

A G E N D A

JAMES CITY SERVICE AUTHORITY BOARD OF DIRECTORS

County Government Center Board Room

October 28, 2008

7:00 P.M.

A. CALL TO ORDER

B. ROLL CALL

C. CONSENT CALENDAR

1. Minutes – September 23, 2008, Regular Meeting
2. Bid Award – Sewer Bridge Rehabilitation Project – \$134,287

D. BOARD CONSIDERATIONS

1. Sole Source Purchase – Infor/Hansen 8 Software – \$227,500
2. Identity Theft Prevention Program

E. BOARD REQUESTS AND DIRECTIVES

F. ADJOURNMENT

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AT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE JAMES CITY SERVICE AUTHORITY, JAMES CITY COUNTY, VIRGINIA, HELD ON THE 23RD DAY OF SEPTEMBER 2008, AT 7:00 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. CALL TO ORDER

B. ROLL CALL

James O. Icenhour, Jr., Chairman
Mary Jones, Vice Chairman
Bruce C. Goodson
John J. McGlennon
James Kennedy

Sanford B. Wanner, Secretary
Leo P. Rogers, County Attorney
Larry Foster, General Manager

C. CONSENT CALENDAR

Mr. Foster gave an overview of the items on the Consent Calendar.

Mr. Kennedy made a motion to adopt the items on the Consent Calendar.

The motion passed by a unanimous voice vote.

1. Minutes – August 12, 2008, Regular Meeting
2. Agreement for Reimbursement of Costs of Redesign and Construction of James City Service Authority (JCSA) Pumping Station 9-5

RESOLUTION

AGREEMENT FOR REIMBURSEMENT OF COSTS OF REDESIGN AND CONSTRUCTION OF

JAMES CITY SERVICE AUTHORITY PUMPING STATION 9-5

WHEREAS, the staffs of the James City Service Authority (JCSA) and Hampton Roads Sanitation District (HRSD) have determined that modifications to Pumping Station 9-5 are necessary in order for the facility to be able to (under all conditions) pump into interceptors owned and operated by the HRSD; and

WHEREAS, an agreement has been developed by the staffs of the JCSA and HRSD that provides the terms for modifications to Pumping Station 95.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby authorizes the General Manager to sign the agreement referenced above that in summary provides that the JCSA will manage the design and construction of the modifications to Pumping Station 9-5, and the HRSD will reimburse the JCSA for the expenses associated therewith. In addition, the JCSA is authorized to reimburse HRSD up to \$50,000 for upgrades to the pumping station to meet the future needs of the facility.

D. BOARD REQUESTS AND DIRECTIVES

Mr. Goodson stated that he had asked Mr. Foster to review the evaluation of independent water systems to determine if a deposit should be paid by developers to develop an independent water system and how this relates to tying these into the public system. He noted that this was to provide public water, without providing sewer or extending the primary service area (PSA). He stated that this was included in the reading file, and it was for the information of the Board, and that there were three new neighborhoods adjacent to the waterlines that were already present without affecting sewer or other services.

Mr. Foster stated that there was a map showing the proximity of the three projects and the proximity to the central water system. He stated that this report dealt fully with economics of the use, but nothing related to land use perspectives.

Mr. McGlennon stated his appreciation for the information and stated that there are three options: take over water systems; increase costs per lot; or change the current policy that dictates charging every customer the same rate. He stated that there were other alternatives to pursue without connecting to the public water system.

Mr. Icenhour stated that there was another option to consider a decision to accept these into the JCSA system. He stated that he was unsure if the JCSA should be accepting these into the primary system and that he would like to look at the possibility of letting the facilities stand alone.

Mr. Goodson stated that he was not very happy to take these systems into the public system, but that he has had experience in taking over systems. He stated that it was a difficult decision, but there was little option.

Mr. Foster stated that this was how the JCSA developed over the long term to interconnect community systems to create a more robust public system.

Mr. Kennedy stated this was a large issue and that the concept of the PSA had good intentions, but it was not environmentally considerate. He asked for a broader look at the PSA and by-right development and independent well systems.

Mr. Goodson noted Mr. Foster's caveat was a report on the best use of public resources.

Mr. Foster stated that with the current situation, the JCSA loses money on operation of independent water systems. He stated it was a multi-faceted situation and historically the land use situation has taken precedence over utility use. He stated that he would defer to the Board to make the decision to investigate this and that he would be happy to provide additional information.

Ms. Jones stated that she appreciated the conversation by looking at the matter from the perspective of the water customers of the JCSA. She stated that Liberty Ridge and Westport are partially in and out of the PSA and it is in the economic best interest of customers to run the waterline as opposed to an independent water system. She stated that she would like to see flexibility from the JCSA to be able to make decisions on the fiscal best interests of customers.

Mr. Kennedy stated that he does not yet support any change to this, but he asked to evaluate the policy and the PSA. He stated that he would like to hear from Mr. Foster and staff an opinion on this matter and that he would like to see it discussed at a work session.

Ms. Jones stated that she agreed with having a work session discussion.

Mr. McGlennon stated that changing an established policy designed to have an effect on growth and to direct and limit growth would cause difficulties. He suggested that before abandonment of this method, the proponents should think of a proposed tool to address the concerns.

Mr. Goodson stated that this was not necessarily changing a policy that would limit growth as there was no ability of sewer access, which was a limitation for the PSA.

Mr. Icenhour stated that he has a community well system and individual septic system at his lake house, and there was an ability to have a higher density than present in the County. He stated that the central well facility has been an impediment to growth outside the PSA. He stated that the three-acre lots with septic and central well facility are economically viable by-right, but there were additional requirements. He stated that a policy to consider changing was the requirement for a central well and that there was no regulation except through public health ordinances. He stated a work session was necessary and the impacts should be considered.

Ms. Jones stated that long-range planning should be considered, but also there were two approved by-right developments that have gone through the permitting processes and will be moving forward without flexibility on the policy. She stated there were already exceptions for Greensprings West and County schools and that the policy should not create a financial burden for citizens.

Mr. Kennedy stated that he was not recommending abandonment of the PSA. He stated that he would like to get the JCSA staff's recommendations and asked to improve upon the tool that is already in place.

Mr. McGlennon stated that it was logical to interpret that as a way to eliminate some areas of the PSA and incorporate others.

Mr. McGlennon made a motion to adjourn.

The motion passed by a unanimous voice vote.

At 8:50 p.m., Mr. Icenhour adjourned the Board.

Sanford B. Wanner
Secretary to the Board

MEMORANDUM

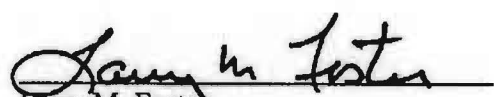
DATE: October 28, 2008
 TO: The Board of Directors
 FROM: Larry M. Foster, General Manager, James City Service Authority
 SUBJECT: Bid Award – Sewer Bridge Rehabilitation Project – \$134,287

The James City Service Authority (JCSA) has approximately 52 sewer bridge structures within its sewer system. Over the years many of these structures have deteriorated, with 40 having been selected for a rehabilitation project needing some level of structural repair and/or clearing of vegetation along the easements. The scope and specifications for the rehabilitation have been advertised for competitive bid and publicly opened. Three firms submitted bids as follows:

<u>Firm</u>	<u>Amount</u>
J. Sanders Construction	\$134,287
J.L. Massie Contractors	289,576
Bryant Contracting	466,020

J. Sanders Construction has successfully completed several projects of similar scope for the JCSA and has been determined capable of completing this project. Adequate funds are in the FY 2008 budget to cover the costs of the project. The low bid for the project was higher than the engineers estimate (\$50,000). However, the project is unique in its scope so there was not similar completed work available to draw upon for the estimate. JCSA staff engineers believe that the bid submitted by J. Sanders Construction is appropriate.

Staff recommends approval of the attached resolution awarding the Sewer Bridge Rehabilitation Project to J. Sanders Construction.


 Larry M. Foster

LMF/nb
 SewerBRP_mem

Attachment

RESOLUTION

BID AWARD – SEWER BRIDGE REHABILITATION PROJECT – \$134,287

WHEREAS, the James City Service Authority (JCSA) has identified 40 sewer bridges in need of repair and/or easement clearing to prevent failure and the possible discharge of untreated wastewater; and

WHEREAS, specifications for the repair project have been advertised and publicly opened with J. Sanders Construction submitting the lowest bid of the three firms submitting; and

WHEREAS, J. Sanders Construction has been determined capable of performing the scope of work associated with the project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby awards the bid for the Sewer Bid Rehabilitation Project (Bid No. 08-0075) to J. Sanders Construction for a contract amount of \$134,287.

James O. Icenhour, Jr.
Chairman, Board of Directors

ATTEST:

Sanford B. Wanner
Secretary to the Board

Adopted by the Board of Directors of the James City Service Authority, James City County, Virginia, this 28th day of October, 2008.

SewerBRP_res

MEMORANDUM

DATE: October 28, 2008
 TO: The Board of Directors
 FROM: Larry M. Foster, General Manager, James City Service Authority
 SUBJECT: Sole Source Purchase - Infor/Hansen 8 Software - \$227,500


The James City Service Authority (JCSA) began using the Hansen Work Management Software System in 1988. Since its introduction, the software has become an integral part of JCSA's operations. The software is used to issue work orders, maintain inventory, track efficiencies, monitor costs, etc. As an example of the software's usefulness, the JCSA has been able to monitor all costs associated with recovery from a hurricane to submit to the Federal Emergency Management Agency within days after a hurricane. These same records are used to obtain reimbursement from the JCSA's insurance provider. Because of the software's functionality, the necessary records have been readily available with minimal changes in normal work efforts.

The FY 09 budget included funds to update the software to the latest version which was last upgraded over ten years ago. Infor, which purchased Hansen, has submitted proposed costs of \$227,500 to upgrade the software package including the following scope of services:

Professional Services (installation/training)	\$150,000
Out of Pocket Expenses	17,000
Software Reallocation Fee (licenses)	11,664
Geo Administrator	16,500
Support and Maintenance	<u>32,336</u>
Total	<u>\$227,500</u>

Because this would be a sole source purchase of over \$100,000, Board approval is necessary. Not accepting the offer would result in continuing with a software system that is no longer supported or changing software systems resulting in the loss of all historical data.

Staff recommends approval of the attached resolution authorizing the sole source purchase of the software services described above from Infor (Hansen).


 Larry M. Foster

LMF/nb
 Hansen8Pur_mem

Attachment

RESOLUTION

SOLE SOURCE PURCHASE - INFOR/HANSEN 8 SOFTWARE - \$227,500

WHEREAS, the James City Service Authority (JCSA) has used the Hansen Work Management Software System since 1988; and

WHEREAS, the current version, Hansen 7, has been in use for over ten years with support for the software package being phased out by Infor, the software developer; and

WHEREAS, Infor has submitted a proposal to update the software for \$227,500, and adequate funds are available in the FY 09 budget; and

WHEREAS, Infor is the only firm that is capable of providing the updated software a sole source purchase is necessary.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby authorizes the sole source purchase of Hansen 8 because of the exclusive nature of the software and its importance to the continuity of operations for the JCSA.

James O. Icenhour, Jr.
Chairman, Board of Directors

ATTEST:

Sanford B. Wanner
Secretary to the Board

Adopted by the Board of Directors of the James City Service Authority, James City County,
Virginia, this 28th day of October, 2008.

Hansen8Pur_res

M E M O R A N D U M

DATE: October 28, 2008

TO: The Board of Directors

FROM: Robert H. Smith, Assistant Manager, James City Service Authority

SUBJECT: Identity Theft Prevention Program

In an effort to mitigate the effects of identity theft, Congress recently enacted the Fair and Accurate Credit Transactions Act ("FACT"). In response, the Federal Trade Commission adopted a set of administrative regulations to implement FACT (the "Regulations").

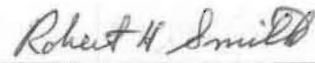
The Regulations take effect on November 1, 2008, and generally require that all financial institutions and creditors develop, maintain, and regularly update a program (the "Program") to detect, prevent, and mitigate the effects of identity theft, as that phenomenon may apply to the opening and administration of accounts with the financial institution or creditor. Although the primary focus of this requirement is on major financial institutions (i.e., investment institutions, brokerages, banks) and consumer lenders (i.e., credit card companies, mortgage lenders), municipal water and sewer service providers who bill their customers in arrears (as opposed to a billing system based on a forecasted future consumption), such as James City Service Authority ("JCSA"), are considered "creditors" under FACT and therefore subject to the Regulations.

The Regulations require that the Program, which may include existing policies and procedures related to identity theft, must contain reasonable policies and procedures to detect, identify, and appropriately respond to 26 listed "red flags" (a pattern, practice, or specific activity that indicates the possible risk of identity theft). The Regulations also require that the financial institution or creditor periodically update its Identity Theft Prevention Program to reflect changes in risks to customers or the safety or soundness of the financial institution or creditor from identity theft.

Consistent with Congress' focus on large financial institutions and consumer lenders, many of the "red flags" listed in the Regulations relate to credit relationships common to those entities. Because JCSA's relationship with its customers is really a direct service relationship and not a consumer credit relationship, and because established service termination procedures act as a self-correction/loss limitation mechanism for JCSA's business model, many of the "red flags" listed in the Regulations are not relevant to JCSA's business experience. Nevertheless, JCSA is required to at least consider each "red flag" in its identity theft policy and explain why a certain "red flag" is not a realistic risk.

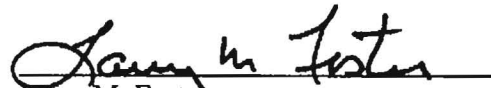
In compliance with the Regulations and for the Board's consideration, attached to this memorandum is a resolution adopting the proposed Identity Theft Prevention Program and a copy of the entire text of the proposed Program. The proposed Identity Theft Prevention Program complies with the Regulations as it explains the JCSA's business model, existing fraud detection, and service termination procedures, and addresses each "red flag" listed in the Regulations.

Staff recommends adoption of the attached resolution which would become effective November 1, 2008.



Robert H. Smith

CONCUR:



Larry M. Foster

RHS/nb

IdTheftPrev_mem

Attachments

RESOLUTION

IDENTITY THEFT PREVENTION PROGRAM

WHEREAS, pursuant to Federal law, the Federal Trade Commission (FTC) adopted Identity Theft Rules requiring the creation of certain polices relating to the detection, prevention, and mitigation of identity theft; and

WHEREAS, FTC regulations, adopted as 16 CFR Part 681, require creditors to adopt "red flag" polices to prevent and mitigate identity theft with respect to covered accounts; and

WHEREAS, Federal Trade Commission regulations include utility companies in the definition of creditor; and

WHEREAS, FTC regulations define 'covered account' in part as an account that a creditor provides for personal, family, or household purposes that is designed to allow multiple payments and specifies that a utility account is a covered account; and

WHEREAS, the James City Service Authority is a creditor with respect to 16 CFR Part 681 by virtue of providing water and sewer services for which payment is made after the product is consumed; and

WHEREAS, FTC regulations require each creditor to adopt an Identity Theft Prevention Program which will use "red flags" to detect, prevent, and mitigate identity theft related to information used in covered accounts.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby adopts the Identity Theft Prevention Program to become effective November 1, 2008.

BE IT FURTHER RESOLVED that the proposed Identity Theft Prevention Program becomes part of this resolution.

James O. Icenhour, Jr.
Chairman, Board of Directors

ATTEST:

Sanford B. Wanner
Secretary to the Board

Adopted by the Board of Directors of the James City Service Authority, James City County,
Virginia, this 28th day of October 2008.

JAMES CITY SERVICE AUTHORITY

Identity Theft Prevention Program

I. Purpose

To establish an Identity Theft Program designed to detect, prevent and mitigate identify theft in connection with opening of a covered account or an existing covered account and to provide for continued administration of the Program in compliance with Fair and Accurate Credit Transaction Act of 2003 (the "Act"), Final Rule, 16 CFR Part 681 (the "Rule"). This Program has been approved by the Board of Directors of the Authority, on October 28, 2008. Terms used in this Program document, and not otherwise defined herein, shall have the meanings ascribed to those terms in the Rule, or if not defined in the Rule, as defined in the Act.

II. Definitions

- a. **Identity Theft** means fraud committed or attempted using identifying information of another person without authority.
- b. A **Covered Account** means customer accounts involving multiple payments or transactions set up by the Authority for services rendered
- c. A **Red Flag** means a pattern, practice or specific activity that indicates the possible existence of identity theft.
- d. **Credit** means any deferral of payment.

III. Program Overview

The Program, which is tailored to the size, complexity and nature of the Authority's operations, sets forth the reasonable policies and procedures by which the Authority:

- a. has identified, and incorporated into this Program, relevant Red Flags for covered accounts, and by which the Authority will from time to time in the future identify any additional Red Flags as changed circumstances and the Authority's experience with the Program and with identity theft warrants, and from time to time in the future will, identify relevant Red Flags for covered accounts;
- b. will detect Red Flags incorporated into the Program;
- c. will respond appropriately to any Red Flags that are detected to prevent and mitigate identity theft;
- d. and ensure the Program is updated periodically, to reflect changes in risks to customers or to the safety and soundness of the Authority from identity theft.

The senior Authority official designated to administer the Program, including oversight of the Program policies and procedures, and of the implementation of the Program; training of staff, oversight of service provider arrangements, and monitoring and updating of the Program, and reporting with regard to the Program; is the Authority Assistant Manager.

The Authority has determined that a streamlined program is appropriate at this time. However, the Program calls for ongoing monitoring of the Authority's own experience with identity theft, changes in how the Authority acquires new customers or in how the authority administers existing customer accounts, as well as attention to emerging trends in connection with identity theft generally, and will revise the Program as needed to assure its continued effectiveness in achieving the purposes stated above and in the Rule.

IV. Determination of Covered Accounts; Determination that Streamlined Program is appropriate at this time.

The Authority makes available water and sewer service accounts billed periodically in arrears, which are regarded as “credit” accounts for purposes of the Rule. Of these credit accounts, there are residential and commercial. After reviewing its experience with identity theft, the Authority has determined that its commercial accounts do not present a reasonably foreseeable risk of identity theft. Accordingly, the Authority has determined that commercial accounts are not “covered accounts” at this time. The Authority will monitor developments with the Program, future experiences with identity theft or attempted identity theft, and will revise this conclusion when and as warranted.

Bi-Monthly and Quarterly billed-in-arrears residential water and sewer accounts are all “covered accounts” for purposes of this Program. However, even with these covered accounts, the Authority finds that the incidence of identity theft, as defined in the Rule, is minimal, such that a streamlined program suffices at this time. The nature of the water and sewer utility business may account for this. The only thing for which the “credit” involved in a water and sewer utility account can be expended is water and sewer services, and only for those services performed at a known, fixed address. Unlike a stolen credit card or checkbook, which may be used by an identity thief to rapidly steal substantial values in diverse transactions with numerous merchants/payees who are geographically dispersed, the only value an identity thief can steal in relation to the Authority’s credit activities is the water and sewer service performed to a specific meter and a specific known address. Unlike a stolen credit card or checkbook, there is no way to easily go from place to place on a “shopping” spree with a stolen water meter, as meters are labeled specific to each jurisdiction and therefore readily identifiable upon inspection as being appropriate or inappropriate for water service in a particular jurisdiction. Where inappropriate meters are discovered they are confiscated and returned to the appropriate jurisdiction and the matter may be referred to the Commonwealth’s Attorney for appropriate action. Additionally, the aspect that the “stolen” values in water/sewer service may only be received at a fixed location with a known address, may serve to deter even those occupants at an address who might otherwise be engaged in identity theft, from engaging in it with respect to their own water and sewer service to that address at which they may be found, and to which Authority representatives go at regular intervals to read meters, and in some cases to serve notices.

The Authority’s review of its own experience with identity theft reveals that the instances are relatively infrequent, and when they occur usually involve identity fraud practiced by residential renters, rather than property owners. Typical of the kinds of identity fraud occasionally detected by the Authority, are instances where service to the rental premises has been cutoff for nonpayment, after which another individual purporting (falsely) to be a new tenant, calls to re-establish service, professing (falsely) to be a new tenant. The aim of this type of identity fraud is to restore service but avoid having to pay the unpaid balance owing by the tenant whose service was cutoff. These situations are often not, strictly speaking, identity theft but rather involve customer fraud in that the caller will be found to have a connection to the previously cut off tenant, such as roommate, family member, etc.

Because the limited instances of attempted identity theft on residential Covered Accounts have tended to be of this sort, the Program reflects certain additional procedures that the Authority uses to prevent this type of identity theft, which are reflected in the Red Flags identified for purposes of the Program, and the related procedures followed to detect, prevent and mitigate identity theft under the Program, as detailed in the listing of Red Flags set forth below.

To summarize, the Authority's review of its own previous experiences, and its consideration of available information relating to the experiences of other water and sewer authorities, confirmed that the water and sewer business in general, and the Authority's in particular, presents a low-risk of identity theft, for which a relatively streamlined program is appropriate at this time. However, the Authority is mindful that its Identity Theft Prevention Program calls for ongoing monitoring and periodic updating to identify and respond appropriately to changes in risk of identity theft, and in administering its program will watch for any changes in the nature or extent of identity theft detected in connection with the Authority's own business, or in the nature or extent of identity theft detected by others in the water and sewer utility industry, and will implement changes to the Authority's Program from time to time for the purpose of addressing such changes.

V. Identification of Red Flags, Responses When Detected

In developing this Program, the Authority has considered, among other things, the following factors in identifying relevant Red Flags for covered accounts, as appropriate:

- a. the types of covered accounts it offers or maintains;
- b. the methods it provides to open its covered accounts;
- c. the methods it provides to access its covered accounts; and
- d. its previous experiences with identity theft.

This Program's policies and procedures are intended to provide for appropriate responses when the Red Flags so identified when they are detected, commensurate with the degree risk posed.

VI. Reporting

The Program provides for oversight and reporting. The Assistant Manager of the of the Authority who is responsible for development, implementation, and administration of this Program shall report to the General Manager of the Authority, at least annually, on compliance by the Authority with the Rule. The report should address material matters related to the Program and evaluate issues such as the effectiveness of the policies and procedures in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts; service provider arrangements; significant incidents involving identity theft and management's response; and recommendations for material changes to the Program.

VII. Ongoing Efforts

The Authority will continue to monitor its customer transactions for any indications of a pattern which could indicate a significant risk of identity theft or fraud and will introduce new procedures or revise existing ones to address these as found. Processes will be monitored to assure that they are functioning as intended; new processes will be adopted as the need arises. Finally, ongoing training of all employees and supervisors who interact with customers or process customer data will occur as needed to ensure that written policies and procedures will be followed. Updating of the Program (including the determination of "Covered Accounts" and the Red Flags determined to be relevant) will occur periodically, to reflect changes in risks to customers or to the safety and soundness of the creditor from identity theft, based on factors such as:

- a. the experiences of the Authority with identity theft;
- b. changes in methods of identity theft;

- c. changes in methods to detect, prevent, and mitigate identity theft;
- d. changes in the types of accounts that the Authority offers or maintains; and
- e. changes in the business arrangements of the Authority, including mergers, acquisitions, alliances, joint ventures, and service provider arrangements.

VIII. Detection

In an effort to ensure proper detection of any Red Flags, all customers must provide at least the following information/documentation before any new covered account will be opened:

- a. Full Name;
- b. Social Security Number of Customer if provided or valid Driver's License Number; and
- c. Address for utility service.

The Authority Regulations Governing Utility Service, Section 3 pertains to Application for Service and Contract and is explained in greater detail.

IX. Prevention and Mitigation

In the event a Red Flag is detected, the Authority is committed to preventing the occurrence of identity theft and taking the appropriate steps to mitigate any harm caused thereby. In order to respond appropriately to the detection of a Red Flag, the Authority shall consider any aggravating circumstances(s) that may heighten the risk of identity theft. After assessing the degree of risk posed, the Authority will respond to the Red Flag in an appropriate manner, which may include:

- a. Monitoring a covered account for evidence of identity theft;
- b. Contacting the customer
- c. Reopening a covered account with a new account number;
- d. Not opening a new covered account;
- e. Closing a covered account;
- f. Notifying law enforcement; or
- g. Determining that no response is warranted under the particular circumstances.

	Suggested Red Flags	Red Flag Example or Elaboration	Applicable to Authority?	Comments; Response to Red Flag
1	A fraud or active duty alert is included with a consumer report.		No	The Authority does not at this time obtain consumer reports in connection with covered accounts.
2	A consumer reporting agency provides a notice of credit freeze in response to a request for a consumer report.		No	The Authority does not at this time obtain consumer reports in connection with covered accounts.
3	A consumer reporting agency provides a notice of address discrepancy, as defined in §681.1(b) of this part.		No	The Authority does not at this time obtain consumer reports in connection with covered accounts.
4	A consumer report indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant or customer		No	The Authority does not at this time obtain consumer reports in connection with covered accounts.
5	Documents provided for identification appear to have been altered or forged.		Yes	Residential customers who are tenants provide copies of leases/rental agreements if they cannot verify the landlord upon initiation of service. Letters are sent to landlord upon tenant establishing service notifying that the Authority can place a lien on the property for unpaid balances. If this Flag is detected, the Authority staff requires additional verification to establish identity. If the additional verification is not furnished or is not acceptable, service is not provided.
6	The photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification.		No	The Authority does not at this time obtain consumer photograph or physical description on identification with covered accounts.

	Suggested Red Flags	Red Flag Example or Elaboration	Applicable to Authority?	Comments; Response to Red Flag
7	Other information on the identification is not consistent with information provided by the person opening a new covered account or customer presenting the identification.		Yes	A tenant's lease copy could indicate information inconsistent with identification information provided by the tenant. Letters are sent to landlord upon tenant establishing service notifying that the Authority can place a lien on the property for unpaid balances. If this Flag is detected, Authority Staff will require additional verification to establish identity and explain the inconsistency. Inconsistency with lease copy information may be checked with the property owner.
8	Other information on the identification is not consistent with readily accessible information that is on file with the financial institution or creditor, such as a signature card or a recent check.		Yes	New tenant at recently cut off address may be compared to prior records for the same address, and inconsistency, or other suspicious circumstances, will prompt further inquiry, such as to the property owner, or request for additional verification of identity. In addition, the Authority's computer software may be used in processing new service requests to determine if the applicant for service matches a customer name already on file with the Authority. When this occurs, inquiry is made to obtain an explanation (for example, the applicant may be resident at one location and owner of another residential location). If a satisfactory explanation is not provided, service would be denied. See also, Flag #10.c below, regarding use of County Tax Maps.
9	An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.		Yes	Requests for start/stop service may be made in person, by phone, or a paperless transaction can be conducted online through the Authority's website. If the paper application submitted applying for service appears to have been altered or forged, or destroyed and reassembled, or otherwise appears to be suspicious, the Authority Staff will investigate and require additional verification of identity and explanation for the appearance of the application, as a condition of providing service.
10	Personal identifying information provided is inconsistent when compared against external information sources used by the financial institution or creditor. For	a. The address does not match any address in the consumer report; or	No	The Authority does not at this time use consumer reports in connection with covered accounts. It should be noted, also, that the nature of water and sewer service is such that, almost always, a residential new service request is for a new address [occasioned by customer's having moved], so address discrepancies would be the norm, rather than the Red Flag it might constitute for different kinds of creditors or financial institutions.

	Suggested Red Flags	Red Flag Example or Elaboration	Applicable to Authority?	Comments; Response to Red Flag
		b. The Social Security Number (SSN) has not been issued, or is listed on the Social Security Administration's Death Master File.	No	The Authority does not at this time use consumer reports which, typically, would indicate un-issued numbers; and does not use the Social Security Administration's Death Master File.
		c. Homeowner information does not match homeowner information on County's Tax Maps	Yes	The Authority has access to the County's Tax Maps, and may check home purchaser applicants for service against the data on those Tax Maps. Tenant applicants are verified by homeowner letter discrepancies, and the owner information is also verified against the County Tax Maps. In either case, if a discrepancy is found, further investigation is undertaken to verify identity, and until such verification is completed, service is denied.
11	Personal identifying information provided by the customer is not consistent with other personal identifying information provided by the customer. For example, there is a lack of correlation between the SSN range and date of birth.		Yes	Examples include inconsistency between a tenant's personal information and the information in the lease/rental agreement the Authority requires the tenant to provide.
12	Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources used by the financial institution or creditor. For example:	a. The address on an application is the same as the address provided on a fraudulent application; or	No	The Authority does not at this time obtain consumer reports in connection with covered accounts.
		b. The phone number on an application is the same as the number provided on a	No	See response to 12.a.

	Suggested Red Flags	Red Flag Example or Elaboration	Applicable to Authority?	Comments; Response to Red Flag
		fraudulent application.		
13	Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated by internal or third-party sources used by the financial institution or creditor. For example:	a. The address on an application is fictitious, a mail drop, or a prison; or	No	The service the Authority provides is associated with a specific premise.
		b. The phone number is invalid, or is associated with a pager or answering service.	No	The response to this is the same as for Red Flag #12b. If there were occasion to call the customer, and the number were found to be invalid, this would prompt further inquiry, but in the absence of another Red Flag or other occasion for a call to be made to the customer, this Red Flag would not apply at the time of account opening.
14	The SSN provided is the same as that submitted by other persons opening an account or other customers.		No	This is not checked for new accounts, in the absence of another Red Flag.
15	The address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of other persons opening accounts or other customers.		No	Refer to the responses to Red Flags 13a and 12b.
16	The person opening the covered account or the customer fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete.		Yes	Each applicant is requested to provide a SSN or valid Driver's License Number. Other information is required as noted above, see, e.g., Flag #5. If required information is not provided, service is denied.
17	Personal identifying information provided is not consistent with		Yes	See response for Red Flag #11. In addition, persons seeking information about their account would be asked to provide name on account and the phone number

	Suggested Red Flags	Red Flag Example or Elaboration	Applicable to Authority?	Comments; Response to Red Flag
	personal identifying information that is on file with the financial institution or creditor.			and would not be provided account information if unable to do so.
18	For financial institutions and creditors that use challenge questions, the person opening the covered account or the customer cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report.		No	See Red Flag #17 above. Other than to request personal identifying information before providing the ostensible customer with information about his or her account, the Authority does not use “challenge questions”.
19	Shortly following the notice of a change of address for a covered account, the institution or creditor receives a request for a new, additional, or replacement card or a cell phone, or for the addition of authorized users on the account.		No	The response to this is the same as for Red Flag #13a.
20	A new revolving credit account is used in a manner commonly associated with known patterns of fraud patterns. For example:	a. The majority of available credit is used for cash advances or merchandise that is easily convertible to cash (e.g., electronics equipment or jewelry); or	No	The Authority does not provide this type of account.
		b. The customer fails to make the first payment or makes an initial payment but no	Yes	If payment is 30 days late, a second notice is made providing and additional 14 days. If necessary collection activity begins and if payment is not made or arranged, service is cut off.

	Suggested Red Flags	Red Flag Example or Elaboration	Applicable to Authority?	Comments; Response to Red Flag
		subsequent payments.		
21	A covered account is used in a manner that is not consistent with established patterns of activity on the account. There is, for example:	a. Nonpayment when there is no history of late or missed payments;	Yes	See Red Flag #20.b above.
		b. A material increase in the use of available credit;	Yes	While this is generally not relevant to water and sewer service, inactive meters are read and if an address listed as inactive shows water usage, the Authority would investigate. Occasionally, a neighbor will call to report usage inconsistent with normal patterns, which would prompt an investigation.
		c. A material change in purchasing or spending patterns;	No	Other than as noted above at Red Flag 21.b, this is applicable to other types of credit extenders; not the Authority.
		d. A material change in electronic fund transfer patterns in connection with a deposit account; or	No	Applicable to other credit extenders; not the Authority.
		e. A material change in telephone call patterns in connection with a cellular phone account.	No	Applicable to other credit extenders; not the Authority.
22	A covered account that has been inactive for a reasonably lengthy period of time is used (taking into consideration the type of account, the expected pattern of usage and other		Yes	See Flag #21.b. The Authority personnel read the meters at addresses listed as inactive. If usage is detected at such an address, field representatives will be sent to the address to investigate.

	Suggested Red Flags	Red Flag Example or Elaboration	Applicable to Authority?	Comments; Response to Red Flag
	relevant factors).			
23	Mail sent to the customer is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the customer's covered account.		Yes	If this occurred the Authority would attempt to verify address and re-send and, if that effort proved unsuccessful, would seek to verify the address or (if address from which mail was returned is not the meter address) re-send to the meter address, and if not resolved would send a field representative to the meter address to investigate.
24	The financial institution or creditor is notified that the customer is not receiving paper account statements.		Yes	The Authority will verify the address and resend copies of statements as appropriate. See also the response at Red Flag #23 above.
25	The financial institution or creditor is notified of unauthorized charges or transactions in connection with a customer's covered account.		Yes	Upon notification, the unauthorized use is investigated at the meter address, and identity of the responsible party is verified, in connection with which documentary identification, fraud affidavits, etc., may be requested. If the identity of the responsible party is ascertained, he or she is billed. The victim of any unauthorized use has his or her account adjusted to remove the charges for unauthorized use.
26	The financial institution or creditor is notified by a customer, a victim of identity theft, a law enforcement authority, or any other person that it has opened a fraudulent account for a person engaged in identity theft.		Yes	The response to this is the same as for Red Flag #25.