

STRONG ECONOMIES, RESILIENT COUNTIES

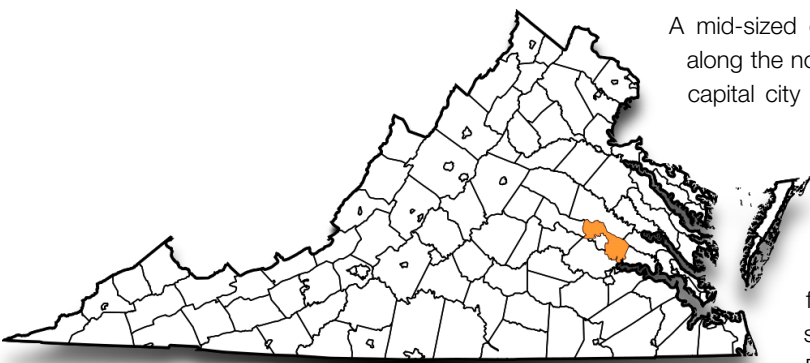
The Role of Counties in Economic Development



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HENRICO COUNTY, VIRGINIA

Long-term Resiliency Strategy



A mid-sized county, Henrico County is located in central Virginia along the northern banks of the James River, adjacent to Virginia's capital city of Richmond.

At the onset of the latest economic recession, Henrico County was still recovering from a drought in 2002 that brought excessive water restrictions, critically low ground water levels and over 6,000 well failures to the Commonwealth of Virginia. Since 2002, the county has been proactively formulating a plan to protect and secure their water supply through the Cobbs Creek Regional Reservoir Project to ensure uninterrupted growth and economic prosperity.

Henrico County officials believe that successful economic development begins with good governance and a long-range strategic plan. Henrico County is the only county in Virginia functioning under a County Manager form of government, governed by a five member Board of Supervisors, elected from each of the five magisterial districts in the county. The board appoints a county manager responsible for overseeing the day-to-day operations of the county, executing policies established by the board and submitting annual budgets for consideration by the board. In 1958, the county adopted its first comprehensive 15-year plan, a practice the county continues currently. Most recently, the county adopted "Henrico County Vision 2026," the fourth comprehensive plan in the last half-century. The county's fiscal stability has been critical to retaining and expanding existing businesses and attracting new ones. Since 1977, Henrico County has maintained an AAA bond rating from Moody's and Standard and Poor's.

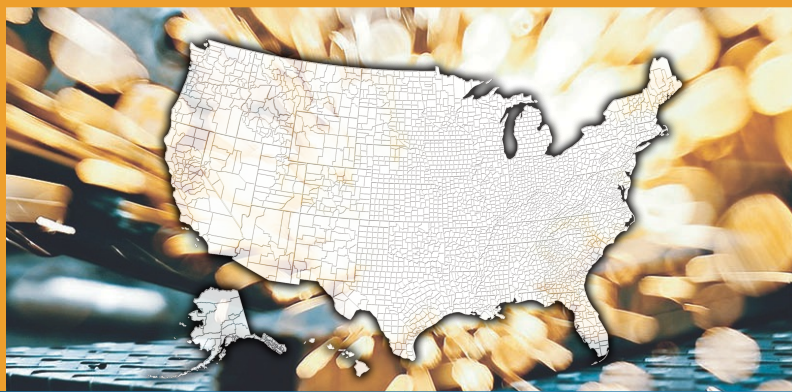
Cobbs Creek Regional Reservoir Project

Access to utility infrastructure such as water and waste water systems is a basic factor that businesses consider when assessing locations for expansion. Prompted by the historic droughts in 2002, Henrico County partnered with Cumberland, Goochland and Powhatan Counties to explore options to address future demands for water, culminating in plans for the Cobbs Creek Regional Reservoir Project. The Cobbs Creek Reservoir will be owned by Henrico County but located in Cumberland County. The storage facility will have a capacity of 15

- Population, 2013: 318,611
- County Board size: 5

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billion gallons of water, with a safe yield of 47 million gallons per day, of which Henrico County has been granted rights to 30 million gallons per day. Cumberland County will be granted rights to 7 million gallons per day and Powhatan County will have rights to 10 million gallons a day. The total cost of the project is estimated at \$280 million. The county contracted with Malcolm Pirnie to lead the design efforts, the water division of private firm Arcadis U.S.

The reservoir is expected to be operational in 2021, with construction on the dams and engineering structures to begin in 2015, allowing for 18 months to two years to fill

the reservoir with water. The reservoir will draw and store water from the James River – the primary water source for the area – when the river is flowing at a normal rate. When the water level recedes, the excess water stored in the reservoir will be released into the river to replenish water levels. Henrico County is funding 100 percent of the project through the county's Department of Public Utilities (DPU), which operates as an enterprise fund, allowing the DPU to support all of its expenses through revenues generated by rates and fees. The DPU will finance the reservoir capital improvement project, in part, by issuing bonds that will be repaid through service rates and fees collected once the reservoir is operational.

Henrico County, Va. has a history of growth and economic prosperity guided by a constant vision for the future and predicated upon good governance. The planned Cobbs Creek Reservoir is expected to meet the projected water needs of Henrico County for at least the next fifty years. The infrastructure and water system provided by the reservoir will provide the necessary services for county residents and attract and support businesses looking to relocate or expand in the county.