54,809
Parks, recreation and cultural	152,306
 Total governmental activities	 \$ 284,726

Business-type activities:

Water and Sewer	\$ 674,466
Harbor	229,537
Sanitation	2,371
 Total business-type activities	 \$ 906,374

Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

*Note 6 – Long-term Obligations:*

The following is a summary of long-term obligation transactions of the Municipal Corp. for the year ended June 30, 2021:

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 86,692	\$ 21,553	\$ 8,669	\$ 99,576	\$ 9,958
Net OPEB liability	75,415	37,383	21,429	91,369	-
Direct borrowings and placements:					
General obligation bonds	920,848	-	94,384	826,464	97,346
Notes payable	<u>63,651</u>	<u>64,021</u>	<u>29,267</u>	<u>98,405</u>	<u>24,623</u>
Total obligations from governmental activities	<u>\$ 1,146,606</u>	<u>\$ 122,957</u>	<u>\$ 153,749</u>	<u>\$ 1,115,814</u>	<u>\$ 131,927</u>
Business-type activities:					
Compensated absences	\$ 45,305	\$ 6,523	\$ 10,840	\$ 40,988	\$ 4,099
Net OPEB liability	40,608	10,036	20,188	30,456	-
Direct borrowings and placements:					
General obligation bonds	<u>6,037,234</u>	<u>-</u>	<u>480,790</u>	<u>5,556,444</u>	<u>486,828</u>
Total obligations from business-type activities	<u>\$ 6,123,147</u>	<u>\$ 16,559</u>	<u>\$ 511,818</u>	<u>\$ 5,627,888</u>	<u>\$ 490,927</u>
Total long-term obligations	<u>\$ 7,269,753</u>	<u>\$ 139,516</u>	<u>\$ 665,567</u>	<u>\$ 6,743,702</u>	<u>\$ 622,854</u>

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Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

*Note 6 – Long-term Obligations: (Continued)*

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30	Governmental Activities Obligations				Business-type Activities Obligations	
	Direct Borrowings and Placements					
	General Obligation Bonds		Notes Payable		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 97,346	\$ 21,342	\$ 24,623	\$ 1,267	\$ 486,828	\$ 83,892
2023	99,900	18,899	4,776	427	493,761	76,869
2024	102,870	16,379	4,985	294	499,305	69,641
2025	105,398	13,813	-	-	506,776	62,282
2026	107,493	11,187	-	-	515,682	54,709
2027	110,527	8,401	-	-	523,647	46,452
2028	49,747	6,238	-	-	535,427	38,299
2029	51,513	4,613	-	-	546,661	29,264
2030	53,265	2,933	-	-	553,413	19,898
2031	16,485	1,210	-	-	381,689	10,315
2032	16,905	798	-	-	385,269	6,802
2033	7,455	375	-	-	63,545	3,200
2034	7,560	189	-	-	64,441	1,610
USDA note not fully drawdown	-	-	64,021	-	-	-
Total	\$ <u>826,464</u>	\$ <u>106,377</u>	\$ <u>98,405</u>	\$ <u>1,988</u>	\$ <u>5,556,444</u>	\$ <u>503,233</u>

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Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

*Note 6 – Long-term Obligations: (Continued)*

Long-term obligations at June 30, 2021 are as follows:

	<u>Amount Outstanding</u>
<u>Details of Long-term Indebtedness:</u>	
<u>Governmental Activities:</u>	
<u>Direct borrowings and placements:</u>	
General Obligation Bonds:	
\$2,120,000 recovery act general obligation bond issued March 2, 2010, due in various annual installments through February 15, 2030, interest at various rates from 3.518% to 6.567%, loan split between general government and enterprise funds.	\$ 263,853
\$978,000 general obligation refunding bond issued September 1, 2016, due in various annual installments through August 1, 2026, interest at 2.10%, loan split between general government and enterprise funds.	383,061
\$2,183,000 general obligation refunding bond issued September 1, 2016, due in various annual installments through February 1, 2034, interest at 2.50%, loan split between general government and enterprise funds.	<u>179,550</u>
Total general obligation bonds	<u>\$ 826,464</u>
Notes Payable:	
\$90,000 Rural Development note issued June 23, 2021, due in annual installments of \$19,234 through June, 2027, interest at 2.25%. This note is secured by equipment and is not fully drawndown as of June 30, 2021.	\$ 64,021
\$76,000 Rural Development note issued May 22, 2017, due in annual installments of \$16,537 through May, 2022, interest at 2.875%. This note is secured by a tractor and a police vehicle.	16,043
\$23,000 Rural Development note issued June 26, 2019, due in annual installments of \$5,203 through June, 2024, interest at 4.25%. This note is secured by a police vehicle.	14,338
\$18,800 Rural Development note issued May 22, 2017, due in annual installments of \$4,150 through May, 2022, interest at 3.375%. This note is secured by a police vehicle.	<u>4,003</u>
Total notes payable	<u>\$ 98,405</u>



Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

*Note 6 – Long-term Obligations: (Continued)*

Long-term obligations at June 30, 2021 are as follows: (continued)

	<u>Amount Outstanding</u>
<u>Details of Long-term Indebtedness: (Continued)</u>	
<u>Governmental Activities: (Continued)</u>	
<u>Other liabilities:</u>	
Compensated Absences (payable from the General Fund)	\$ <u>99,576</u>
Net OPEB Liability (payable from the General Fund)	\$ <u>91,369</u>
Total governmental activities obligations payable	\$ <u><u>1,115,814</u></u>
<u>Business-type Activities:</u>	
<u>Direct borrowings and placements:</u>	
General Obligation Bonds:	
\$2,120,000 recovery act general obligation bond issued March 2, 2010, due in various annual installments through February 15, 2030, interest at various rates from 3.518% to 6.567%, loan split between general government and enterprise funds.	\$ 1,161,146
\$5,151,627 VRA Water Facilities Revolving Fund general obligation bond issued November 30, 2010, due in semi-annual installments of \$128,791 through May, 2032, interest at 0%.	2,652,908
\$978,000 general obligation refunding bond issued September 1, 2016, due in various annual installments through August 1, 2026, interest at 2.10%, loan split between general government and enterprise funds.	211,939
\$2,183,000 general obligation refunding bond issued September 1, 2016, due in various annual installments through February 1, 2034, interest at 2.50%, loan split between general government and enterprise funds.	<u>1,530,451</u>
Total general obligation bonds	\$ <u>5,556,444</u>
<u>Other liabilities:</u>	
Compensated Absences (payable from Enterprise Funds)	\$ <u>40,988</u>
Net OPEB Liability (payable from Enterprise Funds)	\$ <u>30,456</u>
Total business-type activities obligations	\$ <u><u>5,627,888</u></u>

The Town has a working capital line of credit of \$500,000 with Atlantic Union Bank. Advances on the line-of-credit are collateralized by a general blanket assignment of all accounts, contracts or other receivables and proceeds. At June 30, 2021, the Town outstanding balance against this line of credit was \$0 and the interest rate was 3.75%. The line of credit was not utilized during the year ended June 30, 2021.

Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

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*Note 7 – Deferred/Unavailable Revenue:*

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Deferred/unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred. Unavailable revenue totaling \$70,885 consists of the following:

Unavailable Property Tax Revenue - Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$59,568 at June 30, 2021.

Deferred Prepaid Property Taxes - Property taxes due subsequent to June 30, 2021 but paid in advance by the taxpayers totaled \$11,317 at June 30, 2021.

*Note 8 – Litigation:*

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At June 30, 2021, there were no matters of litigation involving the Municipal Corp. or which would materially affect the Municipal Corp.'s financial position should any court decisions on pending matters not be favorable to the Municipal Corp.

*Note 9 – Risk Management and Commitments and Contingencies:*

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The Municipal Corp. is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Municipal Corp. participates with other localities in a public entity risk pool for their coverage of workers' compensation, public officials' liability and all other risks of loss. The Municipal Corp. pays an annual premium to the pools for its general insurance through member premiums. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

*Note 10 – Interfund Transfers:*

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Interfund transfers for the year ended June 30, 2021, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 115,549
Harbor	115,549	-
Total	<u>\$ 115,549</u>	<u>\$ 115,549</u>

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*Note 11 – Pension Plan:*

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*Plan Description*

All full-time, salaried permanent employees of the Municipal Corp. are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

*Benefit Structures*

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

*Note 11 – Pension Plan: (Continued)*

*Average Final Compensation and Service Retirement Multiplier*

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee’s average final compensation multiplied by the employee’s total service credit. Under Plan 1, average final compensation is the average of the employee’s 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee’s 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee’s 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

*Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits*

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

*Employees Covered by Benefit Terms*

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	16
Inactive members:	
Vested inactive members	10
Non-vested inactive members	17
Active members active elsewhere in VRS	<u>10</u>
Total inactive members	37
Active members	<u>35</u>
Total covered employees	<u><u>88</u></u>

*Note 11 – Pension Plan: (Continued)*

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*Contributions*

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Municipal Corp.'s contractually required employer contribution rate for the year ended June 30, 2021 was 5.98% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Municipal Corp. were \$73,284 and \$77,005 for the years ended June 30, 2021 and June 30, 2020, respectively.

*Net Pension Liability (Asset)*

The net pension liability (asset) (NPL(A)) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The Municipal Corp.'s net pension liability (asset) was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020.

*Actuarial Assumptions - General Employees*

The total pension liability for General Employees in the Municipal Corp.'s Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

\* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

*Note 11 – Pension Plan: (Continued)*

*Actuarial Assumptions - General Employees (Continued)*

Mortality rates:

All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service related.

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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*Note 11 – Pension Plan: (Continued)*

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*Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits*

The total pension liability for Public Safety with Hazardous Duty Benefits employees in the Municipal Corp.'s Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

\* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

All Others (Non-10 Largest) - Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

*Note 11 – Pension Plan: (Continued)*

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*Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits*

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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*Note 11 – Pension Plan: (Continued)*

*Long-Term Expected Rate of Return*

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.14%

\* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Town was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial

Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

*Note 11 – Pension Plan: (Continued)*

*Discount Rate (Continued)*

valuations, whichever was greater. From July 1, 2020 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in Net Pension Liability (Asset)*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2019	\$ 3,143,868	\$ 3,529,642	\$ (385,774)
Changes for the year:			
Service cost	\$ 165,879	\$ -	\$ 165,879
Interest	209,212	-	209,212
Differences between expected and actual experience	79,391	-	79,391
Contributions - employer	-	77,019	(77,019)
Contributions - employee	-	68,463	(68,463)
Net investment income	-	67,944	(67,944)
Benefit payments, including refunds	(88,851)	(88,851)	-
Administrative expenses	-	(2,230)	2,230
Other changes	-	(82)	82
Net changes	\$ 365,631	\$ 122,263	\$ 243,368
Balances at June 30, 2020	\$ 3,509,499	\$ 3,651,905	\$ (142,406)

Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

*Note 11 – Pension Plan: (Continued)*

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate*

The following presents the net pension liability (asset) of the Municipal Corp. using the discount rate of 6.75%, as well as what the Municipal Corp.'s net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)

Municipal Corp.'s				
Net Pension Liability (Asset)	\$	316,536	\$	(142,406)
			\$	(520,597)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended June 30, 2021, the Municipal Corp. recognized pension expense of \$95,516. At June 30, 2021, the Municipal Corp. reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	\$	53,531	\$	49,822
Change of assumptions		33,976		-
Net difference between projected and actual earnings on pension plan investments		108,278		-
Employer contributions subsequent to the measurement date		73,284		-
Total	\$	269,069	\$	49,822

Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

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*Note 11 – Pension Plan: (Continued)*

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*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)*

\$73,284 reported as deferred outflows of resources related to pensions resulting from the Municipal Corp.'s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2022	\$ 15,878
2023	57,995
2024	37,662
2025	34,428
2026	-
Thereafter	-

*Pension Plan Data*

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

*Note 12 – Group Life Insurance (GLI) Plan (OPEB Plan):*

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*Plan Description*

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured plan, it is not included as part of the GLI Plan OPEB.

## Municipal Corporation of Cape Charles, Virginia

### Notes to Financial Statements June 30, 2021 (Continued)

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#### *Note 12 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*

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##### *Plan Description (Continued)*

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

##### *Eligible Employees*

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

##### *Benefit Amounts*

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,616 as of June 30, 2021.

##### *Contributions*

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$7,823 and \$7,809 for the years ended June 30, 2021 and June 30, 2020, respectively.

##### *GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB*

At June 30, 2021, the entity reported a liability of \$121,825 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was 0.00730% as compared to 0.00713% at June 30, 2019.

Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

*Note 12 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*

*GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (Continued)*

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of \$5,992. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,814	\$ 1,095
Net difference between projected and actual earnings on GLI OPEB plan investments	3,660	-
Change in assumptions	6,093	2,544
Changes in proportionate share	5,310	542
Employer contributions subsequent to the measurement date	<u>7,823</u>	<u>-</u>
Total	<u>\$ 30,700</u>	<u>\$ 4,181</u>

\$7,823 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2022	\$ 3,181
2023	4,215
2024	5,158
2025	4,626
2026	1,354
Thereafter	162

Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

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*Note 12 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*

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*Actuarial Assumptions*

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation*

\*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

**Mortality Rates - Non-Largest Ten Locality Employers - General Employees**

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

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*Note 12 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*

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*Actuarial Assumptions: (Continued)*

**Mortality Rates - Non-Largest Ten Locality Employers - General Employees (Continued)**

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

**Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.



Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

*Note 12 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*

*Actuarial Assumptions: (Continued)*

**Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees (Continued)**

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

**NET GLI OPEB Liability**

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2020, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	<b>GLI OPEB Plan</b>
	<hr/>
Total GLI OPEB Liability	\$ 3,523,937
Plan Fiduciary Net Position	1,855,102
GLI Net OPEB Liability (Asset)	<hr/> <b>\$ 1,668,835</b> <hr/>
 Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	  52.64%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

*Note 12 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*

*Long-Term Expected Rate of Return*

The long-term expected rate of return on the System’s investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System’s investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.14%

\*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

*Discount Rate*

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2020, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

*Note 12 – Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)*

*Sensitivity of the Employer’s Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate*

The following presents the employer’s proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer’s proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Municipal Corp's proportionate share of the GLI Plan Net OPEB Liability	\$ 160,149	\$ 121,825	\$ 90,703

*GLI Plan Fiduciary Net Position*

Detailed information about the Group Life Insurance Program’s Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2020-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

*Note 13 – Line of Duty Act (LODA) (OPEB Benefits):*

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The Municipal Corp. has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the Municipal Corp. to VRSA. VRSA assumes all liability for the Municipal Corp.’s LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The Municipal Corp.’s LODA coverage is fully covered or “insured” through VRSA. This is built into the LODA coverage cost presented in the annual renewals. The Municipal Corp.’s LODA premium for the year ended June 30, 2021 was \$5,605.

*Note 14 – Upcoming Pronouncements:*

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Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, provides guidance for reporting capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2020 to periods beginning after June 15, 2021.

Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate and the requirements related to lease modifications, are effective for reporting periods beginning after June 15, 2020. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All requirements related to lease modifications in this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, (1) increases consistency and comparability related to reporting of fiduciary component units in certain circumstances; (2) mitigates costs associated with the reporting of certain plans as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans. The effective dates differ based on the requirements of the Statement, ranging from June 2020 to reporting periods beginning after June 15, 2021.

Municipal Corporation of Cape Charles, Virginia

Notes to Financial Statements  
June 30, 2021 (Continued)

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*Note 14 – Upcoming Pronouncements: (Continued)*

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Management is currently evaluating the impact these standards will have on the financial statements when adopted.

*Note 15 – COVID-19 Pandemic and Subsequent Events:*

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The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the Town, COVID-19 impacted various parts of its 2021 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the Town is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2022.

**ARPA Funding**

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments are to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

On June 30, 2021, the Town received its share of the first half of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$528,615 from the initial allocation are reported as unearned revenue as of June 30.

Municipal Corporation of Cape Charles, Virginia  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
General property taxes	\$ 1,446,005	\$ 1,461,483	\$ 1,519,701	\$ 58,218
Other local taxes	766,838	962,324	1,218,900	256,576
Permits, privilege fees, and regulatory licenses	109,310	120,810	250,254	129,444
Fines and forfeitures	11,800	11,800	52,373	40,573
Revenue from the use of money and property	46,475	52,475	33,986	(18,489)
Charges for services	4,300	2,836	6,455	3,619
Miscellaneous	4,150	5,525	3,440	(2,085)
Recovered costs	19,500	137,500	85,994	(51,506)
Intergovernmental:				
Commonwealth	120,496	131,948	128,539	(3,409)
Federal	209,363	1,306,478	949,155	(357,323)
Total revenues	<u>\$ 2,738,237</u>	<u>\$ 4,193,179</u>	<u>\$ 4,248,797</u>	<u>\$ 55,618</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,125,502	\$ 2,202,369	\$ 1,569,936	\$ 632,433
Public safety - police department	533,620	551,616	519,768	31,848
Public safety - code enforcement	145,505	145,506	133,415	12,091
Public works	831,640	1,004,673	585,624	419,049
Parks, recreation, and cultural	255,120	270,709	241,603	29,106
Community development	91,091	179,551	117,151	62,400
Debt service:				
Principal retirement	125,444	125,444	123,651	1,793
Interest and other fiscal charges	27,626	27,626	27,017	609
Total expenditures	<u>\$ 3,135,548</u>	<u>\$ 4,507,494</u>	<u>\$ 3,318,165</u>	<u>\$ 1,189,329</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (397,311)</u>	<u>\$ (314,315)</u>	<u>\$ 930,632</u>	<u>\$ 1,244,947</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ -	\$ -	\$ (115,549)	\$ (115,549)
Issuance of notes payable	89,817	89,817	64,021	(25,796)
Total other financing sources (uses)	<u>\$ 89,817</u>	<u>\$ 89,817</u>	<u>\$ (51,528)</u>	<u>\$ (141,345)</u>
Net change in fund balance	\$ (307,494)	\$ (224,498)	\$ 879,104	\$ 1,103,602
Fund balance - beginning	307,494	224,498	1,277,650	1,053,152
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,156,754</u>	<u>\$ 2,156,754</u>

Municipal Corporation of Cape Charles, Virginia  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Pension Plan  
For the Measurement Dates of June 30, 2014 through June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total pension liability</b>			
Service cost	\$ 165,879	\$ 151,056	\$ 146,357
Interest	209,212	201,705	181,520
Changes in benefit terms	-	-	113,556
Differences between expected and actual experience	79,391	(142,946)	(53,377)
Changes of assumptions	-	97,484	-
Benefit payments	(88,851)	(89,865)	(109,532)
<b>Net change in total pension liability</b>	<u>\$ 365,631</u>	<u>\$ 217,434</u>	<u>\$ 278,524</u>
<b>Total pension liability - beginning</b>	<u>3,143,868</u>	<u>2,926,434</u>	<u>2,647,910</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 3,509,499</u></u>	<u><u>\$ 3,143,868</u></u>	<u><u>\$ 2,926,434</u></u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 77,019	\$ 74,902	\$ 87,168
Contributions - employee	68,463	77,128	66,054
Net investment income	67,944	222,304	223,601
Benefit payments	(88,851)	(89,865)	(109,532)
Administrator charges	(2,230)	(2,071)	(1,856)
Other	(82)	(141)	(202)
<b>Net change in plan fiduciary net position</b>	<u>\$ 122,263</u>	<u>\$ 282,257</u>	<u>\$ 265,233</u>
<b>Plan fiduciary net position - beginning</b>	<u>3,529,642</u>	<u>3,247,385</u>	<u>2,982,152</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 3,651,905</u></u>	<u><u>\$ 3,529,642</u></u>	<u><u>\$ 3,247,385</u></u>
<b>Municipal Corporation's net pension liability (asset) - ending (a) - (b)</b>	<u>\$ (142,406)</u>	<u>\$ (385,774)</u>	<u>\$ (320,951)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	104.06%	112.27%	110.97%
<b>Covered payroll</b>	\$ 1,483,394	\$ 1,398,895	\$ 1,364,599
<b>Municipal Corporation's net pension liability (asset) as a percentage of covered payroll</b>	-9.60%	-27.58%	-23.52%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Exhibit 11

	2017	2016	2015	2014
\$	123,278	\$ 131,962	\$ 117,294	\$ 96,808
	175,415	171,863	157,456	145,759
	-	-	-	-
	(45,840)	(145,730)	11,707	-
	(51,731)	-	-	-
	(118,285)	(96,412)	(64,863)	(86,097)
\$	<u>82,837</u>	\$ <u>61,683</u>	\$ <u>221,594</u>	\$ <u>156,470</u>
	<u>2,565,073</u>	<u>2,503,390</u>	<u>2,281,796</u>	<u>2,125,326</u>
\$	<u><u>2,647,910</u></u>	\$ <u><u>2,565,073</u></u>	\$ <u><u>2,503,390</u></u>	\$ <u><u>2,281,796</u></u>
\$	49,527	\$ 57,508	\$ 55,321	\$ 95,752
	58,943	56,761	54,670	54,200
	327,947	47,286	113,899	328,807
	(118,285)	(96,412)	(64,863)	(86,097)
	(1,872)	(1,606)	(1,494)	(1,701)
	(291)	(20)	(24)	18
\$	<u>315,969</u>	\$ <u>63,517</u>	\$ <u>157,509</u>	\$ <u>390,979</u>
	<u>2,666,183</u>	<u>2,602,666</u>	<u>2,445,157</u>	<u>2,054,178</u>
\$	<u><u>2,982,152</u></u>	\$ <u><u>2,666,183</u></u>	\$ <u><u>2,602,666</u></u>	\$ <u><u>2,445,157</u></u>
\$	(334,242)	\$ (101,110)	\$ (99,276)	\$ (163,361)
	112.62%	103.94%	103.97%	107.16%
\$	1,258,379	\$ 1,188,982	\$ 1,118,571	\$ 1,085,627
	-26.56%	-8.50%	-8.88%	-15.05%



## Municipal Corporation of Cape Charles, Virginia

Schedule of Employer Contributions - Pension Plan  
For the Years Ended June 30, 2012 through June 30, 2021

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Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Employee Payroll (5)
2021	\$ 73,284	\$ 73,284	\$ -	\$ 1,448,614	5.06%
2020	77,005	77,005	-	1,483,394	5.19%
2019	75,744	75,744	-	1,398,895	5.41%
2018	83,299	83,299	-	1,364,599	6.10%
2017	56,500	56,500	-	1,258,379	4.49%
2016	61,470	61,470	-	1,188,982	5.17%
2015	57,830	57,830	-	1,118,571	5.17%
2014	95,427	95,427	-	1,085,627	8.79%
2013	91,628	91,628	-	1,042,407	8.79%
2012	72,814	72,814	-	1,018,382	7.15%

Municipal Corporation of Cape Charles, Virginia

Notes to Required Supplementary Information  
For the Year Ended June 30, 2021

**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** - The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

All Others (Non-10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Municipal Corporation of Cape Charles, Virginia  
 Schedule of Municipality's Share of Net OPEB Liability  
 GLI Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2020

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2020	0.00730%	\$ 121,825	\$ 1,501,676	8.11%	52.64%
2019	0.00713%	116,023	1,398,895	8.29%	52.00%
2018	0.00718%	109,000	1,364,599	7.99%	51.22%
2017	0.00682%	103,000	1,258,379	8.19%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Municipal Corporation of Cape Charles, Virginia  
 Schedule of Employer Contributions  
 GLI Plan

For the Years Ended June 30, 2012 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	\$ 7,823	\$ 7,823	\$ -	\$ 1,448,614	0.54%
2020	7,809	7,809	-	1,501,676	0.52%
2019	7,274	7,274	-	1,398,895	0.52%
2018	7,096	7,096	-	1,364,599	0.52%
2017	6,544	6,544	-	1,258,379	0.52%
2016	5,707	5,707	-	1,188,982	0.48%
2015	5,369	5,369	-	1,118,571	0.48%
2014	5,211	5,211	-	1,085,627	0.48%
2013	5,004	5,004	-	1,042,407	0.48%
2012	2,851	2,851	-	1,018,382	0.28%

Municipal Corporation of Cape Charles, Virginia  
Notes to Required Supplementary Information  
GLI Plan  
For the Year Ended June 30, 2021

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**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** - The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Municipal Corporation of Cape Charles, Virginia  
 Schedule of Revenues - Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2021

Schedule 1  
 Page 1 of 2

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 1,253,505	\$ 1,256,819	\$ 1,302,906	\$ 46,087
Personal property taxes	159,500	170,550	184,869	14,319
Machinery and tools taxes	13,000	4,114	4,110	(4)
Penalties and interest	20,000	30,000	27,816	(2,184)
Total general property taxes	<u>\$ 1,446,005</u>	<u>\$ 1,461,483</u>	<u>\$ 1,519,701</u>	<u>\$ 58,218</u>
Other local taxes:				
Local sales and use taxes	\$ 45,538	\$ 55,000	\$ 73,667	\$ 18,667
Consumers' utility taxes	54,000	54,000	57,102	3,102
Business license taxes	110,000	120,000	209,124	89,124
Motor vehicle licenses	27,800	27,724	35,423	7,699
Golf cart decals	8,500	8,500	19,928	11,428
Admissions taxes	17,000	17,000	11,100	(5,900)
Short term rental tax	3,500	7,500	9,728	2,228
Hotel and motel room taxes	110,000	178,000	258,854	80,854
Restaurant food taxes	390,000	494,000	543,518	49,518
Penalties and interest	500	600	456	(144)
Total other local taxes	<u>\$ 766,838</u>	<u>\$ 962,324</u>	<u>\$ 1,218,900</u>	<u>\$ 256,576</u>
Permits, privilege fees, and regulatory licenses:				
Permits and other licenses	\$ 109,310	\$ 120,810	\$ 250,254	\$ 129,444
Total permits, privilege fees, and regulatory licenses	<u>\$ 109,310</u>	<u>\$ 120,810</u>	<u>\$ 250,254</u>	<u>\$ 129,444</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 11,800	\$ 11,800	\$ 52,373	\$ 40,573
Total fines and forfeitures	<u>\$ 11,800</u>	<u>\$ 11,800</u>	<u>\$ 52,373</u>	<u>\$ 40,573</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 26,000	\$ 26,000	\$ 4,060	\$ (21,940)
Revenue from use of property	20,475	26,475	29,926	3,451
Total revenue from use of money and property	<u>\$ 46,475</u>	<u>\$ 52,475</u>	<u>\$ 33,986</u>	<u>\$ (18,489)</u>
Charges for services:				
Charges for parks and recreation	\$ 800	\$ 800	\$ 450	\$ (350)
Charges for DMV stops and FOIA fees	1,000	1,031	1,405	374
Credit card fees	1,500	5	5	-
Charges for library	1,000	1,000	4,595	3,595
Total charges for services	<u>\$ 4,300</u>	<u>\$ 2,836</u>	<u>\$ 6,455</u>	<u>\$ 3,619</u>
Miscellaneous:				
Miscellaneous	\$ 4,150	\$ 5,525	\$ 3,440	\$ (2,085)
Total miscellaneous	<u>\$ 4,150</u>	<u>\$ 5,525</u>	<u>\$ 3,440</u>	<u>\$ (2,085)</u>

Municipal Corporation of Cape Charles, Virginia  
Schedule of Revenues - Budget and Actual  
General Fund  
For the Year Ended June 30, 2021

Schedule 1  
Page 2 of 2

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Revenues from local sources: (Continued)				
Recovered costs:				
County contribution for Library	\$ 19,500	\$ 19,500	\$ 19,500	\$ -
Other recovered costs	-	118,000	66,494	(51,506)
Total recovered costs	<u>\$ 19,500</u>	<u>\$ 137,500</u>	<u>\$ 85,994</u>	<u>\$ (51,506)</u>
Total revenue from local sources	<u>\$ 2,408,378</u>	<u>\$ 2,754,753</u>	<u>\$ 3,171,103</u>	<u>\$ 416,350</u>
<b>Intergovernmental:</b>				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications tax	\$ 38,500	\$ 37,500	\$ 34,706	\$ (2,794)
Rolling stock tax	10	2	2	-
Personal property tax relief funds	35,424	35,424	35,424	-
Total noncategorical aid	<u>\$ 73,934</u>	<u>\$ 72,926</u>	<u>\$ 70,132</u>	<u>\$ (2,794)</u>
Categorical aid:				
Other categorical aid:				
Fire programs	\$ 10,000	\$ 15,000	\$ 15,000	\$ -
Arts grant	4,500	4,500	4,500	-
Law enforcement grant HB 599	31,248	31,248	37,972	6,724
Litter control	814	814	935	121
Other	-	7,460	-	(7,460)
Total other categorical aid	<u>\$ 46,562</u>	<u>\$ 59,022</u>	<u>\$ 58,407</u>	<u>\$ (615)</u>
Total categorical aid	<u>\$ 46,562</u>	<u>\$ 59,022</u>	<u>\$ 58,407</u>	<u>\$ (615)</u>
Total revenue from the Commonwealth	<u>\$ 120,496</u>	<u>\$ 131,948</u>	<u>\$ 128,539</u>	<u>\$ (3,409)</u>
Revenue from the federal government:				
Categorical aid:				
Other categorical aid:				
TEA-21 grant	\$ 160,000	\$ 240,000	\$ 226,195	\$ (13,805)
JAG grant	1,000	1,000	720	(280)
CDBG small business recovery grant	-	845,115	549,376	(295,739)
CARES Act	-	172,000	172,864	864
Rural Development grant	48,363	48,363	-	(48,363)
Total other categorical aid	<u>\$ 209,363</u>	<u>\$ 1,306,478</u>	<u>\$ 949,155</u>	<u>\$ (357,323)</u>
Total categorical aid	<u>\$ 209,363</u>	<u>\$ 1,306,478</u>	<u>\$ 949,155</u>	<u>\$ (357,323)</u>
Total revenue from the federal government	<u>\$ 209,363</u>	<u>\$ 1,306,478</u>	<u>\$ 949,155</u>	<u>\$ (357,323)</u>
Total General Fund	<u>\$ 2,738,237</u>	<u>\$ 4,193,179</u>	<u>\$ 4,248,797</u>	<u>\$ 55,618</u>

Municipal Corporation of Cape Charles, Virginia  
 Schedule of Expenditures - Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2021

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
General government administration:				
Legislative:				
Town Council	\$ 34,355	\$ 34,782	\$ 19,557	\$ 15,225
Total legislative	<u>\$ 34,355</u>	<u>\$ 34,782</u>	<u>\$ 19,557</u>	<u>\$ 15,225</u>
General and financial administration:				
Town Clerk	\$ 146,199	\$ 115,490	\$ 110,495	\$ 4,995
Town Manager	638,055	1,745,204	1,127,968	617,236
Finance	306,893	306,893	311,916	(5,023)
Total general and financial administration	<u>\$ 1,091,147</u>	<u>\$ 2,167,587</u>	<u>\$ 1,550,379</u>	<u>\$ 617,208</u>
Total general government administration	<u>\$ 1,125,502</u>	<u>\$ 2,202,369</u>	<u>\$ 1,569,936</u>	<u>\$ 632,433</u>
Public safety:				
Law enforcement and traffic control:				
Police	\$ 533,620	\$ 551,616	\$ 519,768	\$ 31,848
Total law enforcement and traffic control	<u>\$ 533,620</u>	<u>\$ 551,616</u>	<u>\$ 519,768</u>	<u>\$ 31,848</u>
Inspections:				
Code enforcement	\$ 145,505	\$ 145,506	\$ 133,415	\$ 12,091
Total inspections	<u>\$ 145,505</u>	<u>\$ 145,506</u>	<u>\$ 133,415</u>	<u>\$ 12,091</u>
Total public safety	<u>\$ 679,125</u>	<u>\$ 697,122</u>	<u>\$ 653,183</u>	<u>\$ 43,939</u>
Public works:				
Maintenance of general buildings and grounds:				
General properties	\$ 831,640	\$ 1,004,673	\$ 585,624	\$ 419,049
Total public works	<u>\$ 831,640</u>	<u>\$ 1,004,673</u>	<u>\$ 585,624</u>	<u>\$ 419,049</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 85,026	\$ 99,201	\$ 97,490	\$ 1,711
Total parks and recreation	<u>\$ 85,026</u>	<u>\$ 99,201</u>	<u>\$ 97,490</u>	<u>\$ 1,711</u>
Library:				
Library administration	\$ 170,094	\$ 171,508	\$ 144,113	\$ 27,395
Total library	<u>\$ 170,094</u>	<u>\$ 171,508</u>	<u>\$ 144,113</u>	<u>\$ 27,395</u>
Total parks, recreation, and cultural	<u>\$ 255,120</u>	<u>\$ 270,709</u>	<u>\$ 241,603</u>	<u>\$ 29,106</u>



Municipal Corporation of Cape Charles, Virginia  
 Schedule of Expenditures - Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2021

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:(Continued)</b>				
Community development:				
Planning and community development:				
Planning	\$ 91,091	\$ 179,551	\$ 117,151	\$ 62,400
Total planning and community development	<u>\$ 91,091</u>	<u>\$ 179,551</u>	<u>\$ 117,151</u>	<u>\$ 62,400</u>
Total community development	<u>\$ 91,091</u>	<u>\$ 179,551</u>	<u>\$ 117,151</u>	<u>\$ 62,400</u>
Debt service:				
Principal retirement	\$ 125,444	\$ 125,444	\$ 123,651	\$ 1,793
Interest and other fiscal charges	27,626	27,626	27,017	609
Total debt service	<u>\$ 153,070</u>	<u>\$ 153,070</u>	<u>\$ 150,668</u>	<u>\$ 2,402</u>
Total General Fund	<u><u>\$ 3,135,548</u></u>	<u><u>\$ 4,507,494</u></u>	<u><u>\$ 3,318,165</u></u>	<u><u>\$ 1,189,329</u></u>

Table 1

**Municipal Corporation of Cape Charles, Virginia**  
**Government-wide Expenses by Function**  
**Last Ten Fiscal Years**

Fiscal Year	General Government Administration	Public Safety	Public Works	Parks, Recreation, and Cultural	Community Development	Interest on Long-term Debt	Enterprise Funds	Total
2012	\$ 770,193	\$ 422,784	\$ 447,869	\$ 227,507	\$ 72,660	\$ 51,332	\$ 2,326,252	\$ 4,318,597
2013	688,965	418,308	411,438	298,615	80,967	52,426	3,033,294	4,984,013
2014	693,614	409,347	768,491	342,274	63,438	55,992	2,976,017	5,309,173
2015	702,411	423,254	483,605	284,537	53,261	51,195	2,919,126	4,917,389
2016	779,857	459,190	439,968	324,326	70,414	55,195	2,844,926	4,973,876
2017	780,254	529,272	462,247	500,987	103,487	38,410	2,714,842	5,129,499
2018	738,396	553,014	395,642	369,738	124,041	33,079	2,847,692	5,061,602
2019	976,567	580,426	520,472	288,379	63,934	31,954	2,941,117	5,402,849
2020	1,060,616	552,590	568,051	389,251	61,464	29,333	2,863,923	5,525,228
2021	1,561,687	658,500	552,730	373,047	121,252	25,278	3,067,935	6,360,429

Table 2

Municipal Corporation of Cape Charles, Virginia  
Government-wide Revenues  
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES						Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Revenues from use of Money and Property	Miscellaneous(1)	Grants and Contributions Not Restricted to Specific Programs		
2012	\$ 2,256,933	\$ 67,227	\$ 2,783,872	\$ 1,301,439	\$ 455,148	\$ 3,231	\$ 25,692	\$ 83,544	\$ 6,977,086	
2013	2,454,574	42,299	762,834	1,325,691	429,122	11,663	41,470	83,668	5,151,321	
2014	2,571,568	45,009	169,159	1,286,747	511,211	8,307	41,979	82,852	4,716,832	
2015	2,575,616	61,049	116,255	1,250,336	584,799	13,962	140,605	82,429	4,825,051	
2016	2,516,334	84,851	859,789	1,352,474	657,466	30,779	867,091	81,037	6,449,821	
2017	2,403,055	85,752	880,798	1,262,771	704,156	39,320	179,590	100,420	5,655,862	
2018	2,450,788	73,080	216,815	1,397,163	791,977	63,242	410,475	83,027	5,486,567	
2019	2,639,895	44,576	590,270	1,452,790	925,834	74,332	920,322	86,414	6,734,433	
2020	2,680,536	47,489	253,439	1,379,090	877,759	52,700	391,250	74,508	5,756,771	
2021	3,256,174	59,127	236,781	1,510,056	1,218,900	34,585	676,339	792,372	7,784,334	

## Notes:

(1) Includes gain on disposal of capital assets.

Table 3

**Municipal Corporation of Cape Charles, Virginia**  
**General Governmental Expenditures by Function (1,2)**  
**Last Ten Fiscal Years**

Fiscal Year	General Government Administration	Public Safety	Public Works	Parks, Recreation, and Cultural	Community Development	Debt Service	Total
2012	\$ 804,556	\$ 426,190	\$ 523,896	\$ 140,580	\$ 78,201	\$ 116,088	\$ 2,089,511
2013	661,441	441,814	535,873	160,303	85,620	127,012	2,012,063
2014	671,028	406,252	430,871	203,466	60,299	132,236	1,904,152
2015	710,293	416,577	488,941	170,270	57,293	136,819	1,980,193
2016	826,293	488,694	430,037	180,502	71,111	136,248	2,132,885
2017	804,763	532,415	493,580	211,061	103,770	1,060,008	3,205,597
2018	784,488	558,109	470,739	220,145	128,091	167,188	2,328,760
2019	929,438	586,918	475,210	246,550	67,050	150,561	2,455,727
2020	1,031,022	546,341	497,770	265,506	64,566	153,856	2,559,061
2021	1,569,936	653,183	585,624	241,603	117,151	150,668	3,318,165

(1) Includes General Fund.

(2) Does not include capital project expenditures.

**Municipal Corporation of Cape Charles, Virginia**  
**General Governmental Revenues by Source (1)**  
**Last Ten Fiscal Years**

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental	Total
2012	\$ 1,227,729	\$ 455,148	\$ 40,821	\$ 13,020	\$ 3,057	\$ 2,007	\$ 5,780	\$ 64,074	\$ 561,861	\$ 2,373,497
2013	1,225,360	429,122	70,886	12,603	11,483	4,032	27,941	20,000	263,194	2,064,621
2014	1,398,054	511,211	60,905	14,458	8,148	2,335	11,616	20,000	247,620	2,274,347
2015	1,308,036	584,799	79,022	17,193	13,762	2,504	3,758	24,368	244,733	2,278,175
2016	1,302,263	657,466	100,313	7,134	30,331	5,090	34,741	33,204	299,616	2,470,158
2017	1,306,460	704,156	62,835	5,034	38,138	7,070	5,695	22,426	1,033,188	3,185,002
2018	1,425,966	791,977	101,618	19,277	59,236	5,125	18,321	33,297	351,324	2,806,141
2019	1,408,353	925,834	124,531	10,271	66,585	3,827	19,731	28,103	492,725	3,079,960
2020	1,470,997	877,759	162,040	9,036	47,089	3,172	18,907	20,457	123,225	2,732,682
2021	1,519,701	1,218,900	250,254	52,373	33,986	6,455	3,440	85,994	1,077,694	4,248,797

(1) Includes General Fund.

Table 5

**Municipal Corporation of Cape Charles, Virginia**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Outstanding Delinquent Taxes to Tax Levy
2012	\$ 1,334,098	\$ 1,194,242	89.52%	\$ 43,357	\$ 1,237,599	92.77%	\$ 198,183	14.86%
2013	1,346,641	1,168,065	86.74%	59,536	1,227,601	91.16%	263,301	19.55%
2014	1,331,614	1,188,974	89.29%	147,910	1,336,884	100.40%	196,662	14.77%
2015	1,274,119	1,192,349	93.58%	91,392	1,283,741	100.76%	147,959	11.61%
2016	1,304,355	1,212,623	92.97%	56,558	1,269,181	97.30%	210,947	16.17%
2017	1,307,990	1,210,464	92.54%	56,477	1,266,941	96.86%	170,484	13.03%
2018	1,354,254	1,319,862	97.46%	82,403	1,402,265	103.55%	133,957	9.89%
2019	1,385,027	1,365,349	98.58%	53,176	1,418,525	102.42%	120,174	8.68%
2020	1,441,927	1,405,053	97.44%	67,313	1,472,366	102.11%	118,703	8.23%
2021	1,516,579	1,426,493	94.06%	50,925	1,477,418	97.42%	120,825	7.97%

(1) Exclusive of penalties and interest

Table 6

**Municipal Corporation of Cape Charles, Virginia**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Estate (1)	Personal Property	Mobile Homes	Public Utility		Total
				Real Estate (2)		
2012	\$ 622,094,327	\$ 14,489,100	\$ 17,000	\$ 3,940,015	\$	640,540,442
2013	623,140,200	15,296,652	17,000	3,688,742		642,142,594
2014	409,929,500	14,324,494	15,800	3,688,742		427,958,536
2015	404,822,056	11,393,551	8,300	3,631,182		419,855,089
2016	410,160,956	12,104,739	3,500	3,705,047		425,974,242
2017	354,182,650	10,873,870	3,300	3,606,095		368,665,915
2018	355,837,200	12,203,520	-	3,651,067		371,691,787
2019	405,269,300	11,945,520	-	3,844,675		421,059,495
2020	421,169,400	12,526,920	-	3,672,005		437,368,325
2021	471,702,900	13,879,300	-	3,796,381		489,378,581

(1) Real estate is assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

Table 7

Municipal Corporation of Cape Charles, Virginia  
Property Tax Rates (1)  
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Public Utility	
				Real Estate	
2012	\$ 0.1828	\$ 2.00	\$ 0.1828	\$	0.1828
2013	0.1828	2.00	0.1828		0.1828
2014	0.2759	2.00	0.2759		0.2759
2015	0.2759	2.00	0.2759		0.2759
2016	0.2759	2.00	0.2759		0.2759
2017	0.3260	2.00	0.3260		0.3260
2018	0.3260	2.00	-		0.3260
2019	0.2945	2.00	-		0.2945
2020	0.2945	2.00	-		0.2945
2021	0.2731	2.00	-		0.2731

(1) Per \$100 of assessed value.



Table 8

Municipal Corporation of Cape Charles, Virginia  
Computation of Legal Debt Margin  
At June 30, 2021

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Assessed value of real property, January 1, 2020 (1)	<u>\$ 475,499,281</u>
Debt limit: 10% of assessed value	<u>\$ 47,549,928</u>
Amount of debt applicable to debt limit:	
Gross debt (2)	\$ 6,481,313
Less: Notes secured by property	<u>(98,405)</u>
Net general obligation bonds and notes	<u>\$ 6,382,908</u>
Legal debt limit	<u>\$ 41,167,020</u>

(1) Assessed value of real property, including public service corporations as of January 1, 2020

(2) Includes bonded debt and long-term notes payable.

Table 9

**Municipal Corporation of Cape Charles, Virginia**  
**Ratio of Net General Bonded Debt to**  
**Assessed Value and Net Bonded Debt Per Capita**  
**Last Ten Fiscal Years**

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less:		Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Debt Service Monies Available	Debt Payable from Enterprise Revenues (4)			
2012	1,009	\$ 640,540,442	\$ 9,092,562	\$ 257,582	\$ 7,998,966	\$ 836,014	0.13%	\$ 829
2013	1,009	642,142,594	9,417,364	353,486	8,378,491	685,387	0.11%	679
2014	1,009	427,958,536	10,094,123	257,582	8,793,226	1,043,315	0.24%	1,034
2015	1,009	419,855,089	9,611,950	257,582	8,384,203	970,165	0.23%	962
2016	1,009	425,974,242	9,116,776	257,582	7,960,552	898,642	0.21%	891
2017	1,009	368,665,915	8,642,601	257,740	7,630,508	754,353	0.20%	748
2018	1,009	371,691,787	8,085,427	257,867	6,981,046	846,514	0.23%	839
2019	1,009	421,059,495	7,525,255	258,458	6,512,342	754,455	0.18%	748
2020	1,178	437,368,325	6,958,082	257,582	6,037,234	663,266	0.15%	563
2021	1,178	489,378,581	6,382,908	257,584	5,556,444	568,880	0.12%	483

(1) United States Census Bureau, Census

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt. Excludes notes payable, OPEB liability, and compensated absences.

(4) Includes general obligation debt payable from enterprise revenues.



**Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

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To the Honorable Members of the Municipal Corp. Council  
Municipal Corporation of Cape Charles  
Cape Charles, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Municipal Corporation of Cape Charles, Virginia as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Municipal Corporation of Cape Charles, Virginia's basic financial statements, and have issued our report thereon dated March 18, 2022.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Municipal Corporation of Cape Charles, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Municipal Corporation of Cape Charles, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of Municipal Corporation of Cape Charles, Virginia's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Municipal Corporation of Cape Charles, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "D. F. Cox", followed by a horizontal line extending to the right.

Richmond, Virginia  
March 18, 2022



**Independent Auditors' Report on Compliance for Each Major Program and on  
Internal Control over Compliance Required by the Uniform Guidance**

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To the Honorable Members of the Municipal Corp. Council  
Municipal Corporation of Cape Charles  
Cape Charles, Virginia

**Report on Compliance for Each Major Federal Program**

We have audited Town of Cape Charles, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Town of Cape Charles, Virginia's major federal programs for the year ended June 30, 2021. Town of Cape Charles, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Town of Cape Charles, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Cape Charles, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Town of Cape Charles, Virginia's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Town of Cape Charles, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control over Compliance

Management of Town of Cape Charles, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Town of Cape Charles, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Cape Charles, Virginia's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Richmond, Virginia  
March 18, 2022

Municipal Corporation of Cape Charles, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Agriculture:			
Direct Payments:			
Community Facilities Loans and Grants (Community Facilities Loans and Grants Cluster)	10.766	N/A	\$ 64,021
Total Department of Agriculture			<u>\$ 64,021</u>
Department of Justice:			
Pass Through Payments:			
Virginia Department of Criminal Justice Services: COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	20-A5052CE20 COVID	\$ 720
Total Department of Justice			<u>\$ 720</u>
Department of Transportation:			
Pass Through Payments:			
Virginia Department of Transportation: Highway Planning and Construction (Highway Planning and Construction Cluster)	20.205	5014310-103919	\$ 226,195
Total Department of Transportation			<u>\$ 226,195</u>
Department of Treasury:			
Pass Through Payments:			
County of Northampton, Virginia: COVID-19 - Coronavirus Relief Fund	21.019	Unknown	\$ 172,864
Total Department of Treasury			<u>\$ 172,864</u>
Department of Housing and Urban Development:			
Pass Through Payments:			
Virginia Department of Housing and Community Development: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	202032UNCOV	\$ 549,376
Total Department of Housing and Urban Development			<u>\$ 549,376</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,013,176</u></u>

See accompanying notes to schedule of expenditures of federal awards.

Municipal Corporation of Cape Charles, Virginia

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

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Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Municipal Corporation of Cape Charles, Virginia under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Municipal Corporation of Cape Charles, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Municipal Corporation of Cape Charles, Virginia.

Note B - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note C - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the Town's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:	
General Fund	\$ <u>949,155</u>
Total federal expenditures per basic financial statements	\$ 949,155
Add: Rural Development note proceeds	<u>64,021</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>1,013,176</u></u>

Note D - Subrecipients

No awards were passed through to subrecipients.

Note E - De Minimis Cost Rate

The Municipal Corporation did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note F - Loan Balances

The Municipal Corporation has no loans balances or loan guarantees which are subject to reporting for the current year.



Town of Cape Charles, Virginia  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2021

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**Section I-Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: unmodified  
 Internal control over financial reporting:  
 Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_  no  
 Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_  none reported  
 Noncompliance material to financial statements noted? \_\_\_\_\_ yes \_\_\_\_\_  no

Internal control over major programs:  
 Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_  no  
 Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_  none reported

Type of auditors' report issued on compliance  
 for major programs: unmodified  
 Any findings disclosed that are required to be  
 reported in accordance with 2 CFR section 200.516(a)? \_\_\_\_\_ yes \_\_\_\_\_  no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Dollar threshold used to distinguish between type A  
 and type B programs: \$750,000  
 Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_  no

**Section II-Financial Statement Findings**

None

**Section III-Federal Award Findings and Questioned Costs**

None

**Section IV-Prior Year Findings**

None

## Budget vs Actual

Town of Cape Charles

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Period Ending 6/30/2022

501 PUBLIC UTILITIES FUND				
Description	Budget	YTD	Variance	Percent
<b>Revenues</b>				
501-3100-1201 Connection, Plumbing Permit Water	1,000	3,140.00	2,140.00	314%
501-3100-1202 Connection, Plumbing Permit Sewer	1,000	3,140.00	2,140.00	314%
501-3100-5360 Utility Permit (Main to Meter)	0	0.00	0.00	
501-3150-1501 Miscellaneous	1,000	455.00	(545.00)	46%
501-3150-1502 Septage Services Revenue - WWTP	0	0.00	0.00	
501-3300-1000 Interest Earned on Bank Deposits - Util	0	0.00	0.00	
501-3300-2000 Dividends & Int. on Investments - Util	1,000	4,784.42	3,784.42	478%
501-3500-1501 Water Sales	607,817	637,358.67	29,541.92	105%
501-3500-1502 Sewer Charges	1,111,324	1,148,684.80	37,360.76	103%
501-3500-1800 Sale of Surplus Equipment & Misc.	0	0.00	0.00	
501-3500-3501 Penalties & Interest - Water Charges	1,500	8,698.87	7,198.87	580%
501-3500-3502 Penalties & Interest Wastewater Charges	2,000	16,598.55	14,598.55	830%
501-3500-4501 Connection Fees - Bay Creek Water	17,500	50,750.00	33,250.00	290%
501-3500-4502 Connection Fees - Bay Creek Sewer	17,500	50,750.00	33,250.00	290%
501-3500-5501 Connection Fees - Historic Cape Charles Water	3,500	6,475.00	2,975.00	185%
501-3500-5502 Connection Fees - Historic Cape Charles Sewer	3,500	6,475.00	2,975.00	185%
501-3500-6501 Facility Fees, Rest. - Bay Creek Water	80,000	234,883.00	154,883.00	294%
501-3500-6502 Facility Fees, Restr. - Bay Creek Sewer	132,000	386,327.00	254,327.00	293%
501-3500-7501 Facility Fees, Restr.- Historic Cape Charles Water	16,000	43,835.00	27,835.00	274%
501-3500-7502 Facility Fees, Restr. - Historic Cape Charles Se	26,400	77,150.41	50,750.41	292%
501-3600-6000 Utility Fund Transfer from Fund Balance	55,000	0.00	(55,000.00)	
501-3650-4000 Recovery Water & Sewer Misc. charges	380	50.00	(330.00)	13%
501-3800-1000 VDH Grant	0	0.00	0.00	
501-3800-2001 USDA Grant Water	36,000	0.00	(36,000.00)	
501-3800-2002 USDA Grant Sewer	0	0.00	0.00	
501-3900-6000 Appropriation from Fund Balance	0	0.00	0.00	

## Budget vs Actual

Town of Cape Charles  
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Period Ending 6/30/2022

501 PUBLIC UTILITIES FUND					
Description	Budget		YTD	Variance	Percent
501-3950-1000 Loan Proceeds previous year	0		0.00	0.00	
501-3950-1050 Loan Proceeds Current Year	0		0.00	0.00	
501-3950-2100 Transfer from General Fund	0		0.00	0.00	
501-3950-2101 USDA Loan Proceeds Water	68,751		0.00	(68,751.00)	
501-3950-2102 USDA Loan Proceeds Sewer	0		0.00	0.00	
Revenues Totals:	2,183,172	0.00	2,679,555.72	496,383.93	123%

## Budget vs Actual

Town of Cape Charles  
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Period Ending 6/30/2022

501 PUBLIC UTILITIES FUND				
Description	Budget	YTD	Variance	Percent
<b>Expenses</b>				
501-4500-1000 Regular Salaries & Wages-Utility Admin	0	0.00	0.00	
501-4500-1600 Bonus & Increase Pool Util Fund	0	0.00	0.00	
501-4500-1800 Allocated Wages	21,123	21,123.12	(0.04)	100%
501-4500-2000 FICA Expense	0	0.00	0.00	
501-4500-2100 SUI Expense	0	0.00	0.00	
501-4500-2200 Retirement-ER VRS & ICMA-RC Contribution	0	0.00	0.00	
501-4500-2210 Life Insurance	0	0.00	0.00	
501-4500-2220 Disability Insurance, LTD & STD	0	0.00	0.00	
501-4500-2230 Worker's Comp	0	0.00	0.00	
501-4500-2300 Health Insurance ER Expense	0	0.00	0.00	
501-4500-2310 Dental Insurance ER Expense	0	0.00	0.00	
501-4500-2320 Vision Insurance ER Expense	0	0.00	0.00	
501-4500-2325 AFLAC Insurance Premiums - Town portion	0	0.00	0.00	
501-4500-2340 Employee Assist Program	0	0.00	0.00	
501-4500-2345 Employee/Volunteer Testing	0	0.00	0.00	
501-4500-2360 Staff & Volunteer Appreciation	0	0.00	0.00	
501-4500-2800 Allocated Benefits	5,470	5,469.48	0.06	100%
501-4500-3410 Professional Services/Consulting	0	0.00	0.00	
501-4500-3430 IT Services	0	0.00	0.00	
501-4500-3450 Printing & Design Services	0	0.00	0.00	
501-4500-3500 Advertising Services	0	0.00	0.00	
501-4500-5040 Phone Services	0	0.00	0.00	
501-4500-5220 Conference	0	0.00	0.00	
501-4500-5230 Education	0	0.00	0.00	
501-4500-5240 Books & Subscriptions	0	0.00	0.00	
501-4500-5250 Dues & Memberships	0	0.00	0.00	
501-4500-6000 Office Supplies	0	0.00	0.00	
501-4500-6150 Computer, Software & Electronics <\$10K	0	0.00	0.00	
501-4500-6900 Contingency Fund Expense Util Fund	87,625	0.00	87,625.00	
501-4500-8100 Transfer to Fund Balance	62,310	0.00	62,310.18	

## Budget vs Actual

Town of Cape Charles  
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Period Ending 6/30/2022					
UTILITY ADMIN. Totals:	176,528	0.00	26,592.60	149,935.20	15%

## Budget vs Actual

Town of Cape Charles

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Period Ending 6/30/2022

501 PUBLIC UTILITIES FUND				
Description	Budget	YTD	Variance	Percent
501-4501-1000 Regular Salaries & Wages-Water	154,000	152,817.86	1,182.14	99%
501-4501-1100 Regular Salaries & Wages OT-Water	2,040	3,087.30	(1,047.30)	151%
501-4501-1200 PT Salaries - Water	28,000	27,445.50	554.50	98%
501-4501-1300 Part Time Wages Water - OT	0	95.64	(95.64)	
501-4501-2000 FICA Expense	13,485	13,513.19	(27.83)	100%
501-4501-2100 SUI Expense	199	238.31	(39.11)	120%
501-4501-2200 Retirement-ER VRS & ICMA-RC Contribution	8,720	8,720.40	(0.23)	100%
501-4501-2210 Life Insurance	1,954	1,954.20	(0.18)	100%
501-4501-2220 Disability Insurance, LTD & STD	1,140	630.99	508.57	55%
501-4501-2230 Worker's Comp	4,166	3,685.72	480.33	88%
501-4501-2300 Health Insurance	18,717	14,766.84	3,950.00	79%
501-4501-2310 Dental Insurance	1,161	859.20	302.28	74%
501-4501-2320 Vision Insurance	91	83.71	7.61	92%
501-4501-2325 AFLAC Insurance Premiums - Town portion	0	0.00	0.00	
501-4501-2340 Employee Assist Program	0	0.00	0.00	
501-4501-2345 Employee/Volunteer Testing	0	0.00	0.00	
501-4501-2360 Staff & Volunteer Appreciation	0	0.00	0.00	
501-4501-3000 Contract Labor	0	0.00	0.00	
501-4501-3020 Maint Svc Contracts - Annual	0	0.00	0.00	
501-4501-3025 Repair Maint & Inspect Contracted Svcs	6,000	3,167.80	2,832.20	53%
501-4501-3060 Landfill Disposal	0	0.00	0.00	
501-4501-3350 Water Sampling	11,000	10,877.06	122.94	99%
501-4501-3420 Engineering & Architect Svcs Water	45,000	15,444.00	29,556.00	34%
501-4501-3430 IT Services	1,000	1,040.00	(40.00)	104%
501-4501-3500 Advertising Services	600	808.76	(208.76)	135%
501-4501-3730 Bank Service Charges	200	48.58	151.42	24%
501-4501-4150 Grant Exp - Water Other	0	0.00	0.00	
501-4501-5000 Refund - Tourism Zone Connection Fees Water	3,000	0.00	3,000.00	
501-4501-5010 Electric Service	22,440	18,021.79	4,418.21	80%
501-4501-5020 Propane & Fuel Oil Exp	0	0.00	0.00	
501-4501-5040 Phone Services	1,740	1,351.81	388.19	78%
501-4501-5050 Internet & Cable Services	1,100	1,363.61	(263.61)	124%
501-4501-5090 Lease, Right of Way	3,000	5,286.56	(2,286.56)	176%
501-4501-5100 Lease, Vehicles &	0	0.00	0.00	

## Budget vs Actual

Town of Cape Charles

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Period Ending 6/30/2022

501 PUBLIC UTILITIES FUND					
Description	Budget	YTD	Variance	Percent	
Equipment					
501-4501-5200 Travel-Mileage, Parking & Tolls	240	74.00	166.00	31%	
501-4501-5210 Travel-Lodging & Meals	800	0.00	800.00		
501-4501-5220 Conference	0	0.00	0.00		
501-4501-5230 Education	500	149.99	350.01	30%	
501-4501-5240 Books & Subscriptions	0	0.00	0.00		
501-4501-5250 Dues & Memberships	400	400.00	0.00	100%	
501-4501-5260 Employee Testing & Certification	400	0.00	400.00		
501-4501-5300 Insurance, Property & General Liability	9,200	9,199.72	0.00	100%	
501-4501-5340 Licensing	4,000	3,339.00	661.00	83%	
501-4501-5350 Fines & Penalties	0	0.00	0.00		
501-4501-6000 Office Supplies	1,500	1,384.88	115.12	92%	
501-4501-6025 Janitorial & Kitchen Supplies	300	0.00	300.00		
501-4501-6050 Uniforms Expense	1,000	758.96	241.04	76%	
501-4501-6075 Hand Tools, & Small Equipment	1,500	1,502.86	(2.86)	100%	
501-4501-6080 Safety Equipment	3,000	250.00	2,750.00	8%	
501-4501-6150 Computer, Software & Electronics <\$10K	520	553.31	(33.31)	106%	
501-4501-6175 Vehicles & Powered Equipment Fuel	5,000	6,150.32	(1,150.32)	123%	
501-4501-6200 Vehicle & Powered Equip. Supplies & Svcs	2,000	67.25	1,932.75	3%	
501-4501-6225 Repair & Maintenance Supplies Water	66,000	48,243.72	17,756.28	73%	
501-4501-6300 Chemical Supplies	73,000	79,207.80	(6,207.80)	109%	
501-4501-6325 Laboratory Supplies	2,900	707.81	2,192.19	24%	
501-4501-6800 Debt Service - Principal Payment W	78,964	0.00	78,964.42		
501-4501-6850 Debt Service Interest Water	30,574	43,573.94	(13,000.25)	143%	
501-4501-7070 Vehicles & Equipment	0	0.00	0.00		
CAPITAL BUDGET					
501-4501-7080 Computers, Software & Electronics <\$10K	0	0.00	0.00		
501-4501-7090 Infrastructure - Waterlines, Tanks & Wells	0	0.00	0.00		
501-4501-7095 Work in Progress	0	0.00	0.00		
CAPITAL BUDGET					
501-4501-7100 Depreciation Expense - Utility Fund	0	676,536.55	(676,536.55)		
501-4501-8000 Reserve for Plant	96,000	0.00	96,000.00		

# Budget vs Actual

Town of Cape Charles  
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Period Ending 6/30/2022

## 501 PUBLIC UTILITIES FUND

Description	Budget		YTD	Variance	Percent
Expansion - Facility Fees					
501-4501-8100 Water Rate Increase Reserve - Future year	0		0.00	0.00	
WATER Totals:	706,552	0.00	1,157,408.94	(450,857.11)	164%



## Budget vs Actual

Town of Cape Charles

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Period Ending 6/30/2022

501 PUBLIC UTILITIES FUND				
Description	Budget	YTD	Variance	Percent
501-4502-1000 Regular Salaries & Wages-Sewer	175,954	180,719.50	(4,765.27)	103%
501-4502-1100 Regular Salaries & Wages OT-Sewer	1,530	1,934.32	(404.32)	126%
501-4502-2000 FICA Expense	13,461	13,863.99	(403.49)	103%
501-4502-2100 SUI Expense	232	143.32	89.08	62%
501-4502-2200 Retirement-ER VRS & ICMA-RC Contribution	10,522	10,534.98	(12.92)	100%
501-4502-2210 Life Insurance	2,447	2,360.82	86.61	96%
501-4502-2220 Disability Insurance, LTD & STD	1,489	758.03	731.31	51%
501-4502-2230 Worker's Comp	1,866	1,815.27	50.51	97%
501-4502-2300 Health Insurance	22,857	19,022.63	3,834.53	83%
501-4502-2310 Dental Insurance	945	1,309.62	(364.62)	139%
501-4502-2320 Vision Insurance	91	83.71	7.61	92%
501-4502-2325 AFLAC Insurance Premiums - Town portion	0	0.00	0.00	
501-4502-2340 Employee Assist Program	0	0.00	0.00	
501-4502-2345 Employee/Volunteer Testing	0	0.00	0.00	
501-4502-2360 Staff & Volunteer Appreciation	0	0.00	0.00	
501-4502-3000 Contract Labor	0	0.00	0.00	
501-4502-3010 Vehcl & Equip Repairs, Supplies	0	0.00	0.00	
501-4502-3020 Maint Svc Contracts - Annual	22,300	13,790.94	8,509.06	62%
501-4502-3025 Repair Maint & Inspect Contracted Svcs	0	347.40	(347.40)	
501-4502-3040 Grounds Maintenance	0	0.00	0.00	
501-4502-3050 Waste Removal	0	0.00	0.00	
501-4502-3060 Landfill Disposal - Sludge	42,000	35,328.85	6,671.15	84%
501-4502-3200 Cleaning and Janitorial Services	2,600	3,000.00	(400.00)	115%
501-4502-3350 Water Sampling	21,000	31,639.01	(10,639.01)	151%
501-4502-3420 Engineering & Architect Svcs WW	45,000	13,256.00	31,744.00	29%
501-4502-3430 IT Services	7,000	4,185.00	2,815.00	60%
501-4502-3450 Printing & Design Services	0	0.00	0.00	
501-4502-3500 Advertising Services	500	414.10	85.90	83%
501-4502-3730 Bank Service Charges	1,550	889.40	660.60	57%
501-4502-4150 Grant Exp - Sewer Other	0	0.00	0.00	
501-4502-5000 Refund - Tourism Zone Connection Fees Sewer	5,000	0.00	5,000.00	
501-4502-5010 Electric Service	102,000	93,592.71	8,407.29	92%

## Budget vs Actual

Town of Cape Charles

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Period Ending 6/30/2022

501 PUBLIC UTILITIES FUND				
Description	Budget	YTD	Variance	Percent
501-4502-5040 Phone Services	7,500	7,182.30	317.70	96%
501-4502-5050 Internet & Cable Services	600	0.00	600.00	
501-4502-5060 Alarm & Security Monitoring Services	650	1,231.32	(581.32)	189%
501-4502-5090 Lease, Right of Way	4,000	2,518.42	1,481.58	63%
501-4502-5100 Lease, Vehicles & Equipment	0	0.00	0.00	
501-4502-5200 Travel-Mileage, Parking & Tolls	3,200	432.94	2,767.06	14%
501-4502-5210 Travel-Lodging & Meals	500	0.00	500.00	
501-4502-5220 Conference	0	0.00	0.00	
501-4502-5230 Education	2,000	126.97	1,873.03	6%
501-4502-5240 Books & Subscriptions	0	0.00	0.00	
501-4502-5250 Dues & Memberships	850	651.19	198.81	77%
501-4502-5260 Employee Testing & Certification	450	0.00	450.00	
501-4502-5300 Insurance, Property & General Liability	32,725	35,059.64	(2,334.64)	107%
501-4502-5340 Licensing	4,500	3,700.00	800.00	82%
501-4502-5350 Fines & Penalties	22,375	22,375.00	0.00	100%
501-4502-6000 Office Supplies	1,500	836.70	663.30	56%
501-4502-6025 Janitorial & Kitchen Supplies	100	0.00	100.00	
501-4502-6050 Uniforms Expense	1,000	392.16	607.84	39%
501-4502-6075 Hand Tools, & Small Equipment	2,500	828.75	1,671.25	33%
501-4502-6080 Safety Equipment	250	279.02	(29.02)	112%
501-4502-6150 Computers, Software & Electronics <\$10K	1,200	0.00	1,200.00	
501-4502-6175 Vehicles & Powered Equipment Fuel	7,000	6,172.59	827.41	88%
501-4502-6200 Vehicle & Powered Equip. Supplies & Svcs	3,000	3,824.59	(824.59)	127%
501-4502-6225 Repair & Maintenance Supplies Wastewater	95,000	86,256.88	8,743.12	91%
501-4502-6300 Chemical Supplies	39,675	69,277.85	(29,602.85)	175%
501-4502-6325 Laboratory Supplies	1,000	2,037.45	(1,037.45)	204%
501-4502-6800 Debt Service - Principal Payment WW	329,170	0.01	329,170.36	0%
501-4502-6850 Debt Service Interest - Sewer	30,038	42,952.55	(12,914.52)	143%
501-4502-7010 Infrastructure - Facility & Equipment-Sewer Plant	0	0.00	0.00	
501-4502-7070 Vehicles & Equipment	0	0.00	0.00	
<b>CAPITAL BUDGET</b>				
501-4502-7080 Computers, Software &	0	0.00	0.00	

## Budget vs Actual

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Period Ending 6/30/2022

501 PUBLIC UTILITIES FUND					
Description	Budget		YTD	Variance	Percent
Electronics <\$10K					
501-4502-7090 Infrastructure - Sewerlines & Pump Stations	14,500		0.00	14,500.00	
501-4502-7095 Work in Progress - CAPITAL BUDGET	0		0.00	0.00	
501-4502-8000 Reserve for Plant Expansion - Facility Fees	158,400		0.00	158,400.00	
501-4502-8100 Wastewater Rate Increase Reserve - Future Year	0		0.00	0.00	
SEWER Totals:	1,244,029	0.00	715,125.93	528,902.69	57%

## Budget vs Actual

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Period Ending 6/30/2022

501 PUBLIC UTILITIES FUND					
Description	Budget	YTD	Variance	Percent	
501-4503-1000 Regular Salaries & Wages-Utility Billing	32,014	30,999.94	1,013.76	97%	
501-4503-1100 Regular Salaries & Wages OT-Util Billing	0	0.00	0.00		
501-4503-2000 FICA Expense	2,449	2,582.06	(133.01)	105%	
501-4503-2100 SUI Expense	66	41.35	25.05	62%	
501-4503-2200 Retirement-ER VRS & ICMA-RC Contribution	2,101	2,100.86	0.14	100%	
501-4503-2210 Life Insurance	471	470.76	0.03	100%	
501-4503-2220 Disability Insurance, LTD & STD	260	157.11	103.27	60%	
501-4503-2230 Worker's Comp	22	37.72	(15.82)	172%	
501-4503-2300 Health Insurance	6,760	6,731.58	28.74	100%	
501-4503-2310 Dental Insurance	285	286.40	(1.40)	100%	
501-4503-2320 Vision Insurance	0	0.00	0.00		
501-4503-2325 AFLAC Insurance Premiums - Town portion	0	0.00	0.00		
501-4503-2340 Employee Assist Program	0	0.00	0.00		
501-4503-2345 Employee/Volunteer Testing	0	0.00	0.00		
501-4503-2360 Staff & Volunteer Appreciation	0	0.00	0.00		
501-4503-3020 Maint Svc Contracts - Annual	650	1,971.58	(1,321.58)	303%	
501-4503-3025 Repair, Maintenance & Service Contracts	0	0.00	0.00		
501-4503-3430 IT Services	720	160.00	560.00	22%	
501-4503-3500 Advertising Services	0	0.00	0.00		
501-4503-3760 Cash Short & Over Util Billing	0	6.43	(6.43)		
501-4503-5040 Phone Services	360	360.00	0.00	100%	
501-4503-5070 Postage	6,300	6,000.00	300.00	95%	
501-4503-5110 Lease, Office Equipment	2,000	1,748.52	251.48	87%	
501-4503-5200 Travel-Mileage, Parking & Tolls	80	0.00	80.00		
501-4503-5210 Travel-Lodging & Meals	75	0.00	75.00		
501-4503-5220 Conference	0	0.00	0.00		
501-4503-5230 Education	200	0.00	200.00		
501-4503-5240 Books & Subscriptions	0	0.00	0.00		
501-4503-5250 Dues & Memberships	0	0.00	0.00		
501-4503-6000 Office Supplies	1,250	1,553.34	(303.34)	124%	
501-4503-6150 Computer, Software & Electronics <\$10K	0	0.00	0.00		
UTILITY BILLING Totals:	56,064	55,207.65	855.89	98%	

## Budget vs Actual

Town of Cape Charles  
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Period Ending 6/30/2022

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Expenses Totals:	2,183,172	0.00	1,954,335.12	228,836.67	90%
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# Budget vs Actual

Town of Cape Charles  
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Period Ending 6/30/2022

501 PUBLIC UTILITIES Totals:  
FUND

725,220.60

# GL Balance Sheet

## Period Ending 6/30/2022

Town of Cape Charles

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### 501 PUBLIC UTILITIES FUND

#### Asset

501-1000-1050 Change Box - Utility Billing	\$695.00
501-1000-1100 Cash Atlantic Union Bank - Checking Water/WW Fnd	\$1,571,750.42
501-1100-1200 Cash: US Bank VRA A/C 144580000	\$257,645.69
501-1200-1120 Cash LGIP 2 Acct # 3600565-Investment Water/Sewer	\$104,495.85
501-1200-1200 VIP Lqdy Pool #1 Facility Fees VA-01-0065-5001	\$2,487,738.31
501-1220-1001 Accounts Receivable Water- System	\$73,355.22
501-1220-1002 Accounts Receivable Sewer- System	\$131,036.37
501-1220-1050 Accounts Receivable - Miscellaneous	\$198.32
501-1220-1100 Allowance for Doubtful Accounts - Utilities	-\$81,953.87
501-1220-1350 Miscellaneous Employee Receivable	\$156.81
501-1300-3501 Prepaid Expenses Water Misc	\$17,368.46
501-1300-3502 Prepaid Expenses Sewer Misc	\$1,363.24
501-1500-1042 Plant/Periphs/Equip Water & Sewer ALL	\$31,017,996.87
501-1500-1046 Less Accum Deprec Water & Sewer ALL	-\$10,860,584.79
501-1500-2002 Construction In Progress Sewer	\$52,384.00
501-1700-1000 Deferred VRS Outflow (GASB 68)	\$67,267.00
501-1700-2000 Deferred OPEB Outflow (Other Postemploymnt Bnfts)	\$7,675.00
<b>Total</b>	<b>\$24,848,587.90</b>

#### Liability

501-2000-1000 Accounts Payable-System Util Fnd	\$33,052.10
501-2000-2000 Accrued Accounts Payable - Year End Util Fnd	\$11,360.53
501-2000-3000 Suspense - Pending Transactions	\$747,445.41
501-2100-1060 Deferred OPEB Inflow	\$1,045.00
501-2100-1070 Deferred VRS Inflow (GASB 68)	\$12,456.00
501-2100-1080 Net Pension Asset/(Liability) (GASB 68)	-\$35,602.00
501-2100-1090 Net OPEB Liability	\$30,456.00
501-2100-2000 Utility Deposits Water/Wastewater	\$17,033.18
501-2100-2501 Prepaid/Overpaid Utility Payments	\$15,702.95
501-2200-1400 ICMA-RC Hybrid 401(a) Plan Payable	\$30.69
501-2200-1500 VRS Payable	\$3,369.27
501-2200-1600 VRS Disability Payroll Withholding	-\$391.70
501-2200-2000 EE Self Portion Medical Insurance W/H	\$43.97
501-2200-2100 EE Dependent Medical Insurance	-\$1,377.72
501-2200-2200 EE Dependent Dental Insurance	-\$71.86
501-2200-2250 Vision Insurance Deduction Payable	\$496.15

**GL Balance Sheet**  
Period Ending 6/30/2022

Town of Cape Charles

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501-2200-2300 EE Optional Life Ins Payable	-\$5,772.74
501-2200-2350 AFLAC Payroll Deduction Payable	\$4,477.06
501-2200-2400 Flexible Spending Payable	-\$1,133.36
501-2200-2450 Flexible Spending DCA Utility Fund	\$153.84
501-2200-2650 Gym Membership Payable	\$723.00
501-2200-4000 Accrued Absences - Year End	\$39,039.60
501-2200-5000 Accrued Payroll - Year End	\$22,214.18
501-2200-6000 Accrued Interest Payable - Year End Utility Fund	\$50,150.52
501-2400-1100 VRA Zero Int Loan (Wastewater Const) Payable	\$2,411,734.56
501-2400-1151 IDA Co OF Stafford/City Staunton Bonds 2010D	\$517,528.83
501-2400-1170 Pinnacle Public Finance 2016A Bond Payable	\$65,460.80
501-2400-1171 Pinnacle Public Finance 2016B Bond Payable	\$1,432,000.00
501-2500-2500 Unearned Facility Fees/Connection Fees (prepaid)	\$164,752.00
501-2800-1000 Fund Balance - Water/Sewer	\$18,004,374.32
Current Fund Balance Adjustment	\$725,220.60
P/Y Fund Balance Adjustment	\$582,616.72
Total	\$24,848,587.90

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**Schedule 3.16**  
**Transaction with Related Parties**

None. This schedule may be supplemented if any transactions with related parties are identified.

**Schedule 3.18**  
**Customer Advances**

See Prepaid Facility Fees Listing on **Schedule 3.18 Attachment** showing customers who prepaid facility fees prior to an increase in the facility fee rate in 2010. Such fees will be refunded by Seller if the customer does not redeem their construction deposit by the time of Closing.

ACCT#	Original OWNER/Payor	Lot ADDRESS	CONNECTION PAID	Notes	\$ Amount paid	Map Number	Current Owner	Address
107	WHITE, TERRY	627 RANDOLPH (Old Town)	9/8/2009		10,047	083A3-01-BLK-00 0000435	Traci S. Hawthorne	13190 Fawnborough Rd., Montpelier, VA 23192
543	WHITE, TERRY	613-615 PLUM (Old Town)	10/2/2009		10,047	083A3-01-BLK-00 000057C	DAMA Trust	C/O Daniel A & Margaret R Brown, 15422 Greenwood Chruch Rd., Montpelier, VA 23192-2715
926	HOVDE	LOT 65 (The Colony)	9/23/2009		10,047	083A3-04-BLK-00 0000065	Hovde, Olav & Hoa My Tran	165 Bannister Way, Alameda, CA 94502
950	MACANANNY	LOT 16 (The Signature)	9/28/2009		10,047	00090-04-BLK-00 0000016	MacAnanny, Michael James & Luisa An	6 Renwick Pl., Ithaca, NY 14850
985	CC VENTURES	LOT 625A (Old Town)	5/26/2005		4,000	083A3-01-BLK-00 000625A	Cape Charles Ventures LLC	212 E. Leigh St., #1, Richmond, VA 23219
1000	SILVER LINING LLC	LOT 39 (Heron Point)	9/28/2009		10,047	00090-07-BLK-00 0000039	Silver Lining LLC	155 Lugnut La., Mooresville, NC 28117-9300
1160	HEYMAN TRUST	132 HERON PT. RD (Heron Point)	9/28/2009		10,047	00090-07-BLK-00 0000047	The Bruce Robert Heymann Rev Trust	9701 Woodland Glen Ct., Vienna, VA 22182
1196	BLUE WATERS VA LLC	649 MONROE (Old Town)	5/21/2014	RESTORED	10,047	083A1-01-BLK-00 000227B	Blue Waters VA LLC	2807 Ackley Ave., Richmond, VA 23228
1209	BAY AVE PROP. LLC	97A Bay Ave. (Old Town)	6/29/2007		10,047	083A3-02-BLK-02 000097A	1 Mason Ave LLC	C/O Signature, 101 W. Main St., #700, Norfolk, VA 23510
1213	KNIGHT	409 JEFFERSON (Old Town)	9/21/2009		10,047	083A1-01-BLK-00 0000066	Knight, William J & Nancy B	509 Arnies Loop, Cape Chas., VA 23310
1214	ABBOTT	MADISON AVE. (Old Town)	6/29/2007		10,047	083A1-01-BLK-00 0000163	Troy D Gleason	5496 Stonehaven Dr., Va Beach, VA 23464
1276	SULLIVAN	LOT 104 (Old Town)	9/28/2009	On Washingtor	10,047	083A1-01-BLK-00 0000104	Megargel, Amanda B	3340 Rosedale La., Charlottesville, VA 22903
1309	ARCHER	417 JEFFERSON (Old Town)	9/28/2009		10,047	083A1-01-BLK-00 0000062	The Joseph Forti & William Roma	107 Trilby Ct., Chesapeake, VA 23325
1349	SCHLEGEL	00A (Old Town)	9/28/2009		10,047	083A1-03-BLK-00 000000A	Cape Charles Beach LLC	841 W. 45th St., Norfolk, VA 23508
1351	HEYMAN TRUST	133 SUNSET (The Colony)	9/28/2009		10,047	083A1-11-BLK-00 0000015	The Bruce Robert Heymann Rev Trust	9701 Woodland Glen Ct., Vienna, VA 22182
1385	RUSSELL /TAYLOR	Lot 5 (The Colony)	9/25/2009		10,047	083A1-11-BLK-00 0000005	Estes, Trevor Blaine & Marie-Christ	1713 Lovetts Pond Lane, Va Beach, VA 23454
1455	ZOBY	LOT 56 (The Colony)	9/28/2009		10,047	083A1-11-BLK-00 0000056	Zoby, Jarrett H	1816 Eden Way, Va Beach, VA 23454

prepaid in 2005 before the reserve was booked - valid prepayment however

164,752

**Schedule 3.19**  
**List of All Accounts Receivable Seller with Respect to the System**

**See** Master Balance Listing on **Schedule 3.19 Attachment**. This schedule will be updated by the Seller prior to Closing.

**Master Balance Listing**

Transaction 12/13/2022  
Date:

Account	Customer Name	Service Address	Current	Past Due	Status Total
130-0002300-0	BAY CREEK RESORT LLC	1 BEACH CLUB WAY			Active
			\$72.76	\$0.00	\$72.76
050-0001160-0	MAURICE PACIUS & PACIUS, MAURICE JR.	609 MADISON AVENUE			Active
			\$96.58	\$54.87	\$151.45
010-0000090-1	113 PARTNERS, LLC	113 MASON AVENUE-UNIT 1			Active
			\$159.70	\$0.00	\$159.70
010-0000091-1	113 PARTNERS, LLC	113-2 MASON AVENUE UNIT 2			Active
			\$159.70	\$0.00	\$159.70
010-0000720-2	543 MASON LLC 543 MASON LLC	543 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000409-4	230 MASON AVENUE A CONDOMINIUM CAS	230 MASON AVENUE			Active
			\$1,835.02	\$2,018.52	\$3,853.54
010-0000411-1	300 MASON AVENUE A CONDOMINIUM CAS	300 MASON AVENUE			Active
			\$2,511.08	\$2,762.19	\$5,273.27
050-0001030-5	ERIC & DONNA ADAMS	521 MADISON AVENUE			Active
			\$346.95	\$0.00	\$346.95
080-0000270-0	VIVIAN ADAMSON	106 CHURCHILL DOWNS			Active
			\$96.58	\$0.00	\$96.58
140-0000028-1	SADE ADEGOROYE	501 BRASS RING			Active
			\$96.58	\$0.00	\$96.58
010-0000601-2	JASON HARMAN AJ'S	10 PEACH STREET			Active
			\$282.04	\$0.00	\$282.04
100-0000915-2	KEVIN & CALLIE ALBERT	206 OLD COURSE LOOP			Active
			\$96.58	\$0.00	\$96.58
010-0000650-1	NORMAN S. ALLEN	519 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000480-1	ENOTECA LLC AMBROGIA CAFFE &	321 MASON AVENUE			Active
			\$100.42	\$0.00	\$100.42
060-0000570-0	MARIAN AMES	614 PEACH STREET			Active
			\$96.58	\$0.00	\$96.58
060-0001500-0	EVERETT AMES	514 JEFFERSON AVE.			Active
			\$96.55	\$0.00	\$96.55
120-0000060-2	UGUR & NATASHA ANATOLIAN	507 ARNIES LOOP			Active
			\$96.58	\$0.00	\$96.58
040-0001490-2	BRAD & SARAH ANTHONY	101 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
040-0001980-3	ERICA ARAUJO	643 MONROE AVENUE			Active
			\$96.58	\$109.43	\$206.01
050-0001130-4	THOMAS AUSTIN	506 NECTARINE ST.			Active
			\$96.58	\$0.00	\$96.58
060-0000875-1	WILLIAMN ALDEN KATHLEEN L BAGOT	608 PINE STREET			Active
			\$102.91	\$0.00	\$102.91
050-0000190-1	TODD BAGWELL	416 PLUM STREET			Active
			\$96.58	\$0.00	\$96.58
010-0000600-0	EMMETT BAILEY	433 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58

### Master Balance Listing

Transaction 12/13/2022  
Date:

Account	Customer Name	Service Address	Current	Past Due	Status Total
030-0000440-2	RICHARD BAKER	128 PEACH STREET			Active
			\$96.58	\$0.00	\$96.58
060-0001225-1	FABIEN & SHASHI BAKSH	4 BAY VISTAS WAY			Active
			\$96.58	\$0.00	\$96.58
020-0000610-2	LAWRENCE BANNON	217 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0000005-2	EDWARD III & STEPHAN BARHAM	629 JEFFERSON AVE			Active
			\$96.58	\$0.00	\$96.58
040-0001810-3	MARY BARNES	543 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
040-0001811-3	MARY BARNES	545 MONROE AVENUE			Active
			\$96.68	\$0.00	\$96.68
040-0001310-1	MARY BARROW	206 MONROE AVENUE			Active
			\$73.10	\$0.00	\$73.10
080-0000500-3	JOHN & PAIGE BARTHOLOMEW	108 SARATOGA PLACE			Active
			\$96.58	\$0.00	\$96.58
100-0000905-2	ALAN BARTLETT	202 OLD COURSE LOOP			Active
			\$98.53	\$0.00	\$98.53
040-0001670-0	LAWRENCE PETE BAUMANN	239 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
080-0000790-2	KELLY WARD BAY CREEK	201 CHURCHILL DOWNS			Active
			\$130.32	\$132.79	\$263.11
100-0000850-1	BAY CREEK BAY CREEK DEVELOPMENT, LLC	176 OLD COURSE LOOP			Balance
			\$57.95	\$33.46	\$91.41
060-0000174-1	CONDO ASSOC BAY LAKE	528 WASHINGTON AVENUE			Active
			\$33.46	\$36.81	\$70.27
080-0000001-0	BAYCREEK GATEHOUSE	100 BAY CREEK PARKWAY			Active
			\$96.58	\$0.00	\$96.58
130-0002000-0	BAYCREEK GOLF CLUB	1 CLUBHOUSE WAY			Active
			\$366.65	\$0.00	\$366.65
130-0000001-0	BAYCREEK GOLF MAINT FACILITY	111 PALMER DRIVE			Active
			\$100.42	\$0.00	\$100.42
090-0000002-0	BAYCREEK MARINA & RESORT MVE	2 BAHAMA ROAD			Active
			\$96.58	\$0.00	\$96.58
130-0000002-0	BAYCREEK POOLHOUSE	108 PALMER DRIVE			Active
			\$96.58	\$0.00	\$96.58
100-0000001-0	BAYCREEK RESTROOM	PALMER DRIVE RESTROOM			Active
			\$96.58	\$0.00	\$96.58
130-0003001-0	BAYCREEK RESTROOM	HERON POINT BATHROOM			Active
			\$96.58	\$0.00	\$96.58
010-0000134-1	BAYSIDE CHIROPRACTIC & REHAB	117 MASON AVENUE F			Active
			\$96.58	\$0.00	\$96.58
060-0001400-1	JON PAUL BEAUCHAMP	312 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0001325-1	ROLAND & KRISTEN BEAZLEY	521 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0000950-1	LESLIE BECKER	214 RANDOLPH AVENUE			Active
			\$129.75	\$0.00	\$129.75

**Master Balance Listing**

Transaction 12/13/2022  
Date:

Account	Customer Name	Service Address	Current	Past Due	Status Total
010-0000670-0	MYRTLE LARRY BECKETT	525 MASON AVENUE			Active
			\$96.58	\$3,748.00	\$3,844.58
050-0000151-0	NANCY BELSKY	518 MADISON AVENUE			Active
			\$96.58	\$743.68	\$840.26
090-0011560-1	MARGARET & MITCH BELTON	171 SUNSET BLVD.			Active
			\$129.17	\$0.00	\$129.17
080-0000630-0	KEITH BENEDICT	134 SARATOGA PLACE			Active
			\$96.58	\$0.00	\$96.58
060-0000290-3	OLIVER H BENNETT	516 WASHINGTON AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0000340-3	OLIVER H BENNETT	506 WASHINGTON AVENUE			Balance
			\$120.73	\$0.00	\$120.73
100-0000410-0	STEVE NAN BENNETT	100 CREEKSIDE LANE			Active
			\$106.69	\$0.00	\$106.69
120-0000046-2	JERRY BERMAN	204 ARNIES LOOP			Active
			\$97.66	\$0.00	\$97.66
140-0000033-2	JOANNE BEVINS	511 BRASS RING			Active
			\$96.58	\$0.00	\$96.58
040-0001350-2	SOUTHERN BREEZES BHARI, KATHY	104 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000040-4	DONALD & MARY BICKLEY	114 FIG STREET			Active
			\$96.58	\$0.00	\$96.58
030-0000530-1	GRAEME D BISDEE	242 TAZEWELL AVENUE			Active
			\$3.02	\$0.00	\$3.02
010-0000112-3	MAURICE & DEBORAH BLACKBURN	115 MASON AVENUE #202			Active
			\$96.58	\$0.00	\$96.58
040-0001900-0	JIM BLANCHARD	619 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000850-1	ED BLANCO	305 HARBOR AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000630-0	DONALD LORIAN BLEWITT	206 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
080-0000510-1	DIANE & JEFFREY BLODGETT	110 SARATOGA PLACE			Active
			\$96.58	\$0.00	\$96.58
030-0001110-4	KRYSTLE BONO	208 STRAWBERRY STREET			Active
			\$96.92	\$270.58	\$367.50
030-0000785-2	CHRISTOPHER & KELLY BOTTO	208 BAY AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0000150-1	CHRISTOPHER & KELLY BOTTO	542 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0001161-1	PHILIP & CAHTERINE BOWLING	610 MADISON AVENUE			Active
			\$106.76	\$0.00	\$106.76
040-0001520-0	KENNETH BOYD & DONNA BOYD	111 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
140-0000039-2	WAYLAND POND BRACC, LLC	502 BRASS RING			Active
			\$159.14	\$0.00	\$159.14
010-0000869-1	CAPE CHARLES BREWING CO. c/o MARK MARSHALL	2198 STONE ROAD			Active
			\$319.93	\$0.00	\$319.93

### Master Balance Listing

Transaction 12/13/2022  
Date:

Account	Customer Name	Service Address			Status Total
			Current	Past Due	
100-0000875-2	DAVID BRITT	190 OLD COURSE LOOP			Active
			\$103.66	\$0.00	\$103.66
020-0000892-0	CHARLES BROWN	110 RANDOLPH AVENUE			Active
			\$106.83	\$0.00	\$106.83
020-0000980-0	BARBARA BROWN	226 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0000168-3	SELENE BROWN	528 WASHINGTON AVENUE C			Active
			\$96.58	\$0.00	\$96.58
060-0000410-0	THELMA BROWN	515 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
090-0001230-1	DONALD & CONSTANCE BROWN	117 SUNSET BOULEVARD			Active
			\$96.58	\$0.00	\$96.58
040-0001970-0	COUCH, AMY BRUCKNER, DANIEL	639 MONROE AVENUE			Active
			\$111.68	\$53.74	\$165.42
120-0000032-2	ANDY & HARRIET BUCHOLZ	304 ARNIES LOOP			Active
			\$96.58	\$0.00	\$96.58
040-0001860-1	RICHARD BUISCH MONROE RENTAL PROPERTY, LLC	603 MONROE AVENUE			Active
			\$96.58	\$50.55	\$147.13
020-0000110-2	DAN BUMPUS	615 RANDOLPH AVENUE			Active
			\$100.29	\$0.00	\$100.29
040-0001910-1	DEREK BURDEN	623 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000167-1	BURGE, CELA BURDISS, JOHN	117 MASON AVENUE D			Active
			\$118.60	\$0.00	\$118.60
050-0000130-1	RICHARD & SUSAN BURGER	550 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0000630-2	CASSANDRA BURNETT	609 PEACH STREET			Active
			\$96.58	\$0.00	\$96.58
080-0000690-1	ALLAN & ASENATH BURNS	113 SARATOGA PLACE			Active
			\$110.40	\$0.00	\$110.40
050-0000200-0	DARLENE C. BURTON	11 NORTH PARK ROW A			Active
			\$96.58	\$0.00	\$96.58
100-0000105-2	LINDA BUSKEY	72 CREEKSIDE LANE			Active
			\$96.58	\$0.00	\$96.58
030-0001130-3	DONALD & ANNA BUTCH	212 STRAWBERRY STREET			Active
			\$96.58	\$0.00	\$96.58
010-0000700-0	DOROTHY BUTLER	537 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000848-1	GREG & REGINA BUTLER	2130 STONE ROAD			Active
			\$112.69	\$0.00	\$112.69
140-0000134-1	JOHN & DOROTHY BUTLER	604 CAROUSEL PLACE			Active
			\$99.75	\$0.00	\$99.75
010-0000396-0	KENNETH & AMIJEANNE BUTTA	245 MASON AVENUE #202			Active
			\$96.58	\$0.00	\$96.58
030-0000380-2	KENNETH & AMIJEANNE BUTTA	506 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0000940-0	SHELTER MANAGEMENT CORP	203 WASHINGTON AVENUE 2			Active
			\$96.58	\$0.00	\$96.58



### Master Balance Listing

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Date:

Account	Customer Name	Service Address			Status Total
			Current	Past Due	
060-0000950-0	SHELTER MANAGEMENT CORP	203 WASHINGTON AVENUE 1			Active
			\$101.77	\$0.00	\$101.77
060-0000960-0	SHELTER MANAGEMENT CORP	203 WASHINGTON AVENUE 4			Active
			\$96.58	\$0.00	\$96.58
060-0000970-0	SHELTER MANAGEMENT CORP	203 WASHINGTON AVENUE 3			Active
			\$100.69	\$0.00	\$100.69
060-0000980-0	SHELTER MANAGEMENT CORP	203 WASHINGTON AVENUE 5			Active
			\$104.33	\$0.00	\$104.33
060-0000990-0	SHELTER MANAGEMENT CORP	203 WASHINGTON AVENUE 6			Active
			\$96.58	\$0.00	\$96.58
060-0001000-0	SHELTER MANAGEMENT CORP	205 WASHINGTON AVENUE 8			Active
			\$97.66	\$0.00	\$97.66
060-0001030-0	SHELTER MANAGEMENT CORP	205 WASHINGTON AVENUE 10			Active
			\$96.58	\$0.00	\$96.58
060-0001040-0	SHELTER MANAGEMENT CORP	205 WASHINGTON AVENUE 12			Active
			\$100.55	\$0.00	\$100.55
060-0001050-0	SHELTER MANAGEMENT CORP	205 WASHINGTON AVENUE 11			Active
			\$99.88	\$0.00	\$99.88
060-0001060-0	SHELTER MANAGEMENT CORP	205 WASHINGTON AVENUE 13			Active
			\$380.07	\$0.00	\$380.07
060-0001070-0	SHELTER MANAGEMENT CORP	205 WASHINGTON AVENUE 14			Active
			\$96.58	\$0.00	\$96.58
060-0001080-0	SHELTER MANAGEMENT CORP	207 WASHINGTON AVENUE 16			Active
			\$96.58	\$0.00	\$96.58
060-0001090-0	SHELTER MANAGEMENT CORP	207 WASHINGTON AVENUE 15			Active
			\$118.23	\$0.00	\$118.23
060-0001100-0	SHELTER MANAGEMENT CORP	207 WASHINGTON AVENUE 17			Active
			\$96.58	\$0.00	\$96.58
060-0001110-0	SHELTER MANAGEMENT CORP	207 WASHINGTON AVENUE 18			Active
			\$96.58	\$0.00	\$96.58
060-0001120-0	SHELTER MANAGEMENT CORP	207 WASHINGTON AVENUE 20			Active
			\$96.58	\$0.00	\$96.58
060-0001130-0	SHELTER MANAGEMENT CORP	207 WASHINGTON AVENUE 19			Active
			\$96.58	\$0.00	\$96.58
060-0001140-0	SHELTER MANAGEMENT CORP	207 WASHINGTON AVENUE 21			Active
			\$96.58	\$0.00	\$96.58
060-0001150-0	SHELTER MANAGEMENT CORP	207 WASHINGTON AVENUE 22			Active
			\$96.58	\$0.00	\$96.58
060-0001170-0	SHELTER MANAGEMENT CORP	209 WASHINGTON AVENUE 23			Active
			\$97.05	\$0.00	\$97.05
060-0001180-0	SHELTER MANAGEMENT CORP	209 WASHINGTON AVENUE 26			Active
			\$110.67	\$0.00	\$110.67
060-0001190-0	SHELTER MANAGEMENT CORP	209 WASHINGTON AVENUE 25			Active
			\$96.58	\$0.00	\$96.58
060-0001200-0	SHELTER MANAGEMENT CORP	209 WASHINGTON AVENUE 27			Active
			\$96.58	\$0.00	\$96.58
060-0001210-0	SHELTER MANAGEMENT CORP	209 WASHINGTON AVENUE 28			Active
			\$96.58	\$0.00	\$96.58

**Master Balance Listing**

Transaction 12/13/2022  
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Account	Customer Name	Service Address			Status Total
			Current	Past Due	
060-0001220-0	SHELTER MANAGEMENT CORP	201 WASHINGTON AVENUE 29			Active
			\$99.68	\$0.00	\$99.68
060-0001010-0	SHELTER MANAGEMENT CORP	205 WASHINGTON AVENUE 7			Active
			\$99.07	\$0.00	\$99.07
060-0001020-0	SHELTER MANAGEMENT CORP	205 WASHINGTON AVENUE 9			Active
			\$109.25	\$0.00	\$109.25
060-0001160-0	SHELTER MANAGEMENT CORP	209 WASHINGTON AVENUE 24			Active
			\$145.98	\$0.00	\$145.98
020-0000770-0	NICHOLAS CAFFERILLO	9 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0001120-5	SILVEIRA, KAREN & CALLAHAN, QUINTON	210 STRAWBERRY STREET			Active
			\$96.58	\$0.00	\$96.58
010-0000398-3	CAMPBELL, GORDON	245 MASON AVENUE #301			Balance
			\$48.57	\$0.00	\$48.57
010-0000402-1	GORDON CAMPBELL	245 MASON AVENUE #402			Balance
			\$48.29	\$0.00	\$48.29
010-0000404-0	CAMPBELL, GORDON	245 MASON AVENUE #104			Active
			\$96.58	\$0.00	\$96.58
030-0001280-1	NANCY TRUSTEE REVOCABLE TR CAMPBELL	501 TAZEWELL AVE			Active
			\$107.37	\$0.00	\$107.37
030-0001281-1	NANCY TRUSTEE REVOCABLE TR CAMPBELL	501A TAZEWELL AVENUE			Active
			\$48.29	\$0.00	\$48.29
130-0002805-0	GORDON CAMPBELL	115 HERON POINTE ROAD			Active
			\$121.40	\$0.00	\$121.40
010-0000370-0	CAPE CHARLES COFFEE HOUSE	241 MASON AVENUE			Active
			\$134.60	\$0.00	\$134.60
010-0000860-0	CAPE CHARLES HISTORICAL SOCIETY	814 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0001492-0	CAPE CHARLES INCUBATERS LLC	713 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000440-0	CAPE CHARLES VACATION RENTALS	307 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0001191-1	ROBERTA CAREY	408 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0001010-3	CAROL CARNEGIE	513 MADISON AVENUE			Active
			\$104.80	\$0.00	\$104.80
130-0000990-0	TERRY CARNEY	1 AMERICAN COURT			Active
			\$137.43	\$0.00	\$137.43
030-0000330-2	SUSAN CARRIGAN	530 TAZEWELL AVENUE			Active
			\$98.13	\$0.00	\$98.13
130-0000160-0	DR. CYNTHIA CARTER	1 BURFORD COURT			Active
			\$96.58	\$791.98	\$888.56
020-0001330-2	ASHLEY & JAMESON CHALMERS	546 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000795-0	PAUL KIMBERLY CHANDLER	204 BAY AVENUE			Active
			\$97.19	\$0.00	\$97.19

**Master Balance Listing**

Transaction 12/13/2022  
Date:

Account	Customer Name	Service Address	Transaction		Status
			Current	Past Due	
					Total
030-0000990-1	STEVE CHAPMAN	215 TAZEWELL AVENUE UP			Active
			\$48.29	\$0.00	\$48.29
030-0001000-2	STEVE CHAPMAN	215 TAZEWELL AVENUE DOWN			Active
			\$48.29	\$0.00	\$48.29
050-0000570-0	ADAM CHARNEY	506 HARBOR AVENUE			Active
			\$119.57	\$0.00	\$119.57
050-0000420-1	CHARNEY, ADAM	204 MADISON AVENUE			Active
			\$122.64	\$0.00	\$122.64
090-0000840-2	HERVIE & LINDSAY CHEATHAM JR.	15 EAST BAY DRIVE			Active
			\$96.58	\$452.93	\$549.51
020-0001481-0	CHESAPEAKE PROPERTIES	5 FIG STREET			Active
			\$96.58	\$0.00	\$96.58
120-0000070-1	WALTER CHILDS	311 ARNIES LOOP			Active
			\$96.58	\$0.00	\$96.58
130-0000120-0	ROSEANN CHIN	9 BURFORD COURT			Active
			\$103.99	\$0.00	\$103.99
060-0000660-0	CHURCH OF THE LORD JESUS CHRIS	311 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
100-0000945-2	ALONSO CISNEROS	218 OLD COURSE LOOP			Active
			\$96.58	\$0.00	\$96.58
030-0000060-0	MARK CLARKE	118 FIG STREET			Active
			\$104.27	\$0.00	\$104.27
030-0001100-4	RODOLFO CLARKE	206 STRAWBERRY STREET			Active
			\$107.43	\$0.00	\$107.43
080-0000078-0	RICHARD CLEPPER	101 CHURCHILL DOWNS			Active
			\$96.58	\$0.00	\$96.58
080-0000140-0	WILLIAM KATHERINE COCHRAN	218 CHURCHILL DOWNS			Active
			\$96.58	\$0.00	\$96.58
030-0000980-1	MATTHEW & MARIA COCHRANE	211 TAZEWELL AVENUE			Active
			\$100.63	\$0.00	\$100.63
140-0000022-1	JIM & PATRICIA CONLEY	514 WALBRIDGE BEND			Active
			\$103.39	\$0.00	\$103.39
020-0000640-3	BRAD CONNORS	209 RANDOLPH AVENUE UP			Active
			\$445.94	\$0.00	\$445.94
030-0001070-1	MATTHEW CONRAD	231 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000165-1	BAYSIDE DREAMER, LLC CONTACT: TAYLOR CUSTIS	1 PINE STREET			Active
			\$112.22	\$0.00	\$112.22
110-0000711-2	MICHAEL & THERESA CONTE	5 PALMERS LANDING			Active
			\$138.12	\$0.00	\$138.12
020-0001115-8	CLARA COOPER	20 Strawberry Street A			Active
			\$96.58	\$192.57	\$289.15
010-0000233-2	KRYSTAL CORCORAN	209 MASON AVENUE UNIT 102-B			Active
			\$93.14	\$0.00	\$93.14
080-0000180-0	PATRICK LINDA CORNELL	210 CHURCHILL DOWNS			Active
			\$96.58	\$0.00	\$96.58
030-0000470-0	SARAH CORTES	318 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58

**Master Balance Listing**

Transaction 12/13/2022  
Date:

Account	Customer Name	Service Address			Status Total
			Current	Past Due	
040-0001720-6	DAVID COWAN	519 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
130-0000690-1	CLINT CROUSE	7 NELLIE STEVENS COURT			Active
			\$112.75	\$0.00	\$112.75
080-0000520-3	NOREEN CROWLEY	112 SARATOGA PLACE			Active
			\$104.94	\$0.00	\$104.94
010-0000660-6	JAY CRYSTAL	521 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58
130-0000040-0	CALVERT CULLEN	8 BURFORD COURT			Active
			\$104.87	\$0.00	\$104.87
010-0000397-0	CLARK CUNDIFF	245 MASON AVENUE #203			Active
			\$96.58	\$0.00	\$96.58
060-0000897-1	SPENCER M & LAUREN E CUSTIS	204 WASHINGTON AVENUE			Active
			\$96.58	\$0.00	\$96.58
040-0001190-1	ELIZABETH & PATRICK DALTON	506 MONROE AVENUE			Active
			\$157.78	\$0.00	\$157.78
010-0000951-1	CAPE HARBOR HOLDINGS DAN BROWN	1101 BAYSHORE DRIVE			Active
			\$33.46	\$0.00	\$33.46
050-0000640-1	NATHAN & MICHELE DAVIDSON	211 MADISON AVENUE			Active
			\$97.25	\$0.00	\$97.25
090-0000400-3	MICHELLE & NATHAN DAVIDSON	17 KINGS COURT			Active
			\$96.58	\$0.00	\$96.58
020-0001000-2	MATTHEW DAVIES	230 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000875-3	AUSTIN & KAREN JOLLY DAVIS	730 C RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0000780-0	AUSTIN DAVIS	5 RANDOLPH AVENUE			Active
			\$98.94	\$0.00	\$98.94
050-0001260-0	MICHAEL DONNA DAVIS	637 JEFFERSON AVENUE			Active
			\$165.94	\$0.00	\$165.94
040-0001290-0	JENNIFER DAWSON	212 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
140-0000001-2	CHARLES DAWSON	529 WALBRIDGE BEND			Balance
			\$48.29	\$0.00	\$48.29
120-0000083-1	CONWORTH DAYTON-JONES	301 ARNIES LOOP			Active
			\$96.58	\$0.00	\$96.58
010-0000755-0	DE ANGELIS CORPORATION	609 MASON AVENUE			Active
			\$102.28	\$106.66	\$208.94
010-0000432-2	LENORE DE BELLIS	10 STRAWBERRY			Active
			\$96.58	\$0.00	\$96.58
030-0000890-1	BRIAN DE SOUSA	9 TAZEWELL AVENUE			Active
			\$104.73	\$0.00	\$104.73
050-0001263-4	LENORE DEBELLIS	633 JEFFERSON AVENUE			Active
			\$96.58	\$106.24	\$202.82
050-0000030-1	ILIANA DE'JESUS	632 MADISON AVENUE			Active
			\$98.81	\$0.00	\$98.81
010-0000560-0	WILLIAM DENNY	11 PEACH STREET			Active
			\$96.58	\$212.48	\$309.06

**Master Balance Listing**

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Account	Customer Name	Service Address			Status Total
			Current	Past Due	
020-0000620-1	JOSH & MANDY DISHON	215 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0001400-1	CHARLENE DIX	611 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0001045-6	WILLIAM DIZE	318 RANDOLPH AVE.			Active
			\$117.56	\$294.56	\$412.12
030-0000450-0	BRENNA R DOHERTY	123 PEACH STREET			Active
			\$62.69	\$0.00	\$62.69
060-0001610-1	BAD DOG INVESTMENTS DOHERTY, D	542 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0001630-1	BAD DOG INVESTMENTS, DOHERTY, D	509 NECTARINE STREET			Active
			\$110.67	\$0.00	\$110.67
050-0000146-3	KUNKEL, TIMOTHY & TR DOHERTY, TODD & NICOLE	520 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0001650-1	PAUL & SHIRLEY DOMINIC	608 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0001600-1	CARRIE & KLARK DONAHUE	540 JEFFERSON AVENUE			Active
			\$117.75	\$24.26	\$142.01
010-0000398-4	DANIEL & JO ANNE DOUGHERTY	245 MASON AVENUE #301			Active
			\$96.58	\$0.00	\$96.58
040-0001790-1	LAURA DOVE	535 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
080-0000130-0	STEPHEN LINDA DOWNS	220 CHURCHILL DOWNS			Active
			\$98.27	\$0.00	\$98.27
050-0000210-5	KATHERINE DRISCOLL	11 NORTH PARK ROW B			Active
			\$96.58	\$0.00	\$96.58
050-0000360-1	TODD DRISCOLL	216 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0001075-1	LAURA WEIGAND DRIZZLES	16 STRAWBERRY AVE.			Active
			\$96.58	\$0.00	\$96.58
020-0001075-0	DRIZZLES LLC	16 STRAWBERRY AVE.			Balance
			\$96.58	\$0.00	\$96.58
060-0000860-2	JEREMY SARAH DRUMHELLER	209 JEFFERSON AVENUE			Active
			\$74.01	\$0.00	\$74.01
010-0000680-3	SARAH DRUMMOND	529 MASON AVENUE			Active
			\$103.59	\$240.65	\$344.24
090-0000650-0	KAREN DUNCAN	5 KINGS BAY DRIVE			Active
			\$102.31	\$0.00	\$102.31
060-0000880-0	SUSAN DURLAK	610 PINE STREET			Active
			\$96.58	\$0.00	\$96.58
020-0000260-0	DEREK KEITH DUVALL	517 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0001290-1	DOUGLAS EASTON	214 JEFFERSON AVENUE			Active
			\$97.66	\$0.00	\$97.66
030-0001050-0	ANDREW ANDREA H EDMUNDS	227 TAZEWELL AVENUE			Active
			\$96.58	\$107.86	\$204.44
060-0000918-1	JOHN EDWARDS	601 PINE STREET			Active
			\$206.64	\$0.00	\$206.64

**Master Balance Listing**

Transaction 12/13/2022  
 Date:

Account	Customer Name	Service Address			Status Total
			Current	Past Due	
080-0000120-0	STEVE EDWARDS	222 CHURCHILL DOWNS			Active
			\$101.43	\$0.00	\$101.43
140-0000105-1	MARY & STEVEN EHMANN	313 CAPTAIN ORRIS BROWNE			Active
			\$107.90	\$0.00	\$107.90
080-0000290-0	EDWARD ROBERTA EICHMAN JR	110 CHURCHILL DOWNS			Active
			\$120.54	\$0.00	\$120.54
060-0000735-1	HARVEY ELAM	214 WASHINGTON AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0001161-4	GERALD MAURICE ELLIOTT	406 RANDOLPH AVENUE			Active
			\$99.95	\$187.85	\$287.80
050-0000930-0	DELORES ELLIOTT	537 PLUM STREET			Active
			\$122.17	\$183.52	\$305.69
080-0000170-0	ALLISON HOLLY ENDERS	212 CHURCHILL DOWNS			Active
			\$87.88	\$0.00	\$87.88
120-0000014-2	BRYAN EVEN	404 ARNIES LOOP			Active
			\$96.58	\$0.00	\$96.58
050-0000390-0	A. J. EWELL	210 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
040-0001340-2	MARY BETH EYE	106 MONROE AVENUE			Active
			\$99.88	\$0.00	\$99.88
140-0000044-1	DEBRA FACCIOILLI	408 WALBRIDGE BEND			Active
			\$115.99	\$0.00	\$115.99
030-0000170-0	PAULA FADER	654-A TAZEWELL AVENUE			Active
			\$97.32	\$0.00	\$97.32
040-0001620-1	KATHRYN FAILON	213 MONROE AVENUE			Active
			\$166.71	\$0.00	\$166.71
040-0001280-1	JEFFREY SCOTT FAIRCLOTH	216 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
100-0000010-0	FAIRWAY CONDOMINIUMS	274 OLD COURSE LP #19			Active
			\$579.48	\$0.00	\$579.48
100-0000020-0	FAIRWAY CONDOMINIUMS	273 OLD COURSE LP #20			Active
			\$579.48	\$0.00	\$579.48
100-0000130-0	FAIRWAY CONDOMINIUMS	404 CLARET CT #9			Active
			\$579.48	\$0.00	\$579.48
100-0000190-0	FAIRWAY CONDOMINIUMS	160 OLD COURSE LOOP #8			Active
			\$579.48	\$0.00	\$579.48
100-0000210-0	FAIRWAY CONDOMINIUMS	132 OLD COURSE LP #6			Active
			\$579.48	\$0.00	\$579.48
100-0000250-0	FAIRWAY CONDOMINIUMS	718 PRESTWICK TURN #35			Active
			\$579.48	\$0.00	\$579.48
100-0000260-0	FAIRWAY CONDOMINIUMS	721 PRESTWICK TURN #21			Active
			\$579.48	\$0.00	\$579.48
100-0000270-0	FAIRWAY CONDOMINIUMS	821 TURNBERRY ARCH #26			Active
			\$579.48	\$0.00	\$579.48
100-0000280-0	FAIRWAY CONDOMINIUMS	807 TURNBERRY ARCH #25			Active
			\$579.48	\$0.00	\$579.48
100-0000290-0	FAIRWAY CONDOMINIUMS	118 OLD COURSE LP #5			Active
			\$579.48	\$0.00	\$579.48

**Master Balance Listing**

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Account	Customer Name	Service Address			Status Total
			Current	Past Due	
100-0000300-0	FAIRWAY CONDOMINIUMS	104 OLD COURSE LP #4			Active
			\$579.48	\$0.00	\$579.48
100-0000310-0	FAIRWAY CONDOMINIUMS	105 OLD COURSE LOOP #24			Active
			\$579.48	\$0.00	\$579.48
100-0000320-0	FAIRWAY CONDOMINIUMS	307 TROON COURT #3			Active
			\$579.48	\$0.00	\$579.48
100-0000330-0	FAIRWAY CONDOMINIUMS	321 TROON CT #2			Active
			\$579.48	\$0.00	\$579.48
100-0000340-0	FAIRWAY CONDOMINIUMS	304 TROON COURT #1			Active
			\$579.48	\$0.00	\$579.48
100-0000350-0	FAIRWAY CONDOMINIUMS	704 PRESTWICK TURN #23			Active
			\$579.48	\$0.00	\$579.48
100-0000360-0	FAIRWAY CONDOMINIUMS	701 PRESTWICK TURN			Active
			\$579.48	\$0.00	\$579.48
100-0000370-0	FAIRWAY CONDO FAIRWAY POOLHOUSE	62 OLD COURSE LOOP			Active
			\$96.58	\$0.00	\$96.58
020-0000390-0	JOSEPH KIMBERLY FEHRER	114 PEACH STREET			Active
			\$99.81	\$0.00	\$99.81
040-0001540-0	ERIC FEUILLATTE	201 MONROE AVENUE			Active
			\$2.88	\$0.00	\$2.88
010-0000750-0	FILLER UP PROPERTY LLC	555 MASON AVENUE			Active
			\$104.96	\$0.00	\$104.96
060-0000290-0	DEVERON FISHER	516 WASHINGTON AVENUE			Balance
			\$10.79	\$0.00	\$10.79
060-0001320-2	ANDREW FLACK	222 JEFFERSON AVENUE			Active
			\$90.11	\$0.00	\$90.11
110-0000370-1	KENNETH & SUZANNE FODILL	2 DEACON COURT			Active
			\$96.58	\$0.00	\$96.58
090-0001030-1	SIMONA FOLESCU	183 SUNSET BLVD.			Active
			\$33.46	\$0.00	\$33.46
010-0000230-4	LIKE A SAILOR FOLLMER, ANDREW	209 MASON AVENUE UNIT C-1			Active
			\$96.58	\$0.00	\$96.58
020-0000500-0	JACK FORGOSH	309 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0000510-0	JACK FORGOSH	307 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
140-0000051-2	DEIRDRA FRANCIS	517 BAYSIDE AVENUE			Active
			\$96.58	\$0.00	\$96.58
140-0000102-2	JUDY & JEFF FRANCIS	310 CAPTAIN ORRIS BROWNE			Active
			\$104.73	\$107.50	\$212.23
140-0000128-2	DIANE FRANTZ	616 CAROUSEL PLACE			Active
			\$33.46	\$36.81	\$70.27
140-0000066-1	SIA P POTTER TRUST FROEHLER, MATT	408 CASSATT KNOLLS			Active
			\$96.58	\$0.00	\$96.58
010-0000930-0	FUJIFILM WAKO CHEMICALS U.S.A. INC.	301 PATRICK HENRY AVENUE			Active
			\$229.31	\$0.00	\$229.31
050-0000970-1	JOSHUA FULLAM	508 PLUM STREET			Active
			\$96.58	\$0.00	\$96.58

**Master Balance Listing**

Transaction 12/13/2022  
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Account	Customer Name	Service Address	Transaction		Status
			Current	Past Due	
					Total
060-0001490-3	SARAH FULLAM	510 JEFFERSON AVENUE			Active
			\$96.85	\$0.00	\$96.85
020-0001030-2	HEATHER FUQUAY	316 RANDOLPH AVENUE			Active
			\$117.56	\$0.00	\$117.56
040-0001530-1	ASHLEIGH & MICHAEL FURCRON	240 MONROE AVENUE			Active
			\$97.45	\$0.00	\$97.45
060-0000450-0	THOMAS GALE	614 PLUM STREET			Active
			\$96.58	\$106.24	\$202.82
090-0000450-0	LYNN GALLAGHER	15 KINGS COURT			Active
			\$99.14	\$0.00	\$99.14
050-0001080-0	SHIRLEY GALLOWAY	541 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
090-0001095-4	STEVE & DENICE GARNER	169 SUNSET BOULEVARD			Active
			\$96.58	\$0.00	\$96.58
030-0000680-0	GREG LAUREN GARTLAND	102 TAZEWELL AVENUE #2			Active
			\$99.48	\$0.00	\$99.48
030-0000681-3	GREG LAUREN GARTLAND	102 TAZEWELL AVENUE #1			Active
			\$96.58	\$0.00	\$96.58
010-0000780-1	DEBORAH GARVEY	635 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0000310-5	JOHN GAVIN	303 STRAWBERRY STREET			Active
			\$96.58	\$0.00	\$96.58
050-0000320-4	JOHN GAVIN	305 STRAWBERRY STREET			Active
			\$98.53	\$0.00	\$98.53
080-0000110-1	TIFFANY GELZINIS	224 CHURCHILL DOWNS			Active
			\$106.09	\$0.00	\$106.09
100-0000510-1	TIFFANY GELZINIS	122 CREEKSIDE LANE			Active
			\$48.29	\$0.00	\$48.29
050-0000765-1	ANDREA GIARDINA	301 MADISON AVENUE			Active
			\$104.27	\$0.00	\$104.27
030-0000610-2	DANIEL & COURTNEY GIFFORD	214 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
100-0000510-0	ELLIS GILLESPIE	122 CREEKSIDE LANE			Balance
			\$48.29	\$219.71	\$268.00
080-0000280-1	NEIL CARINGTON GILLISS	108 CHURCHILL DOWNS			Active
			\$96.58	\$0.00	\$96.58
050-0000660-3	ROBYN GINSBERG	213 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
100-0000515-0	PAM GIRTMAN	125 CREEKSIDE LANE			Active
			\$96.58	\$108.84	\$205.42
010-0000620-0	BRUCE GITTINGER	439 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000750-0	BRUCE GITTINGER	4 TAZEWELL AVENUE			Active
			\$103.39	\$0.00	\$103.39
050-0000350-0	MARY ELIZABETH & GAR GLASER	218 MADISON AVENUE			Active
			\$95.80	\$0.00	\$95.80
020-0001270-2	GLASER, KATHLEEN	520 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58



**Master Balance Listing**

Transaction 12/13/2022  
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Account	Customer Name	Service Address	Transaction		Status
			Current	Past Due	
					Total
020-0001280-0	GLASER, KATHLEEN	530 RANDOLPH AVENUE	\$106.89	\$0.00	Active \$106.89
030-0000145-0	THOMAS GODWIN	725 MONROE AVENUE	\$120.54	\$64.92	Active \$185.46
050-0001180-1	THOMAS GODWIN	625 MADISON AVENUE	\$96.58	\$0.00	Active \$96.58
090-0000720-4	DANIEL GOFFIGAN	10 KINGS BAY DRIVE	\$102.24	\$0.00	Active \$102.24
010-0000403-0	CHICA GOLIBART	245 MASON AVENUE #403	\$96.58	\$0.00	Active \$96.58
050-0000865-1	MARTIN & SUZANNE GOLIBART	403 MADISON AVENUE	\$96.58	\$0.00	Active \$96.58
020-0000870-0	DAVID GOMER	6 RANDOLPH AVENUE	\$99.55	\$0.00	Active \$99.55
060-0000040-2	DUSTIN & CHRISTINA GOODPASTER	615 JEFFERSON AVENUE	\$96.58	\$0.00	Active \$96.58
050-0000610-1	IAIN CHARLES & FIONA GOODWIN	203 MADISON AVENUE	\$96.58	\$0.00	Active \$96.58
060-0001510-0	GOSPEL TABERANGLE CHURCH	512 JEFFERSON AVENUE	\$96.58	\$10.63	Active \$107.21
090-0000008-0	DENNIS & JOSEFA GRABULIS	138 SUNSET BLVD.	\$147.13	\$0.00	Active \$147.13
060-0001530-1	JIM & KIM GRANGER	524 JEFFERSON AVENUE	\$105.34	\$0.00	Active \$105.34
040-0001880-0	JEFF GRAY	615 MONROE AVENUE	\$100.96	\$0.00	Active \$100.96
060-0001660-0	GRAY'S FUNERAL HOME	625 MADISON AVENUE	\$96.58	\$0.00	Active \$96.58
020-0000030-1	LEIGH GREER	641 RANDOLPH AVENUE	\$96.58	\$106.24	Active \$202.82
060-0000173-1	JAMES E & JEANNE L GRILLI	528 WASHINGTON AVENUE B	\$96.58	\$0.00	Active \$96.58
060-0000050-1	CHRISTINE GROAH	613 JEFFERSON AVENUE	\$96.58	\$0.00	Active \$96.58
140-0000057-2	DENNIS & TONJA GUERRA	505 BAYSIDE AVENUE	\$103.86	\$0.00	Active \$103.86
010-0000110-1	GULL HUMMOCK GOURMET MARKET	115 MASON AVE #101	\$96.58	\$0.00	Active \$96.58
010-0000001-2	MARIANO GUTIERREZ LLAGUNO	4 BAY AVENUE	\$96.58	\$0.00	Active \$96.58
080-0000320-0	ANNE HALLERMAN	116 CHURCHILL DOWNS	\$96.58	\$0.00	Active \$96.58
090-0001129-1	PATRICK HAND	165 SUNSET BLVD.	\$33.46	\$36.81	Active \$70.27
030-0000730-0	STEVE HANDY	10 TAZEWELL AVENUE	\$118.33	\$0.00	Active \$118.33
050-0000450-0	GREG HARMAN	400 PINE STREET	\$101.30	\$0.00	Active \$101.30

**Master Balance Listing**

Transaction 12/13/2022  
 Date:

Account	Customer Name	Service Address	Transaction		Status
			Current	Past Due	
050-0000460-0	BRIAN LISA HARMAN	104 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000113-1	HENRY U. HARRIS	115 MASON AVENUE #301			Active
			\$34.75	\$0.00	\$34.75
100-0000416-1	WILLIAM HARRIS	103 CREEKSIDE LANE			Active
			\$123.41	\$0.00	\$123.41
140-0000121-1	ROBERT HARRIS	630 CAROUSEL PLACE			Active
			\$119.00	\$0.00	\$119.00
010-0000580-2	SALT & SAND SEAN & CRYSTAL HART	6 PEACH STREET			Active
			\$154.59	\$238.01	\$392.60
020-0000820-0	DONALD HART JR	104 BAY AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0001150-0	ERIN HARVEY	340 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000720-0	LOTHAR CORNELIA HASELBERGER	208 HARBOR AVENUE			Active
			\$96.58	\$0.00	\$96.58
080-0000600-0	RICHARD BETTY HAWKS	128 SARATOGA PLACE			Active
			\$96.58	\$0.00	\$96.58
090-0001170-2	KISHA HAWTHORNE	122 SUNSET BLVD.			Active
			\$95.77	\$0.00	\$95.77
050-0000499-0	ROBERT HEADLEY	10 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0000890-0	HOWARD HELENBROOK	612 PINE STREET			Active
			\$96.58	\$0.00	\$96.58
060-0000895-1	HOWARD J HELENBROOK	200 WASHINGTON STREET			Active
			\$96.58	\$0.00	\$96.58
060-0000900-0	HOWARD HELENBROOK	614 PINE STREET			Active
			\$96.58	\$0.00	\$96.58
060-0000750-1	TOM & JACQUIE HELLER	220 WASHINGTON AVENUE			Active
			\$97.39	\$0.00	\$97.39
040-0001160-0	PAULA JOSE HENAO	514 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000790-1	JOEY HENRY	645 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000139-3	PAULA HENRY	701 MONROE AVENUE			Active
			\$101.70	\$0.00	\$101.70
090-0000390-2	JILL HERMANN	19 KINGS COURT			Active
			\$96.58	\$0.00	\$96.58
050-0000670-0	MARGARET HICKMAN	215 MADISON AVENUE			Active
			\$128.12	\$0.00	\$128.12
050-0000960-1	HENRY HIGHLAND	510 PLUM STREET			Active
			\$96.58	\$0.00	\$96.58
060-0001310-1	MICHAEL & BETTY HOAG	220 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
120-0000013-1	JEFF & PENNY HOLLAND	406 ARNIES LOOP			Active
			\$33.46	\$0.00	\$33.46
050-0000260-0	MICHAEL & JEANNE HOLLISTER	7 NORTH PARK ROW			Active
			\$96.58	\$0.00	\$96.58

**Master Balance Listing**

Transaction 12/13/2022  
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Account	Customer Name	Service Address	Transaction		Status
			Current	Past Due	
					Total
130-0000440-0	WILHELMINA HOLMAN	214 BLUE HEAVEN ROAD			Active
			\$96.58	\$0.00	\$96.58
100-0000965-2	ROBERT HOLT	226 OLD COURSE LOOP			Active
			\$96.71	\$0.00	\$96.71
140-0000129-2	RON HOLT	614 CAROUSEL PLACE			Active
			\$33.46	\$36.81	\$70.27
010-0000914-2	TIM HOOK @ HARVEY	1011B BAYSHORE ROAD- RESTAURANT			Active
			\$145.80	\$0.00	\$145.80
050-0000300-2	VIRGIL HOOPER-PORTER	300 STRAWBERRY STREET			Active
			\$140.89	\$0.00	\$140.89
060-0000164-2	WILMA KAY HOPSON	524 WASHINGTON AVENUE B			Active
			\$96.58	\$0.00	\$96.58
030-0000650-0	JEFFREY&LESLIE REI HOTTENSTEIN	114 TAZEWELL AVENUE			Active
			\$103.05	\$0.00	\$103.05
050-0000530-0	SUSAN KINCANNON STEVE HOUCHENS	3 MADISON AVENUE			Active
			\$135.61	\$0.00	\$135.61
060-0000740-1	BETH & JEFF HOWARD	216 WASHINGTON AVENUE			Active
			\$102.58	\$122.56	\$225.14
030-0001410-1	DAVID HOWGILL	615 TAZEWELL AVENUE			Active
			\$96.58	\$225.16	\$321.74
080-0000470-1	JOHN & RHONDA HOZEY	102 SARATOGA PLACE			Active
			\$100.83	\$0.00	\$100.83
120-0000058-1	ALBERT HUBER	511 ARNIES LOOP			Active
			\$96.58	\$0.00	\$96.58
020-0001230-0	MARY HUFF	428 RANDOLPH AVENUE			Active
			\$96.58	\$3,671.98	\$3,768.56
020-0001240-0	MARY HUFF	426 RANDOLPH AVENUE			Active
			\$96.58	\$2,758.57	\$2,855.15
040-0001770-0	KEITH HUFF	527 MONROE AVENUE			Active
			\$96.05	\$0.00	\$96.05
120-0000080-1	ANTHONY & TRACY HULEN	307 ARNIES LOOP			Active
			\$96.58	\$0.00	\$96.58
100-0000415-1	DIANE HUMPHRIES	102 CREEKSIDE LANE			Balance
			\$48.29	\$104.67	\$152.96
010-0000591-0	HUNGRY CRAB DEADRISE	425 MASON AVENUE			Active
			\$207.04	\$0.00	\$207.04
030-0000710-2	GARY & JANIE HUNTER	210 HARBOR AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0001360-1	GARY & JANIE HUNTER	545 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0000430-1	GARY & JANIE HUNTER	501 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
090-0000595-1	ANDREA HUTCHINSON	17 KINGS BAY DRIVE			Active
			\$119.48	\$0.00	\$119.48
050-0000145-0	CHUL HWANG	546 MADISON AVENUE			Active
			\$103.99	\$0.00	\$103.99
010-0000821-0	IES HOLDINGS LLC	712 RANDOLPH AVENUE			Active
			\$121.35	\$0.00	\$121.35

**Master Balance Listing**

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Account	Customer Name	Service Address			Status Total
			Current	Past Due	
010-0000830-0	IES HOLDINGS LLC	718 RANDOLPH AVENUE			Active
			\$237.50	\$0.00	\$237.50
090-0000630-1	IBRAHIM & ROSEMARIE JABRI	9 KINGS BAY DRIVE			Active
			\$96.58	\$0.00	\$96.58
010-0000050-2	JACK RUSSELL PROPERT JACK RUSSELL PROPERTIES LLC	7 MASON AVENUE			Active
			\$99.14	\$0.00	\$99.14
030-0001430-4	JACK RUSSELL PROPERT JACK RUSSELL PROPERTIES LLC	645 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
090-0000003-1	JACK RUSSELL PROPERT JACK RUSSELL PROPERTIES LLC	19 CHARLESTOWNE DRIVE			Active
			\$96.58	\$0.00	\$96.58
010-0000870-3	ROBERT B. JACKSON	730 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0000550-1	JENNIFER JACKSON	237 RANDOLPH AVENUE			Active
			\$745.07	\$106.24	\$851.31
020-0001112-0	JENNIFER JACKSON	20 STRAWBERRY STREET APT. B			Balance
			\$96.58	\$66.08	\$162.66
050-0000148-1	DAVID JACKSON	524 MADISON AVENUE			Active
			\$97.59	\$0.00	\$97.59
100-0000895-2	GEORGE JACKSON	198 OLD COURSE LOOP			Active
			\$59.50	\$0.00	\$59.50
020-0000020-2	CHIRS KAVANAUGH JASMINE YOON	645 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000560-2	KATHY JENKINS	234 TAZEWELL AVENUE			Active
			\$100.89	\$0.00	\$100.89
050-0001050-1	KATHY JENKINS	529 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000481-2	MOONRISE JEWELRY INC	325 A MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58
080-0000390-0	CROSBY JOHNSON	130 CHURCHILL DOWNS			Active
			\$96.58	\$137.97	\$234.55
090-0000810-3	AMBER JOHNSON	29 KINGS BAY DRIVE			Balance
			\$76.98	\$96.91	\$173.89
030-0000740-0	WILLIAM JONES	6 TAZEWELL AVENUE			Active
			\$145.30	\$0.00	\$145.30
040-0001130-0	SAMUEL E. JONES	538 MONROE AVENUE			Active
			\$108.98	\$0.00	\$108.98
060-0000165-1	PATRICIA ANN & JEFFR JONES	522 WASHINGTON AVENUE A			Active
			\$96.58	\$0.00	\$96.58
080-0000330-0	JAMES JONES	118 CHURCHILL DOWNS			Active
			\$96.58	\$0.00	\$96.58
060-0000162-0	MICHAEL CALVIN & JORDAN	524 WASHINGTON AVENUE C			Active
			\$96.58	\$0.00	\$96.58
090-0000860-1	TRAFTON & SARAH JORDAN	4 CRYSTAL LAKE COURT			Active
			\$96.58	\$0.00	\$96.58
030-0000050-1	DENNIS SAIDAT JUDE HARRIS	116 FIG ST			Active
			\$96.58	\$0.00	\$96.58

### Master Balance Listing

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Account	Customer Name	Service Address	Current	Past Due	Status Total
030-0000550-2	MICHAEL & MARA KANE	606 FIG STREET	\$96.58	\$0.00	Active \$96.58
040-0001360-1	SOUTHERN BREEZES KEARN SCHEMM	104 MONROE AVENUE	\$96.58	\$0.00	Active \$96.58
030-0000230-2	STEVEN & KATE KEELER	630 TAZEWELL AVENUE	\$96.58	\$0.00	Active \$96.58
040-0001050-4	STEVEN & KATE KEELER	618 MONROE AVENUE	\$96.58	\$0.00	Active \$96.58
090-0000014-1	L. J. KELLAM CONSTRUCTION	9 COLONY DRIVE	\$33.46	\$0.00	Active \$33.46
100-0000605-1	L. J. KELLAM CONSTRUCTION	113 CREEKSIDE LANE	\$33.46	\$0.00	Active \$33.46
130-0002802-1	L. J. KELLAM CONSTRUCTION	3 HERON POND LANE	\$33.46	\$0.00	Active \$33.46
140-0000125-1	L. J. KELLAM CONSTRUCTION	622 CAROUSEL PLACE	\$33.46	\$0.00	Active \$33.46
030-0000090-0	COLLEEN KELLY	721 TAZEWELL AVENUE	\$96.58	\$0.00	Active \$96.58
010-0000161-0	KELLY'S GINGERNUT PUB	133 MASON AVENUE	\$367.42	\$0.00	Active \$367.42
060-0000820-0	KATHERINE KIDD	225 JEFFERSON AVENUE	\$96.58	\$0.00	Active \$96.58
010-0000801-1	PENELOPE & DERRICK KINSEY	1 FIG STREET	\$96.58	\$0.00	Active \$96.58
060-0000156-2	PENELOPE & DERRICK KINSEY	640 WASHINGTON AVENUE	\$116.46	\$92.23	Active \$208.69
040-0001040-0	JEFF LAURIE KLINGEL	622 MONROE AVENUE	\$97.25	\$0.00	Active \$97.25
120-0000059-1	WILLIAM KNIGHT	509 ARNIES LOOP	\$103.32	\$0.00	Active \$103.32
060-0001440-1	KNIGHT, WILLIAM	409 JEFFERSON	\$96.58	\$0.00	Active \$96.58
020-0001036-2	TRESORS STYLING STUDIO	18 STRAWBERRY STREET	\$47.47	\$678.41	Balance \$725.88
020-0000721-0	ROBERT CONNOR LINDA KOHL	109 RANDOLPH AVENUE	\$106.89	\$0.00	Active \$106.89
030-0000160-0	KOHLER, DONNA	711 TAZEWELL AVENUE	\$96.58	\$0.00	Active \$96.58
020-0001300-1	THEODORE & JEANNE KOZLOWSKI	538 RANDOLPH AVENUE	\$96.58	\$0.00	Active \$96.58
030-0000065-1	TIM KRAWCZEL	525 TAZEWELL AVE	\$119.67	\$0.00	Active \$119.67
030-0001060-1	ELISE KRIKAU	229 TAZEWELL AVENUE	\$136.18	\$0.00	Active \$136.18
020-0000170-1	ALEKSANDER CARLEEN KUPCIS	535-A RANDOLPH AVENUE	\$99.68	\$0.00	Active \$99.68
090-0001140-0	MICHAEL KATHLEEN KURGAN	151 SUNSET BOULEVARD	\$107.70	\$0.00	Active \$107.70

**Master Balance Listing**

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Account	Customer Name	Service Address			Status Total
			Current	Past Due	
030-0000270-1	ALLEN & SUZANNE LABONTE	612 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
140-0000017-1	JOHN LAFFERTY	405 CASSATT KNOLL			Active
			\$103.86	\$110.60	\$214.46
040-0001600-0	LEONEL WENDY LAGUARDA	209 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000240-2	DORIS B LAJOIE	620 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000430-0	CLAUDETTE LAJOIE	127 PEACH STREET			Active
			\$96.58	\$0.00	\$96.58
090-0000004-0	ORAL KAREN LAMBERT	5 WATERS EDGE DRIVE			Active
			\$101.57	\$0.00	\$101.57
060-0000916-0	STEVEN THERESA LANG	600 PINE STREET			Active
			\$96.58	\$0.00	\$96.58
050-0000080-2	DANIEL & SHANNON LAST	606 MADISON AVENUE			Active
			\$106.01	\$0.00	\$106.01
030-0001250-7	LORETTA LAUGHMAN	419 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0001260-0	LORETTA LAUGHMAN	423 TAZEWELL AVENUE			Active
			\$102.17	\$0.00	\$102.17
130-0000960-0	PETER LAWRENCE	7 AMERICAN COURT			Active
			\$97.39	\$0.00	\$97.39
030-0000921-3	DAVID ANNA LEE	107 TAZEWELL AVENUE			Active
			\$105.55	\$0.00	\$105.55
030-0000922-1	DAVID ANNA LEE	109 TAZEWELL AVE			Active
			\$96.58	\$0.00	\$96.58
060-0001460-0	WILLIE MAE LEE	522 PEACH STREET			Active
			\$96.58	\$0.00	\$96.58
050-0000340-1	LAURA LEMBKE	220 MADISON AVENUE			Active
			\$96.58	\$111.25	\$207.83
060-0000919-1	JOE & JILL LEMERY	603 PINE STREET			Active
			\$97.45	\$0.00	\$97.45
010-0000420-0	LEMON TREE GALLERY AND STUDIO	301 MASON AVENUE			Active
			\$96.58	\$106.24	\$202.82
010-0000250-2	LOVE LETTERS	213 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000841-1	VANCE LEWIS	722 RANDOPLPH AVENUE UP UNIT			Active
			\$96.58	\$0.00	\$96.58
030-0000141-1	BENJAMIN LEWIS	704 MONROE AVE			Active
			\$96.58	\$0.00	\$96.58
030-0000360-0	JOHN LEWIS	518 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0001190-1	KELLY LEWIS	627 MADISON AVENUE			Active
			\$105.34	\$0.00	\$105.34
090-0000001-1	DAVID C LEWIS	3 BAHAMA ROAD			Active
			\$96.58	\$0.00	\$96.58
060-0001560-2	WRIGHT, STEVE LEYCO, MARIPAZ	532 JEFFERSON AVENUE			Active
			\$96.58	\$106.24	\$202.82

**Master Balance Listing**

Transaction 12/13/2022  
Date:

Account	Customer Name	Service Address	Transaction		Status
			Current	Past Due	
					Total
040-0001260-1	STEPHANIE LIBBY	220 MONROE AVENUE	\$113.16	\$0.00	Active \$113.16
090-0000770-4	BARRY RUDIGER LIGHTHOUSE REAL ESTATE MANAGEMENT, LLC	20 KINGS BAY DRIVE	\$96.58	\$0.00	Active \$96.58
120-0000063-2	BARRY RUDIGER LIGHTHOUSE REAL ESTATE MANAGEMENT, LLC	501 ARNIES LOOP	\$103.12	\$0.00	Active \$103.12
050-0001280-0	CHARLENE RILEY LINDA SMAW	627 JEFFERSON AVENUE	\$96.58	\$0.00	Active \$96.58
030-0000142-1	LINDA LINES	705 MONROE AVENUE	\$96.58	\$0.00	Active \$96.58
020-0000360-0	SUSAN LINFERT	409 RANDOLPH AVENUE	\$116.80	\$0.00	Active \$116.80
110-0000620-2	MICHAEL & MARY ANN LITTON	11 PALMERS LANDING	\$96.58	\$0.00	Active \$96.58
060-0001235-1	JOHN M LOCKWOOD	504 BAY AVENUE	\$101.23	\$0.00	Active \$101.23
020-0001350-2	JACKIE & JOE LOMBARDO	550 RANDOLPH AVENUE	\$96.58	\$0.00	Active \$96.58
140-0000050-2	ROBIN LONGO	519 BAYSIDE AVENUE	\$33.46	\$36.81	Active \$70.27
040-0001760-7	MATTHEW LOSINGER	525 MONROE AVENUE	\$111.14	\$0.00	Active \$111.14
120-0000056-1	JAMES LOVETT	102 ARNIES LOOP	\$99.14	\$0.00	Active \$99.14
030-0000900-1	WILLIAM & KAREN LOWE	101 TAZEWELL AVENUE	\$99.95	\$0.00	Active \$99.95
030-0000280-1	RENATO LUCATELLO	602 TAZEWELL AVENUE	\$106.24	\$0.00	Active \$106.24
030-0000830-0	ELIZABETH LUETTINGER	7 TAZEWELL AVENUE	\$96.58	\$0.00	Active \$96.58
030-0000840-1	ELIZABETH LUETTINGER	5 TAZEWELL AVENUE	\$96.58	\$0.00	Active \$96.58
010-0000200-4	ROSE LYNN, LLC	205 MASON AVENUE UNIT 4	\$46.53	\$0.00	Active \$46.53
130-0001000-1	CORINNE MACDOUGALL	12 CARISSA COURT	\$113.29	\$133.43	Active \$246.72
020-0000890-0	CHRISTOPHER MACKEY	102 RANDOLPH AVENUE	\$104.27	\$0.00	Active \$104.27
130-0000560-2	CHRISTOPHER & CHRIS MAGEE	4 INKBERRY COURT	\$96.58	\$0.00	Active \$96.58
140-0000006-1	JAMES LIEPMAN MAGGIE DEUEL	519 WALBRIDGE BEND	\$110.80	\$0.00	Active \$110.80
030-0000150-0	VONNIE MALEK	304 FIG STREET	\$96.58	\$0.00	Active \$96.58
030-0000370-0	SARA MANNERS	512 TAZEWELL AVENUE	\$96.58	\$0.00	Active \$96.58

**Master Balance Listing**

Transaction 12/13/2022  
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Account	Customer Name	Service Address			Status Total
			Current	Past Due	
020-0001431-1	ALEX MANNING	628 RANDOLPH AVENUE			Active
			\$96.58	\$212.48	\$309.06
020-0001432-1	ANNE MARIE MANNING	626 RANDOLPH AVENUE			Active
			\$96.58	\$225.75	\$322.33
040-0001100-1	LAURA & RICHARD MANZOLINA	548 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0001031-4	KATI MAPP	24 STRAWBERRY STREET			Active
			\$117.56	\$107.09	\$224.65
020-0001160-1	RYAN MARABLE	402 RANDOLPH AVENUE			Active
			\$98.81	\$122.47	\$221.28
030-0001150-5	RYAN MARABLE	216 STRAWBERRY ST.			Active
			\$96.58	\$106.24	\$202.82
100-0000847-2	RACHEL & VICTOR MARCO	180 OLD COURSE LOOP			Active
			\$99.68	\$0.00	\$99.68
140-0000004-1	LANCE & STEPHANIE MARINE	523 WALBRIDGE BEND			Active
			\$96.58	\$0.00	\$96.58
010-0000940-2	CAPE MARINE SERVICES, LLC	1270 BAYSHORE RD.			Active
			\$96.58	\$0.00	\$96.58
120-0000087-1	DEBORAH MARSHALL	201 ARNIES LOOP			Active
			\$106.83	\$0.00	\$106.83
020-0000600-1	CAPE CHARLIE, LLC MARSHALL, WHITNEY	219 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
040-0001700-1	JOHNATHAN & HILLARY MASON	509 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000080-0	JOANNE MAST	715 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0001460-0	JAMES MASTEN	634 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
040-0001135-4	MARTIN MAYER	523 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
040-0001148-3	MARTIN MAYER	521 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0000160-0	MARTIN MAYER	428 PLUM STREET			Active
			\$96.58	\$0.00	\$96.58
080-0000730-0	LARRY MARGARET MCALLEN	105 SARATOGA PLACE			Active
			\$96.58	\$0.00	\$96.58
010-0000399-9	ED MCCARTHY	245 MASON AVENUE # 302			Active
			\$96.58	\$0.00	\$96.58
050-0000110-1	MICHAEL & LESLIE MCCLAIN	409 NECTARINE STREET			Active
			\$61.93	\$0.00	\$61.93
130-0002820-0	CATHLEEN MCCLOY	4 HERON COURT			Active
			\$105.95	\$0.00	\$105.95
030-0000480-3	DAVE MCCORMACK	314 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0001290-0	ANDREW MCCOY	536 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
130-0000080-2	ANDREA ZACHARY MCCREADY	16 BURFORD COURT			Active
			\$114.38	\$0.00	\$114.38



**Master Balance Listing**

Transaction 12/13/2022  
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Account	Customer Name	Service Address	Current	Past Due	Status Total
140-0000058-2	MARK & ERIN MCFARLAND	503 BAYSIDE AVENUE			Active
			\$107.97	\$0.00	\$107.97
060-0000563-2	KEVIN MCGOVERN	605 PEACH STREET			Active
			\$96.58	\$0.00	\$96.58
040-0001110-0	STEVE MCGOWAN	542 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
090-0000680-1	MARGARETTA MCGRIL	2 KINGS BAY DRIVE			Active
			\$96.58	\$112.50	\$209.08
140-0000036-2	LESLIE MCINNES	508 BRASS RING			Active
			\$99.81	\$0.00	\$99.81
020-0001320-0	MICHAEL MCKINLEY	544 RANDOLPH AVENUE			Active
			\$587.43	\$0.00	\$587.43
030-0000340-0	JANE MCKINLEY	526 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0000805-1	GARY & SHEILA MCKINNEY	14 BAY AVENUE			Active
			\$105.07	\$0.00	\$105.07
050-0000152-1	GARY & SHEILA MCKINNEY	516 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000540-0	THOMAS MCKNIGHT	240 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
080-0000002-1	LLC MCKOWN PRESSURE WASHING, LLC	HYDRANT BAY CREEK PARKWAY			Active
			\$31.59	\$0.00	\$31.59
110-0000685-1	TIM MCLATCHY	9 PALMERS LANDING			Active
			\$133.69	\$0.00	\$133.69
050-0000250-2	JOHN & RACHELLE MCLAUGHLIN	9 PARK ROW			Active
			\$5.86	\$0.00	\$5.86
030-0000490-0	DONALD MCMATH	304 TAZEWELL AVENUE			Active
			\$96.58	\$7,510.76	\$7,607.34
060-0001410-0	TRACY & JAY MEADOWS	324 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0000810-4	TIFFANY MERCER	3 RANDOLPH AVENUE UP			Active
			\$96.58	\$0.00	\$96.58
020-0000840-0	JIM METZ	2 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
090-0001174-1	SCOTT & TERI MILLER	130 SUNSET BOULEVARD			Active
			\$96.58	\$0.00	\$96.58
140-0000026-1	PAUL MILLER	506 WALBRIDGE BEND			Active
			\$97.12	\$0.00	\$97.12
020-0000460-0	JENNIFER MILLINGTON	339 RANDOLPH AVENUE			Active
			\$100.89	\$0.00	\$100.89
010-0000740-1	TERRI A MIMMS	551 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000094-1	FIAMETA PELLICER & MINDA VARGAS	727 TAZEWELL AVENUE			Active
			\$157.02	\$42.82	\$199.84
030-0000940-0	NORMAN CYNTHIA MITCHELL	111 TAZEWELL AVENUE			Active
			\$100.22	\$0.00	\$100.22
030-0001160-0	LENORA MITCHELL	309 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58

### Master Balance Listing

Transaction 12/13/2022  
Date:

Account	Customer Name	Service Address			Status Total
			Current	Past Due	
050-0000680-0	MABEL MITCHELL	217 MADISON AVENUE			Active
			\$96.78	\$0.00	\$96.78
060-0001430-0	MITCHELL'S SHOPPE	400 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
140-0000032-1	LISA MOLINARI	509 BRASS RING			Active
			\$96.58	\$0.00	\$96.58
040-0001400-1	BOBBY MONTGOMERY	2 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0000435-2	PAVLAK, BILL MONTGOMERY, JOANNE	503 JEFFERSON AVENUE			Active
			\$130.42	\$0.00	\$130.42
050-0000170-0	JAMES MOORE	424 PLUM STREET			Active
			\$96.58	\$0.00	\$96.58
030-0000511-0	AVIS MOORING	244 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0001441-2	BRIAN & KARYN MORAN	649 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
080-0000410-0	ROBERT MORELAND	131 CHURCHILL DOWNS			Active
			\$96.58	\$0.00	\$96.58
010-0000710-0	LAILA KOBTY MORETTO	541 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000180-3	JOHN MORRIS	654-B TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0000990-0	ELWOOD MORTON	502 PLUM STREET			Active
			\$96.58	\$0.00	\$96.58
130-0003002-3	ADRIANA & MAURO MOSCUCCI	135 HERON POINT ROAD			Active
			\$118.42	\$0.00	\$118.42
060-0000862-2	JOHN NANCY MOSTELLER	205 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
080-0000240-0	ROGER DONNA MOYER	100 CHURCHILL DOWNS			Active
			\$112.01	\$0.00	\$112.01
100-0000900-2	SARA MOYLE	200 OLD COURSE LOOP			Active
			\$96.58	\$0.00	\$96.58
080-0000220-0	DOROTHY MUCCIN	202 CHURCHILL DOWNS			Active
			\$99.55	\$0.00	\$99.55
040-0001940-0	ROBERT THERESE MUCHA	627 MONROE AVENUE			Active
			\$108.91	\$0.00	\$108.91
090-0000700-0	MATTHEW LINDSAY MULHERN	6 KINGS BAY DRIVE			Active
			\$96.58	\$0.00	\$96.58
010-0000232-4	ANTHONY T. MULVEY	209 MASON AVENUE UNIT 101A			Active
			\$96.58	\$0.00	\$96.58
110-0000580-0	WILLIAM & MARY JO MURPHY	3 SEAY COURT			Active
			\$96.58	\$0.00	\$96.58
020-0000060-1	BURKE, VIRGINIA MURPHY, BRYAN	631 RANDOLPH AVENUE			Active
			\$119.48	\$0.00	\$119.48
070-0000020-3	MYRTLE LANDING AFFORDABLE, LLC	833 - 12			Active
			\$96.58	\$21.87	\$118.45
070-0000040-1	MYRTLE LANDING AFFORDABLE, LLC	833 - 11			Active
			\$96.58	\$125.84	\$222.42

**Master Balance Listing**

Transaction 12/13/2022  
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Account	Customer Name	Service Address	Current	Past Due	Status Total
070-0000050-1	MYRTLE LANDING AFFORDABLE, LLC	833 - 3			Active
			\$96.58	\$21.25	\$117.83
070-0000060-1	MYRTLE LANDING AFFORDABLE, LLC	833 - 10			Active
			\$96.58	\$21.51	\$118.09
070-0000070-1	MYRTLE LANDING AFFORDABLE, LLC	833 - 4			Active
			\$96.58	\$21.25	\$117.83
070-0000080-1	MYRTLE LANDING AFFORDABLE, LLC	833 - 9			Active
			\$107.29	\$133.04	\$240.33
070-0000090-1	MYRTLE LANDING AFFORDABLE, LLC	833 - 5			Active
			\$96.58	\$21.25	\$117.83
070-0000100-1	MYRTLE LANDING AFFORDABLE, LLC	833 - 8			Active
			\$96.58	\$21.25	\$117.83
070-0000110-1	MYRTLE LANDING AFFORDABLE, LLC	833 - 6			Active
			\$99.41	\$21.25	\$120.66
070-0000120-1	MYRTLE LANDING AFFORDABLE, LLC	833 - 7			Active
			\$96.58	\$21.25	\$117.83
070-0000130-1	MYRTLE LANDING AFFORDABLE, LLC	831 - 1			Active
			\$96.58	\$22.25	\$118.83
070-0000140-1	MYRTLE LANDING AFFORDABLE, LLC	831 - 12			Active
			\$96.58	\$21.25	\$117.83
070-0000150-1	MYRTLE LANDING AFFORDABLE, LLC	831 - 2			Active
			\$96.58	\$21.25	\$117.83
070-0000160-1	MYRTLE LANDING AFFORDABLE, LLC	831 - 11			Active
			\$96.58	\$21.25	\$117.83
070-0000170-1	MYRTLE LANDING AFFORDABLE, LLC	831 - 3			Active
			\$139.54	\$23.12	\$162.66
070-0000180-1	MYRTLE LANDING AFFORDABLE, LLC	831 - 10			Active
			\$96.58	\$21.25	\$117.83
070-0000190-1	MYRTLE LANDING AFFORDABLE, LLC	831 - 4			Active
			\$96.58	\$21.59	\$118.17
070-0000200-1	MYRTLE LANDING AFFORDABLE, LLC	831 - 9			Active
			\$96.58	\$22.85	\$119.43
070-0000210-1	MYRTLE LANDING AFFORDABLE, LLC	831 - 5			Active
			\$100.29	\$24.42	\$124.71
070-0000220-1	MYRTLE LANDING AFFORDABLE, LLC	831 - 8			Active
			\$104.87	\$24.73	\$129.60
070-0000230-1	MYRTLE LANDING AFFORDABLE, LLC	831 - 6			Active
			\$96.58	\$21.25	\$117.83
070-0000240-1	MYRTLE LANDING AFFORDABLE, LLC	831 - 7			Active
			\$96.58	\$21.25	\$117.83
070-0000250-1	MYRTLE LANDING AFFORDABLE, LLC	829 - 1			Active
			\$96.58	\$21.25	\$117.83
070-0000260-1	MYRTLE LANDING AFFORDABLE, LLC	829 - 6			Active
			\$128.98	\$33.46	\$162.44
070-0000280-1	MYRTLE LANDING AFFORDABLE, LLC	829 - 5			Active
			\$96.58	\$21.25	\$117.83
070-0000290-1	MYRTLE LANDING AFFORDABLE, LLC	829 - 3			Active
			\$96.58	\$21.25	\$117.83

**Master Balance Listing**

Transaction 12/13/2022  
 Date:

Account	Customer Name	Service Address	Current	Past Due	Status Total
070-0000300-1	MYRTLE LANDING AFFORDABLE, LLC	829 - 4			Active
			\$96.58	\$22.14	\$118.72
070-0000310-1	MYRTLE LANDING AFFORDABLE, LLC	827 - 1			Active
			\$96.58	\$21.25	\$117.83
070-0000320-1	MYRTLE LANDING AFFORDABLE, LLC	827 - 12			Active
			\$96.58	\$21.92	\$118.50
070-0000330-1	MYRTLE LANDING AFFORDABLE, LLC	827 - 2			Active
			\$96.58	\$21.25	\$117.83
070-0000340-1	MYRTLE LANDING AFFORDABLE, LLC	827 - 11			Active
			\$96.58	\$21.25	\$117.83
070-0000350-1	MYRTLE LANDING AFFORDABLE, LLC	827 - 3			Active
			\$96.58	\$22.89	\$119.47
070-0000360-1	MYRTLE LANDING AFFORDABLE, LLC	827 - 10			Active
			\$96.58	\$21.25	\$117.83
070-0000370-1	MYRTLE LANDING AFFORDABLE, LLC	827 - 4			Active
			\$96.58	\$22.96	\$119.54
070-0000380-1	MYRTLE LANDING AFFORDABLE, LLC	827 - 9			Active
			\$96.58	\$25.34	\$121.92
070-0000390-1	MYRTLE LANDING AFFORDABLE, LLC	827 - 5			Active
			\$96.58	\$21.25	\$117.83
070-0000400-1	MYRTLE LANDING AFFORDABLE, LLC	827 - 8			Active
			\$96.58	\$21.25	\$117.83
070-0000410-1	MYRTLE LANDING AFFORDABLE, LLC	827 - 6			Active
			\$96.58	\$21.25	\$117.83
070-0000420-1	MYRTLE LANDING AFFORDABLE, LLC	827 - 7			Active
			\$96.58	\$21.25	\$117.83
070-0000430-1	MYRTLE LANDING AFFORDABLE, LLC	825 - 1			Active
			\$110.06	\$24.52	\$134.58
070-0000440-1	MYRTLE LANDING AFFORDABLE, LLC	825 - 12			Active
			\$100.15	\$21.54	\$121.69
070-0000450-1	MYRTLE LANDING AFFORDABLE, LLC	825 - 2			Active
			\$96.58	\$21.52	\$118.10
070-0000460-1	MYRTLE LANDING AFFORDABLE, LLC	825 - 11			Active
			\$96.58	\$125.56	\$222.14
070-0000470-1	MYRTLE LANDING AFFORDABLE, LLC	825 - 3			Active
			\$96.58	\$21.25	\$117.83
070-0000480-1	MYRTLE LANDING AFFORDABLE, LLC	825 - 10			Active
			\$96.58	\$21.25	\$117.83
070-0000490-1	MYRTLE LANDING AFFORDABLE, LLC	825 - 4			Active
			\$96.85	\$22.13	\$118.98
070-0000500-1	MYRTLE LANDING AFFORDABLE, LLC	825 - 9			Active
			\$96.58	\$24.04	\$120.62
070-0000510-1	MYRTLE LANDING AFFORDABLE, LLC	825 - 5			Active
			\$96.58	\$21.70	\$118.28
070-0000520-1	MYRTLE LANDING AFFORDABLE, LLC	825 - 8			Active
			\$96.58	\$21.86	\$118.44
070-0000530-1	MYRTLE LANDING AFFORDABLE, LLC	825 - 6			Active
			\$96.58	\$21.25	\$117.83

**Master Balance Listing**

Transaction 12/13/2022  
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Account	Customer Name	Service Address	Current	Past Due	Status Total
070-0000540-1	MYRTLE LANDING AFFORDABLE, LLC	825 - 7			Active
			\$96.58	\$28.99	\$125.57
070-0000550-1	MYRTLE LANDING AFFORDABLE, LLC	823 - 1			Active
			\$96.58	\$21.25	\$117.83
070-0000560-1	MYRTLE LANDING AFFORDABLE, LLC	823 - 6			Active
			\$96.58	\$125.56	\$222.14
070-0000580-1	MYRTLE LANDING AFFORDABLE, LLC	823 - 5			Active
			\$96.58	\$125.56	\$222.14
070-0000590-1	MYRTLE LANDING AFFORDABLE, LLC	823 - 3			Active
			\$96.58	\$21.25	\$117.83
070-0000600-1	MYRTLE LANDING AFFORDABLE, LLC	823 - 4			Active
			\$96.58	\$21.46	\$118.04
070-0000610-1	MYRTLE LANDING AFFORDABLE, LLC	821 - 1			Active
			\$101.84	\$21.40	\$123.24
070-0000620-1	MYRTLE LANDING AFFORDABLE, LLC	821 - 6			Active
			\$96.58	\$21.25	\$117.83
070-0000640-1	MYRTLE LANDING AFFORDABLE, LLC	821 - 5			Active
			\$96.58	\$21.25	\$117.83
070-0000650-1	MYRTLE LANDING AFFORDABLE, LLC	821 - 3			Active
			\$96.58	\$21.59	\$118.17
070-0000660-1	MYRTLE LANDING AFFORDABLE, LLC	821 - 4			Active
			\$110.33	\$22.73	\$133.06
070-0000670-1	MYRTLE LANDING AFFORDABLE, LLC	819 - 1			Active
			\$96.58	\$21.25	\$117.83
070-0000680-1	MYRTLE LANDING AFFORDABLE, LLC	819 - 12			Active
			\$97.39	\$22.52	\$119.91
070-0000690-1	MYRTLE LANDING AFFORDABLE, LLC	819 - 2			Active
			\$96.58	\$24.73	\$121.31
070-0000700-1	MYRTLE LANDING AFFORDABLE, LLC	819 - 11			Active
			\$96.58	\$21.25	\$117.83
070-0000710-1	MYRTLE LANDING AFFORDABLE, LLC	819 - 3			Active
			\$96.58	\$22.41	\$118.99
070-0000720-1	MYRTLE LANDING AFFORDABLE, LLC	819 - 10			Active
			\$96.58	\$21.98	\$118.56
070-0000730-1	MYRTLE LANDING AFFORDABLE, LLC	819 - 4			Active
			\$112.83	\$25.69	\$138.52
070-0000740-1	MYRTLE LANDING AFFORDABLE, LLC	819 - 9			Active
			\$340.52	\$68.60	\$409.12
070-0000750-1	MYRTLE LANDING AFFORDABLE, LLC	819 - 5			Active
			\$105.68	\$25.51	\$131.19
070-0000760-1	MYRTLE LANDING AFFORDABLE, LLC	819 - 8			Active
			\$96.58	\$125.56	\$222.14
070-0000770-1	MYRTLE LANDING AFFORDABLE, LLC	819 - 6			Active
			\$96.58	\$125.56	\$222.14
070-0000780-1	MYRTLE LANDING AFFORDABLE, LLC	819 - 7			Active
			\$100.96	\$21.25	\$122.21
070-0000790-1	MYRTLE LANDING AFFORDABLE, LLC	817 - 6			Active
			\$96.58	\$21.25	\$117.83

**Master Balance Listing**

Transaction 12/13/2022  
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Account	Customer Name	Service Address	Current	Past Due	Status Total
070-0000800-1	MYRTLE LANDING AFFORDABLE, LLC	817 - 1			Active
			\$96.58	\$125.56	\$222.14
070-0000810-1	MYRTLE LANDING AFFORDABLE, LLC	817 - 2			Active
			\$96.58	\$125.56	\$222.14
070-0000830-1	MYRTLE LANDING AFFORDABLE, LLC	817 - 3			Active
			\$96.58	\$21.25	\$117.83
070-0000840-1	MYRTLE LANDING AFFORDABLE, LLC	817 - 4			Active
			\$96.58	\$21.25	\$117.83
070-0000850-1	MYRTLE LANDING AFFORDABLE, LLC	COMMUNITY ROOM			Active
			\$96.58	\$0.00	\$96.58
070-0000860-1	MYRTLE LANDING AFFORDABLE, LLC	LAUNDRY ROOM			Active
			\$107.03	\$38.72	\$145.75
070-0000870-1	MYRTLE LANDING AFFORDABLE, LLC	813 - 1			Active
			\$106.83	\$0.00	\$106.83
070-0000880-1	MYRTLE LANDING AFFORDABLE, LLC	813 - 6			Active
			\$96.58	\$49.96	\$146.54
070-0000890-1	MYRTLE LANDING AFFORDABLE, LLC	813 - 2			Active
			\$96.58	\$22.23	\$118.81
070-0000910-1	MYRTLE LANDING AFFORDABLE, LLC	813 - 3			Active
			\$100.22	\$21.69	\$121.91
070-0000920-1	MYRTLE LANDING AFFORDABLE, LLC	813 - 4			Active
			\$96.58	\$21.91	\$118.49
070-0000930-1	MYRTLE LANDING AFFORDABLE, LLC	811 - 1			Active
			\$96.58	\$21.25	\$117.83
070-0000940-1	MYRTLE LANDING AFFORDABLE, LLC	811 - 8			Active
			\$96.58	\$374.59	\$471.17
070-0000950-1	MYRTLE LANDING AFFORDABLE, LLC	811 - 2			Active
			\$96.58	\$22.77	\$119.35
070-0000960-1	MYRTLE LANDING AFFORDABLE, LLC	811 - 7			Active
			\$96.58	\$22.45	\$119.03
070-0000970-1	MYRTLE LANDING AFFORDABLE, LLC	811 - 3			Active
			\$96.58	\$21.25	\$117.83
070-0000980-1	MYRTLE LANDING AFFORDABLE, LLC	811 - 6			Active
			\$96.58	\$285.45	\$382.03
070-0000990-1	MYRTLE LANDING AFFORDABLE, LLC	811 - 4			Active
			\$96.58	\$294.51	\$391.09
070-0001000-1	MYRTLE LANDING AFFORDABLE, LLC	811 - 5			Active
			\$96.58	\$281.46	\$378.04
070-0000010-1	MYRTLE LANDING AFFORDABLE, LLC	833 - 1			Active
			\$98.81	\$37.21	\$136.02
070-0000030-1	MYRTLE LANDING AFFORDABLE, LLC	833 - 2			Active
			\$96.58	\$21.25	\$117.83
010-0000011-1	NATUR CHEM	HYDRANT ON PLUM ST			Active
			\$33.46	\$76.45	\$109.91
020-0000050-0	NEARY, ERIKA & JOE BANKS	633 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
090-0011557-1	TOBY NELSON	142 SUNSET BLVD.			Active
			\$33.46	\$0.00	\$33.46

**Master Balance Listing**

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Account	Customer Name	Service Address			Status Total
			Current	Past Due	
060-0000530-2	DONALD & CLAIRE NEUBERT	413 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
120-0000047-1	LOUIS G. NEUDORFF	202 ARNIES LOOP			Active
			\$98.60	\$0.00	\$98.60
130-0000810-1	ELIAS & CHRISTINE NEUJAHR	5 ENGLISH COURT			Active
			\$96.58	\$0.00	\$96.58
020-0000920-0	JUNIUS NEVILLE JR	112 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0000880-0	ROBERTA NEWMAN	8 RANDOLPH AVENUE			Active
			\$101.30	\$0.00	\$101.30
020-0000882-0	CLAYTON & LYSA NEWMAN	10 RANDOLPH AVENUE			Active
			\$99.48	\$0.00	\$99.48
030-0001140-4	JOSHUA NEWTON	214 STRAWBERRY STREET			Active
			\$96.58	\$0.00	\$96.58
060-0001330-0	EVA NOONAN	224 JEFFERSON AVENUE			Active
			\$98.40	\$0.00	\$98.40
030-0000096-2	DOUGLAS & EMILY NUNN	300 FULCHER STREET			Active
			\$96.58	\$0.00	\$96.58
020-0000760-0	BILL BARBARA O'HARE	11 RANDOLPH AVENUE			Active
			\$109.11	\$0.00	\$109.11
120-0000062-1	LAGORA ARNETTE OLIVER	503 ARNIES LOOP			Active
			\$96.58	\$0.00	\$96.58
140-0000043-1	JOHN & JULIE ORLANDO	410 WALBRIDGE BEND			Active
			\$34.28	\$37.24	\$71.52
020-0000590-2	CATHERYN & FRANCIS OROSZLAN	223 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000510-1	JENNIFER ORR	121 STRAWBERRY STREET			Active
			\$96.58	\$0.00	\$96.58
080-0000230-0	RALPH JEANETTE ORZO	200 CHURCHILL DOWNS			Active
			\$114.51	\$0.00	\$114.51
100-0000867-2	ANTHONY O'SULLIVAN	188 OLD COURSE LOOP			Active
			\$96.58	\$106.24	\$202.82
020-0000800-0	JIM JODIE OUTLAND	3 RANDOLPH AVENUE (DOWN)			InActive
			\$62.44	\$0.00	\$62.44
020-0001380-0	ROBERT PACKER	606 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0001410-1	JEFFREY & KATHRYN PALMORE	618 RANDOLPH AVENUE			Active
			\$106.89	\$212.48	\$319.37
030-0000410-0	ROBERT PANEK	408 TAZEWELL AVENUE			Active
			\$97.32	\$0.00	\$97.32
090-0011570-2	GREGORY & CAROL PAPILO	175 SUNSET BLVD.			Active
			\$129.65	\$0.00	\$129.65
010-0000002-0	DAVID PARHAM	8 BAY AVENUE			Active
			\$107.77	\$0.00	\$107.77
110-0000260-0	ALBERT A PASCHALL	1 MOON COURT			Active
			\$99.27	\$0.00	\$99.27
050-0000500-1	SONAL PATEL	8 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58

**Master Balance Listing**

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Account	Customer Name	Service Address			Status Total
			Current	Past Due	
020-0000369-6	CYNTHIA & WILLIE PATRICK	405 RANDOLPH AVE DOWN UNIT			Active
			\$96.58	\$0.00	\$96.58
020-0000370-7	CYNTHIA & WILLIE PATRICK	407 RANDOLPH AVE			Active
			\$96.58	\$0.00	\$96.58
060-0001380-1	RYAN W PATTAN	522 STRAWBERRY STREET			Active
			\$96.58	\$0.00	\$96.58
130-0001040-0	MARITA PATTERSON	15 CARISSA COURT			Active
			\$95.81	\$0.00	\$95.81
020-0001200-1	JUNE PEARLBERG	416 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
080-0000570-0	MELISA PEMBERTON	122 SARATOGA PLACE			Active
			\$96.58	\$66.79	\$163.37
030-0001030-0	MATT PERRIE	223 TAZEWELL AVENUE			Active
			\$96.58	\$106.24	\$202.82
090-0000009-3	DARREN PERRY	12 BRIDGETON DRIVE			Active
			\$96.58	\$114.94	\$211.52
050-0000180-0	JOHN MACKLIN,MICHEL PETERMAN	420 PLUM STREET			Active
			\$96.58	\$0.00	\$96.58
010-0000590-3	LORI PETERS	10-A PEACH STREET			Active
			\$112.83	\$0.00	\$112.83
130-0000930-0	JAMES PETERS III	6 AMERICAN COURT			Active
			\$96.58	\$0.00	\$96.58
060-0000090-1	EMILEE PFAUTZ	608 NECTARINE STREET			Active
			\$96.58	\$0.00	\$96.58
030-0000570-0	RIP PHILLIPS	230 TAZEWELL AVENUE			Active
			\$101.50	\$0.00	\$101.50
060-0000490-1	SANDY & DAVID PIERCE	627 PLUM STREET			Active
			\$96.58	\$0.00	\$96.58
130-0001050-0	EVELYN E PINILI	13 CARISSA COURT			Active
			\$96.58	\$0.00	\$96.58
110-0000165-1	BARRY & SARAH PITTS	4 MINCHEW COURT			Active
			\$99.81	\$0.00	\$99.81
060-0000830-0	JOHN LYNNE POLIZOS	219 JEFFERSON AVENUE			Active
			\$92.37	\$0.00	\$92.37
050-0000620-1	KEVIN & CATHERINE POOL	205 MADISON AVENUE			Active
			\$279.66	\$0.00	\$279.66
090-0001010-2	KEVIN & CATHERINE POOL	168 SUNSET BOULEVARD			Active
			\$96.58	\$0.00	\$96.58
060-0001670-0	ANGELA POWELL	620 JEFFERSON AVENUE			Active
			\$96.58	\$212.48	\$309.06
040-0000020-0	LORI & PATRICK PRENDERGAST	648 MONROE AVENUE			Active
			\$111.95	\$0.00	\$111.95
080-0000580-1	JOAN PRESCOTT	124 SARATOGA PLACE			Active
			\$96.58	\$0.00	\$96.58
100-0000990-1	PRESERVE HOMES PRESERVE HOMES	199 OLD COURSE LOOP			Active
			\$33.46	\$0.00	\$33.46
130-0000090-1	PRESERVE HOMES PRESERVE HOMES	315 BAYSIDE AVENUE			Active
			\$33.46	\$0.00	\$33.46



**Master Balance Listing**

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Account	Customer Name	Service Address			Status Total
			Current	Past Due	
130-0000094-1	PRESERVE HOMES PRESERVE HOMES	307 BAYSIDE AVENUE			Active
			\$33.46	\$0.00	\$33.46
130-0000095-1	PRESERVE HOMES PRESERVE HOMES	305 BAYSIDE AVENUE			Active
			\$33.46	\$0.00	\$33.46
130-0000096-1	PRESERVE HOMES PRESERVE HOMES	303 BAYSIDE AVENUE			Active
			\$33.46	\$0.00	\$33.46
130-0000097-1	PRESERVE HOMES PRESERVE HOMES	301 BAYSIDE AVENUE			Active
			\$33.46	\$0.00	\$33.46
140-0000052-1	PRESERVE HOMES PRESERVE HOMES	515 BAYSIDE AVENUE			Active
			\$33.46	\$0.00	\$33.46
140-0000055-1	PRESERVE HOMES PRESERVE HOMES	509 BAYSIDE AVENUE			Active
			\$96.58	\$0.00	\$96.58
140-0000082-1	PRESERVE HOMES PRESERVE HOMES	406 CAPTAIN ORRIS BROWNE			Active
			\$33.46	\$0.00	\$33.46
140-0000106-1	PRESERVE HOMES PRESERVE HOMES	311 CAPTAIN ORRIS BROWNE			Active
			\$33.46	\$0.00	\$33.46
100-0000818-1	PRESERVE HOMES PRESERVE HOMES AND NEIGHBORHOODS VA, LLC	818 TURNBERRY ARCH			Active
			\$33.46	\$0.00	\$33.46
100-0000822-1	PRESERVE HOMES PRESERVE HOMES AND NEIGHBORHOODS VA, LLC	822 TURNBERRY ARCH			Active
			\$33.46	\$0.00	\$33.46
130-0000092-1	PRESERVE HOMES PRESERVE HOMES AND NEIGHBORHOODS VA, LLC	311 BAYSIDE AVENUE			Active
			\$33.46	\$36.81	\$70.27
140-0000059-1	PRESERVE HOMES PRESERVE HOMES AND NEIGHBORHOODS VA, LLC	501 BAYSIDE AVENUE			Active
			\$96.58	\$0.00	\$96.58
140-0000083-1	PRESERVE HOMES PRESERVE HOMES AND NEIGHBORHOODS VA, LLC	404 CAPTAIN ORRIS BROWNE			Active
			\$33.46	\$0.00	\$33.46
040-0001630-0	ANDREA PRICE	215 MONROE AVENUE			Active
			\$110.06	\$0.00	\$110.06
030-0000620-0	WILLIAM PRICKETT	210 TAZEWELL AVENUE			Active
			\$105.14	\$0.00	\$105.14
010-0000240-2	KOOKABURRA LLC. PUGH, MARK	211 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58
080-0000360-0	SUSAN QUIGLEY	124 CHURCHILL DOWNS			Balance
			\$48.29	\$0.00	\$48.29
050-0000040-3	JENNIFER JACKSON & RACHEL LEYCO	628 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0000050-1	JENNIFER JACKSON & RACHEL LEYCO	630 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
080-0000440-1	JENE RADCLIFFE-SHIPMAN	125 CHURCHILL DOWNS			Active
			\$96.58	\$0.00	\$96.58
090-0000380-0	GERALD MICHELLE RADICAN	21 KINGS COURT			Active
			\$96.58	\$0.00	\$96.58
130-0002840-1	KYLE RAGSDALE	602 CAROUSEL			Active
			\$136.66	\$0.00	\$136.66

**Master Balance Listing**

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Account	Customer Name	Service Address			Status Total
			Current	Past Due	
090-0001015-2	CESAR RAMOS	172 SUNSET BLVD.			Active
			\$96.58	\$0.00	\$96.58
090-0000610-0	SEVERN J. ANNETTE RAYFIELD	13 KINGS BAY DRIVE			Active
			\$138.49	\$0.00	\$138.49
010-0000820-1	RAYFIELDS ICE PLANT	2 FIG STREET			Active
			\$178.90	\$222.20	\$401.10
010-0000819-1	RAYFIELDS PHARMACY	2 FIG STREET			Active
			\$178.90	\$222.20	\$401.10
020-0000891-1	JAMES RAYNOR	106 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
090-0000100-2	RBW RBW DESIGN BUILD	14 WATERS EDGE			Active
			\$33.46	\$0.00	\$33.46
040-0001690-0	ANTHONY REGALBUTO	505 MONROE AVENUE			Active
			\$98.81	\$0.00	\$98.81
050-0000580-1	LYDIA & JAMES REICHARDT	101 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
080-0000260-4	CHERYL K. REIN	104 CHURCHILL DOWNS			Active
			\$96.58	\$0.00	\$96.58
080-0000100-1	RAYMOND RENEAU	226 CHURCHILL DOWNS			Active
			\$127.41	\$0.00	\$127.41
140-0000002-1	JIM REYNOLDS	527 WALBRIDGE BEND			Active
			\$97.32	\$0.00	\$97.32
050-0000330-1	MICHAEL & JILL ANN RICHARDS	309 STRAWBERRY STREET			Active
			\$96.58	\$0.00	\$96.58
100-0000940-2	TOM & KIMBERLY RICHBOURG	216 OLD COURSE LOOP			Active
			\$103.52	\$0.00	\$103.52
140-0000035-1	MARK ROSEMARY RIDDLE	510 BRASS RING			Active
			\$96.58	\$0.00	\$96.58
080-0000530-2	BARBARA ROBERTS	114 SARATOGA PLACE			Active
			\$38.33	\$0.00	\$38.33
020-0000400-1	DARREN & SUSAN ROBERTSON	118 PEACH STREET			Active
			\$98.06	\$115.73	\$213.79
090-0000690-0	WILLIAM ROBERTSON	4 KINGS BAY DRIVE			Active
			\$124.28	\$0.00	\$124.28
060-0000300-0	TERRY ROBINSON	514 WASHINGTON AVENUE			Active
			\$100.76	\$102.98	\$203.74
080-0000700-0	ROBERT ROCHE	111 SARATOGA PLACE			Active
			\$106.62	\$0.00	\$106.62
060-0001260-0	STEPHEN MARY RODGERS	508 HARBOR AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0001095-7	JOSE TERRON RODRIGUEZ	14 STRAWBERRY STREET			Active
			\$82.04	\$0.00	\$82.04
080-0000800-2	LORI & BERNARD ROGAN	203 CHURCHILL DOWNS			Active
			\$101.26	\$0.00	\$101.26
020-0000230-1	JOHN W. ROHRER	531 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000070-1	NANCY ROONEY	107 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58

**Master Balance Listing**

Transaction 12/13/2022  
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Account	Customer Name	Service Address			Status Total
			Current	Past Due	
050-0001212-1	JOHN ROWE	639 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000874-2	AMBER RUSSELL	730 B RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000876-2	AMBER RUSSELL	730 D RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
040-0001060-0	PAUL RUSSELL JR	616 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
040-0000010-1	MICHAEL RYAN	654 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0000831-1	AMY SABO	333 MADISON AVENUE			Active
			\$107.57	\$0.00	\$107.57
060-0001434-3	ASHLEY SABO	404 JEFFERSON AVE.			Active
			\$385.02	\$0.00	\$385.02
080-0000370-0	RAYMOND SALOPEK	126 CHURCHILL DOWNS			Active
			\$96.58	\$0.00	\$96.58
060-0000617-1	CHER SANDERLIN	619 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0001055-2	DEBRA SANTORO	22 STRAWBERRY STREET			Balance
			\$94.94	\$1,094.72	\$1,189.66
030-0001425-1	KEVIN SCHAFFER	631 TAZEWELL AVE			Active
			\$96.58	\$0.00	\$96.58
050-0000480-2	SAM & AMY SCHARPF	410 HARBOR AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0000370-2	MICHAEL & KATHLEEN SCHOOL	214 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0000670-4	STELLA MARIS HOLDING SCHOOL, MICHAEL	303 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0000370-0	CHARLES ROBIN SCHREIBER	529 JEFFERSON AVENUE			Active
			\$96.58	\$106.24	\$202.82
030-0001220-1	CHRISTY SCHUEHLE	415 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0001230-1	CHRISTY SCHUEHLE	417 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
100-0000845-2	DAVID & CHRISTINE SCHWAB	178 OLD COURSE LOOP			Active
			\$0.00	\$100.96	\$100.96
020-0001390-1	SHUMATE, NOAH SCHWAB, THERESA	610 RANDOLPH AVENUE			Active
			\$20.62	\$2.34	\$22.96
090-0000370-1	SARA SEAY	23 KINGS COURT			Active
			\$96.58	\$324.73	\$421.31
030-0001420-0	JOHN SARAH SEVERS	629 TAZEWELL AVENUE			Active
			\$101.50	\$0.00	\$101.50
140-0000060-2	BENSON, ROBIN SHACKELFORD, KEITH	413 WALBRIDGE BEND			Balance
			\$75.42	\$106.22	\$181.64
130-0000320-1	DIANE ASQUINO and SHARON WERNIKOWSKI	4 PERNEY COURT			Active
			\$96.58	\$0.00	\$96.58

**Master Balance Listing**

Transaction 12/13/2022  
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Account	Customer Name	Service Address			Status Total
			Current	Past Due	
130-0000910-1	JOHN & BETH SHARPLEY	8 CARISSA COURT			Active
			\$96.58	\$0.00	\$96.58
050-0000230-5	CALIGTAN, MARC SHEA, SOFIA	11 NORTH PARK ROW D			Active
			\$96.58	\$0.00	\$96.58
010-0000430-1	CLELIA SHEPPARD	305 MASON AVENUE			Active
			\$96.58	\$106.24	\$202.82
020-0001065-5	CLELIA JOHN SHEPPARD	12 STRAWBERRY STREET			Active
			\$96.58	\$106.24	\$202.82
080-0000740-0	JOHN MARY SILVESTRO	103 SARATOGA PLACE			Active
			\$101.03	\$0.00	\$101.03
060-0000350-1	FRANK & SHERYL SIMECK	539 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0000860-0	WILLIAM ROBIN SIMMS	401 MADISON			Active
			\$99.27	\$0.00	\$99.27
040-0001870-0	KEN SIPE	609 MONROE AVENUE			Active
			\$112.89	\$0.00	\$112.89
010-0000111-1	SAMUEL SLATE	115 MASON AVENUE #201			Active
			\$96.58	\$0.00	\$96.58
140-0000123-1	SCOTT SLEEME	626 CAROUSEL PLACE			Active
			\$33.46	\$3.35	\$36.81
010-0000030-0	RANDOLPH GENEVA SMITH	3 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0001360-0	GABRIEL SMITH	13 NECTARINE STREET			Balance
			\$35.41	\$0.00	\$35.41
020-0001360-8	GABRIEL SMITH	13 NECTARINE STREET			Balance
			\$141.84	\$0.00	\$141.84
020-0001370-1	GABRIEL SMITH	15 NECTARINE STREET			Balance
			\$96.58	\$680.90	\$777.48
030-0001180-0	STEVEN CATHERINE SMITH	205 PEACH STREET			Active
			\$96.58	\$0.00	\$96.58
040-0001320-1	ROB & SARA SMITH	110 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
040-0001370-1	ALANA & STANLEY SMITH	102 MONROE AVENUE			Active
			\$96.58	\$106.24	\$202.82
080-0000190-1	ROBERT & LINDA SMITH	208 CHURCHILL DOWNS			Active
			\$101.16	\$0.00	\$101.16
090-0000350-0	STUART SMITH	27 KINGS COURT			Active
			\$100.83	\$0.00	\$100.83
060-0001360-1	BAWIEC, JOANN SMITH, LORI	526 STRAWBERRY STREET			Active
			\$96.99	\$0.00	\$96.99
010-0000330-2	227 MASON, LLC SMITH, STANLEY & ALANA	227 MASON AVENUE			Active
			\$96.58	\$106.24	\$202.82
090-0000620-0	NANCY SMITHWICK	11 KINGS BAY DRIVE			Active
			\$100.63	\$0.00	\$100.63
060-0000280-3	DOMINIC & HILLARY SOUZA	518 WASHINGTON AVENUE			Active
			\$96.58	\$106.24	\$202.82
060-0000500-0	PAULA SPADY	621 PLUM STREET			Active
			\$96.58	\$0.00	\$96.58

### Master Balance Listing

Transaction 12/13/2022  
Date:

Account	Customer Name	Service Address			Status Total
			Current	Past Due	
140-0000065-1	E.S. SPARKY, LLC	410 CASSATT KNOLL			Active
			\$33.46	\$0.00	\$33.46
100-0000881-2	CHRIS & JOHANNA SPERA	194 OLD COURSE LOOP			Active
			\$96.58	\$0.00	\$96.58
020-0000830-0	BRENT ALLISON SPILLER	1 RANDOLPH AVENUE			Active
			\$96.58	\$66.88	\$163.46
050-0000520-0	REESE SPRINGER	1 MADISON AVENUE			Active
			\$96.58	\$106.24	\$202.82
060-0000420-0	ST STEPHENS AME CHURCH	509 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0001375-0	BRIAN KATHERINE STAFFORD	551 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000970-2	CHRISTOPHER STAHL	209 TAZEWELL AVENUE			Active
			\$99.21	\$0.00	\$99.21
010-0000395-2	GRANT STAMAS	245 MASON AVENUE #201			Active
			\$96.58	\$0.00	\$96.58
120-0000084-1	JENNIFER STANNARD	207 ARNIES LOOP			Active
			\$106.76	\$0.00	\$106.76
030-0001020-1	KIM STARR	221 TAZEWELL AVENUE			Active
			\$110.06	\$0.00	\$110.06
120-0000068-1	JOSEPH STAUB	401 ARNIES LOOP			Active
			\$114.85	\$0.00	\$114.85
050-0000220-0	CHARLES STEINMAYER	11 NORTH PARK ROW C			Active
			\$102.17	\$0.00	\$102.17
090-0011540-0	CHRIS STEWART	145 SUNSET BLVD.			Active
			\$96.58	\$0.00	\$96.58
030-0000960-0	STEPHEN STONE	207 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0001320-0	STEPHEN STONE	529 TAZEWELL AVENUE			Active
			\$108.37	\$0.00	\$108.37
030-0000320-1	DAVIES M. STORRS	534 TAZEWELL AVENUE			Active
			\$104.73	\$0.00	\$104.73
020-0001420-0	JEFF & TASHA STOUT	622 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
120-0000033-1	WILLIAM STRAMM	302 ARNIES LOOP			Active
			\$110.67	\$0.00	\$110.67
050-0000060-1	JAMES & JOANNA STRATTON	626 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0000810-1	STOREY, TONY STRATTON, ANNE	223 JEFFERSON AVE			Active
			\$96.58	\$0.00	\$96.58
130-0000909-0	PAUL STRONG	7 CARISSA COURT			Active
			\$111.07	\$0.00	\$111.07
020-0000040-0	DEBBIE SUDDETH	637 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0000140-1	JOEL SUEN	548 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
010-0000131-2	THEODORA SULLIVAN	117 MASON AVE. B			Active
			\$96.58	\$0.00	\$96.58

**Master Balance Listing**

Transaction 12/13/2022  
Date:

Account	Customer Name	Service Address			Status Total
			Current	Past Due	
020-0000380-1	ROBERT SUPPA	112 PEACH STREET			Active
			\$104.33	\$0.00	\$104.33
040-0001330-0	JAMES ELIZABETH SUTPHEN	108 MONROE AVENUE			Active
			\$106.76	\$0.00	\$106.76
090-0000590-0	KIM AND KEVIN SZOGAS	18 KINGS BAY DRIVE			Active
			\$112.55	\$106.24	\$218.79
030-0000093-1	GERRY & DOUGLAS TAYLOR	725 TAZEWELL AVENUE			Active
			\$96.08	\$0.00	\$96.08
060-0000320-0	KORY TAYLOR	510 WASHINGTON AVENUE			Balance
			\$0.00	\$36.79	\$36.79
080-0000720-1	EDWARD TAYLOR	107 SARATOGA PLACE			Active
			\$96.58	\$0.00	\$96.58
020-0000250-0	JAN TAYLOR-DAY	523 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0000740-2	JASON TEEPLE	206 HARBOR AVENUE			Active
			\$96.58	\$0.00	\$96.58
100-0000874-1	TERRY TERRY INDUSTRIES	1 OLD PLANTATION DRIVE			Active
			\$33.46	\$73.62	\$107.08
010-0000455-1	THE BOARDWALK	316 MASON AVENUE A			Active
			\$107.66	\$0.00	\$107.66
010-0000970-0	THE HUNGRY CRAB LLC SHANTY	33 MARINA RD			Active
			\$773.82	\$0.00	\$773.82
060-0000169-2	FAMILY TRUST THIBODEAU	526 WASHINGTON AVENUE B			Active
			\$96.58	\$0.00	\$96.58
020-0000180-2	THIRD MESA LLC	535-B RANDOLPH AVENUE			Active
			\$106.83	\$0.00	\$106.83
090-0000510-0	HEATHER THOMAS	3 KINGS COURT			Active
			\$96.58	\$106.24	\$202.82
120-0000045-1	RICHARD IDA THOMAS	206 ARNIES LOOP			Active
			\$114.11	\$0.00	\$114.11
100-0000855-2	JANETTE THOMPSON	182 OLD COURSE LOOP			Active
			\$96.58	\$0.00	\$96.58
130-0000270-3	MARSHALL TIMM	3 FOSTER COURT			Active
			\$110.87	\$0.00	\$110.87
080-0000640-1	THEODORE & PATRICIA TINKELMAN	123 SARATOGA PLACE			Active
			\$96.58	\$0.00	\$96.58
010-0000402-2	EBBA TINWIN	245 MASON AVENUE #402			Active
			\$96.58	\$0.00	\$96.58
010-0000290-0	TITCOMB, DR ROBERT	217 MASON AVENUE			Active
			\$96.58	\$177.21	\$273.79
090-0000230-1	DANIEL & CHRISTINA TOGNI	8 KINGS COURT			Active
			\$96.58	\$0.00	\$96.58
040-0001570-0	ROBERT VALERIE TRAVIS	205 MONROE AVENUE			Active
			\$134.16	\$0.00	\$134.16
060-0001480-0	ROSETTA TREHERNE	506 JEFFERSON AVENUE			Balance
			\$72.43	\$620.91	\$693.34
020-0000470-0	JANET TROYER	327 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58

**Master Balance Listing**

Transaction 12/13/2022  
Date:

Account	Customer Name	Service Address	Current	Past Due	Status Total
060-0001461-4	TRACEY & WILLIAM TSAPATSARIS	524 PEACH ST.	\$96.58	\$0.00	Active \$96.58
060-0001462-5	TRACEY & WILLIAM TSAPATSARIS	526 PEACH ST.	\$96.58	\$0.00	Active \$96.58
090-0000710-1	TARINA TURNER	8 KINGS BAY DRIVE	\$68.41	\$0.00	Active \$68.41
140-0000020-1	JAMES C. TURNER	518 WALBRIDGE BEND	\$103.86	\$0.00	Active \$103.86
080-0000400-3	DENNIS UBILLUS	132 CHURCHILL DOWNS	\$96.58	\$0.00	Active \$96.58
060-0000340-1	CARLETTE UPSHUR	506 WASHINGTON AVENUE	\$10.79	\$0.00	Balance \$10.79
060-0000340-4	JESSICA UPSHUR	506 WASHINGTON AVENUE	\$96.58	\$204.37	Active \$300.95
030-0000520-0	MARK USRY	117 STRAWBERRY STREET	\$149.05	\$0.00	Active \$149.05
050-0000380-0	MARY VALACK	212 MADISON AVENUE	\$96.58	\$0.00	Active \$96.58
030-0000990-0	HELENE VAN BUREN	215 TAZEWELL AVENUE UP	\$48.29	\$37.78	Balance \$86.07
010-0000840-1	VANCE'S FURNTIURE	722 RANDOLPH AVENUE DOWN UNIT	\$96.58	\$0.00	Active \$96.58
040-0001830-1	ANNE DEBORAH VANTINE GLOVER	549 MONROE AVENUE	\$89.95	\$0.00	Active \$89.95
030-0001290-0	LAWRENCE VEBER	507 TAZEWELL AVENUE	\$96.58	\$225.38	Active \$321.96
030-0001340-0	LAWRENCE VEBER	537 TAZEWELL AVENUE	\$92.67	\$0.00	Active \$92.67
030-0000190-3	LOU VERDEROSE	652-A TAZEWELL AVENUE	\$0.00	\$96.58	Active \$96.58
040-0001270-0	ROLAND VEST	218 MONROE AVENUE	\$96.58	\$0.00	Active \$96.58
030-0000660-2	ATTN: TREVOR REID VIRGINIA PROPERTY PORTFOLIO, LLC	110 TAZEWELL AVENUE	\$96.58	\$106.24	Active \$202.82
050-0000470-1	WILLIAM VOGT	102 MADISON AVENUE	\$96.58	\$0.00	Active \$96.58
090-0000730-0	RANDY VOLTIN	12 KINGS BAY DRIVE	\$97.39	\$0.00	Active \$97.39
060-0001520-0	RAY CINDY WALDO	518 JEFFERSON AVENUE	\$96.71	\$0.00	Active \$96.71
010-0000010-1	1 MASON AVE, LLC	1 MASON AVENUE	\$224.05	\$0.00	Active \$224.05
010-0000482-1	WILLIAM ANN WALKER	325 B MASON AVENUE	\$96.58	\$0.00	Active \$96.58
040-0001430-0	WILLIAM ANN WALKER	306 BAY AVENUE	\$96.58	\$0.00	Active \$96.58
100-0000860-2	TYSON WALKER	184 OLD COURSE LOOP	\$96.58	\$0.00	Active \$96.58

**Master Balance Listing**

Transaction 12/13/2022  
Date:

Account	Customer Name	Service Address			Status Total
			Current	Past Due	
060-0000160-1	MICHAEL WALLS	618 WASHINGTON AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0000555-3	DEKEISHA WASHINGTON	610 PEACH STREET			Active
			\$96.58	\$696.57	\$793.15
030-0000092-2	MATTHEW & LAURINA WATSON	723 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0000020-0	LISA WATTS	623 JEFFERSON AVENUE			Active
			\$96.58	\$868.24	\$964.82
090-0000250-1	TABITHA WEBB	12 KINGS COURT			Active
			\$101.57	\$0.00	\$101.57
060-0001435-1	JOE WEIHS	408 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0000730-0	WENDELL DISTRIBUTING WENDELL DISTRIBUTING	105 RANDOLPH AVENUE			Active
			\$96.58	\$0.00	\$96.58
060-0000330-1	WENDELL DISTRIBUTING WENDELL DISTRIBUTING	508 WASHINGTON AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0000020-0	WENDELL DISTRIBUTING COMPANY	636 MADISON AVENUE			Active
			\$96.58	\$0.00	\$96.58
040-0001710-0	FRANK WENDELL JR	515 MONROE AVENUE			Active
			\$100.63	\$229.69	\$330.32
010-0000380-0	WENDELL JR, FRANK	243 MASON AVENUE			Active
			\$96.58	\$212.48	\$309.06
050-0000010-0	WENDELLS DISTRIBUTING CO	650 MADISON AVENUE			Active
			\$99.20	\$0.00	\$99.20
060-0000320-1	WENDELLS DISTRIBUTING CO	510 WASHINGTON AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0000070-0	LINDA WESSELS	704 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
040-0001090-0	LYNDA WHITEHEAD	552 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0000980-0	GIAMA WIGGINS	506 PLUM STREET			Active
			\$51.73	\$0.00	\$51.73
140-0000019-1	DAVID & PHILLIPA WILCOX	401 CASSATT KNOLL			Active
			\$97.19	\$0.00	\$97.19
040-0001150-0	GEORGE WILKINS	520 MONROE AVENUE			Active
			\$96.58	\$0.00	\$96.58
050-0001262-2	CHRIS & HEATHER WILLIAMS	635 JEFFERSON AVENUE			Active
			\$96.58	\$0.00	\$96.58
080-0000660-0	ROBERT WILLIAMS	119 SARATOGA PLACE			Active
			\$96.58	\$0.00	\$96.58
110-0000150-0	GARY CHRISTINE WILLIAMS	8 MINCHEW COURT			Active
			\$108.78	\$0.00	\$108.78
140-0000045-1	ROBERT WILLIAMS	406 WALBRIDGE BEND			Active
			\$111.14	\$0.00	\$111.14
010-0000460-0	WILLIAMS, GARY & CHRISTINE	309 MASON AVENUE			Active
			\$96.58	\$0.00	\$96.58



**Master Balance Listing**

Transaction 12/13/2022  
Date:

Account	Customer Name	Service Address			Status Total
			Current	Past Due	
040-0000030-0	CHRIS KAREN WILLIS	644 MONROE AVENUE			Active
			\$126.68	\$0.00	\$126.68
010-0000238-2	COBY & SARAH WILMER	209 MASON AVENUE UNIT 302-B			Active
			\$96.58	\$0.00	\$96.58
010-0000394-0	WILSON BLDG HOA	245 MASON AVENUE COMMON AREA			Active
			\$96.58	\$0.00	\$96.58
030-0001200-1	GREGORY WINKELMAN WINKELMAN PROPERTIES, LLC	409 TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
030-0001201-2	GREGORY WINKELMAN WINKELMAN PROPERTIES, LLC	409B TAZEWELL AVENUE			Active
			\$96.58	\$0.00	\$96.58
020-0000850-1	JAMES & REBECCA WOOD	4 RANDOLPH AVENUE UP			Active
			\$96.58	\$0.00	\$96.58
050-0000925-1	JAMES & REBECCA WOOD	535 PLUM STREET			Active
			\$96.58	\$0.00	\$96.58
030-0000460-1	DAVID & CYNTHIA WOODMANSEE	119 PEACH STREET			Active
			\$96.58	\$0.00	\$96.58
130-0000240-0	ROBERT WOODSON	4 FOSTER COURT			Active
			\$96.58	\$0.00	\$96.58
120-0000001-1	RON WRUCKE	508 ARNIES LOOP			Active
			\$102.51	\$0.00	\$102.51
020-0001050-6	BO YANG	320 RANDOLPH AVENUE			Active
			\$117.56	\$0.00	\$117.56
020-0001055-3	BO YANG	22 STRAWBERRY STREET			Active
			\$96.58	\$0.00	\$96.58
020-0001056-2	BO YANG	22 STRAWBERRY A			Active
			\$96.58	\$0.00	\$96.58
020-0001112-1	BO YANG	20 STRAWBERRY STREET APT. B			Active
			\$96.58	\$0.00	\$96.58
060-0000620-5	BO YANG	601 PEACH STREET			Active
			\$96.58	\$0.00	\$96.58
060-0000625-2	BO YANG	603 PEACH STREET			Active
			\$96.58	\$0.00	\$96.58
030-0001270-6	WILLIAM YOUNT	425 TAZEWELL AVENUE			Active
			\$110.06	\$108.84	\$218.90
030-0001240-6	BENJAMIN ZACH	421 TAZEWELL AVENUE			Active
			\$98.06	\$107.50	\$205.56
020-0000280-0	MARK KATHIE ZISCHKE	515 RANDOLPH AVENUE			Active
			\$122.07	\$0.00	\$122.07
020-0000570-2	KATHY ZISKIND	225 RANDOLPH AVE			Active
			\$97.12	\$0.00	\$97.12
020-0000580-8	KATHY ZISKIND	227 RANDOLPH AVENUE			Balance
			\$48.29	\$48.29	\$96.58
060-0001240-1	AARON ZIVIN	511 HARBOR AVENUE			Active
			\$96.58	\$0.00	\$96.58

### Master Balance Listing

Report Date:

				<u>Current Balance</u>	<u>Past Due</u>	<u>Total Balance</u>
Total Customers:	878	Totals:		\$101,626.30	\$44,169.16	\$145,795.46

12/13/2022 5:43:06 PM

Transaction Date: 12/13/2022

Service Totals	Amount
Water	\$50,225.67
Sewer	\$92,394.68
Penalty-Water	\$1,077.56
Penalty-Sewer	\$2,097.55
<hr/>	
Total Amount:	\$145,795.46

**Schedule 3.20**  
**List of Brokers, Agents or Other Intermediary Acting on Behalf of Seller**

None.

**Schedule 6.12  
List of Personnel**

**Utilities Personnel as of 12/05/2022**

Wastewater

Patrick Christman- Wastewater Treatment Plant Manager  
Dan Dabinett- Wastewater Plant Operator/Head Mechanic  
Jason Cody Toadvine – Utility Technician

Water

Matthew Scott Neville – Water Plant Manager  
Freddie Meditz- Water Plant Operator  
Dehric Parker- Water Plant Operator (part-time @32 hours per week)  
Eric Angora- Water Plant Operator (part-time/seasonal)

Distribution and Collection Systems

Bill Powell - Utility Maintenance Manager  
Gerald Elliott- Utilities Maintenance Mechanic

If any personnel changes are made, Seller will modify this schedule accordingly.

**Schedule 6.14  
Existing Cape Charles Rates**

Water Rate (Residential)	0 - 2,000 gallons	\$33.46 minimum
	2,001-5,000 gallons	\$2.63 per 1000
	5,001-10,000 gallons	\$3.75 per 1000
	10,001-15,000 gallons	\$5.00 per 1000
	Over 15,000 gallons	\$7.50 per 1000
Water Rate (Commercial)	0 - 2,000 gallons	\$33.46 minimum
	2,001-10,000 gallons	\$2.50 per 1000
	10,001-15,000 gallons	\$3.75 per 1000
	Over 15,000 gallons	\$5.00 per 1000
Wastewater Rate (Residential)	0 - 2,000 gallons	\$63.12 minimum
	2,001-5,000 gallons	\$4.11 per 1000
	5,001-10,000 gallons	\$5.85 per 1000
	10,001-15,000 gallons	\$7.80 per 1000
	Over 15,000 gallons	\$11.70 per 1000
Wastewater Rate (Commercial)	0 - 2,000 gallons	\$63.12 minimum
	2,001-10,000 gallons	\$3.90 per 1000
	10,001-15,000 gallons	\$5.85 per 1000
	Over 15,000 gallons	\$7.80 per 1000

**Schedule 6.15**  
**Process Related to Future Development**

Any public utility authority (“Authority”) that wishes to connect to the Town of Cape Charles wastewater treatment plant and collection system (“Wastewater System”) must provide notification to Virginia-American Water Company (“VAWC”) of the Authority’s intentions as soon as practicable. The notification must include the expected maximum daily flow and defined service area that will be connected to the Wastewater System.

Once a notification is received, VAWC will conduct one or more studies, at the expense of the requesting Authority, to determine if such connection is feasible and what improvements may need to be made to meet the requested maximum daily flow. The studies will identify any improvements needed to the Wastewater System and any permit or regulatory restrictions that may prevent expansion. A copy of the studies will be provided to the requesting Authority. VAWC will provide a cost estimate to the Authority to make the necessary improvements identified in the studies, provided that such expansion is approved and allowed by applicable local, state and federal regulatory permits and laws.

*Note: VAWC makes no commitment that the Virginia Department of Environmental Quality or other local, state or federal entity will approve an expansion of the Wastewater System.*

If the Authority chooses to proceed with the project, the Authority shall enter into an agreement with VAWC and provide the full amount of the cost estimate to VAWC at the time of execution of that agreement.

VAWC will then proceed with the projects needed as identified in the studies. Upon completion, VAWC will provide the final project costs to the Authority. If a refund is due, VAWC will issue the refund once the project is placed in service. If the actual costs exceed the estimated project costs, the requesting Authority shall make payment to VAWC for the difference prior to connecting to the Wastewater System.

Each connection to the Wastewater System will be monitored by a flow meter and installed at the expense of the requesting Authority. Metered flow will be billed at VAWC’s Other Public Authority (“OPA”) rate. In the event that the Authority requires additional capacity above the initial daily flow requested, the process outlined above shall be the applicable governing procedure to determine the feasibility of further Wastewater System growth and the associated cost responsibility for any additional expansion.

**Schedule 7.3**  
**Escrow Matters**

None. This schedule may be supplemented prior to Closing.