

AT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE JAMES CITY SERVICE AUTHORITY, JAMES CITY COUNTY, VIRGINIA, HELD ON THE 18TH DAY OF JUNE, NINETEEN HUNDRED NINETY, AT 2:35 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. ROLL CALL

Thomas K. Norment, Jr., Chairman  
Stewart U. Taylor, Vice Chairman  
Perry M. DePue  
Judith N. Knudson  
Jack D. Edwards

David B. Norman, Secretary  
John E. McDonald, Treasurer  
Frank M. Morton, III, County Attorney (Absent)  
Larry M. Foster, General Manager

B. MINUTES - May 21, 1990  
June 4, 1990

Mr. Norment asked if there were corrections or additions to the minutes.

Mr. Norment made a motion to approve the minutes as presented.

The motion was approved by a unanimous voice vote.

C. BOARD CONSIDERATIONS

1. Regulations Governing Utility Service

Mr. Larry Foster, General Manager, stated that Mr. Robert H. Smith, Assistant Manager, would review the highlights of the proposed changes.

Mr. Smith recommended approval to the changes as listed in the resolution.

A short discussion was held regarding the provision to allow owners of existing homes with failing water and/or septic systems to connect after entering into a payment schedule agreement.

Mr. Norment made a motion to approve the resolution.

The motion was approved by a unanimous voice vote.

RESOLUTIONUTILITY POLICY CHANGES

WHEREAS, the Board of Directors of the James City Service Authority held a public hearing on certain proposed changes to the Regulations Governing Utility Service; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, hereby adopts the attached changes summarized below to be effective July 1, 1990.

1. Redefine septic system failure as when absorption trenches are malfunctioning as determined by the Virginia Department of Health.
2. Add a provision to allow owners of existing homes with failing water and/or septic systems to connect after entering into a payment schedule agreement.
3. Add a provision to assist low-income home owners to defer connection fee payments.
4. Eliminate payment of interest on tenant deposits.
5. Providing access to meters by allowing a meter reader to trim or remove the obstruction after having notified the homeowner.
6. Add a minimum penalty of \$100 per incident for anyone moving meters and/or using water illegally.
7. Provide the General Manager authority to settle excessive water/sewer bills caused by leakage in customer's pipes.
8. Add a \$5 fee assessment to recover cost of collecting bills in the field.
9. Add a minimum penalty of \$100 for tampering with Private Fire Protection Systems.
10. Add a minimum penalty of \$100 for tampering with Public Fire Hydrant.
11. Clarify how a developer receives reimbursement for expenses incurred during construction of system facilities in a new development within the Primary Service Area.
12. Clarify developer expenses to the Authority for connection to system facilities for new developments outside the Primary Service Area.

- 13. Eliminate the requirement for a zoning certificate to accompany an application for extension to a new development.

D. BOARD CONSIDERATION

1. Request to Connect to JCSA Sewer Lines in Annexation Area

Mr. Foster stated that Mr. Dan Clayton, Williamsburg Director of Public Works and Utilities, requested permission from the Authority to allow three connections, as listed in the resolution, to JCSA sewer facilities located in areas annexed by the City.

Staff recommended approval of the resolution.

Mr. Norment made a motion to approve the resolution.

The motion was approved by a unanimous voice vote.

R E S O L U T I O N

REQUEST TO CONNECT TO JCSA SEWER LINES IN ANNEXATION AREA

WHEREAS, the City of Williamsburg has requested authorization from the Board to allow connection, at three locations, to sewer lines owned by the James City Service Authority located in areas annexed by the City; and

WHEREAS, the Annexation Agreement allows for connection to Authority sewer lines located within the annexation areas.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the James City Service Authority, James City County, Virginia, authorize connection to Authority sewer lines as described below:

<u>Owner</u>	<u>Location</u>	<u>Normal Flow</u>
Bunting Office Complex	Strawberry Plains Road, adjacent Berkeley School	3,500 GPD
East Coast Gas and Convenience Store	Richmond Road	500 GPD
Residence	264 Strawberry Plains	400 GPD

E. BOARD REQUESTS AND DIRECTIVES

Ms. Knudson requested a work session for Kingspoint sewer system with public comment at the August 6, 1990, Board of Supervisors' meeting.

Mr. DePue asked that staff contact York County for their approach and provide a staff report. He also requested copies of any written communication received from State agency regarding Kingspoint information and that be made available before the meeting.

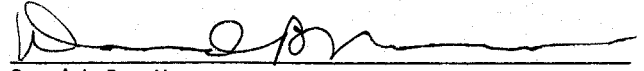
Mr. Foster responded in the affirmative.

Mr. Norment declared the work session would be held August 6, 1990, at 7:00 p.m.

Mr. Norment made a motion to adjourn.

The motion was approved by a unanimous voice vote.

The Board of Directors adjourned at 3:02 p.m.



David B. Norman  
Secretary

DBN/dlh  
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SECTION 2. CONNECTION REQUIRED

The following regulations shall be observed to determine who shall be required to connect to the facilities of the Authority.

- A. Service to existing structures. An owner or tenant of property adjacent to a right-of-way or easement within which there is located a public water main or public wastewater line or both shall connect each existing structure or mobile home situated thereon to the facilities of the Authority or (at the option of the Authority) to HRSD; provided, however, an owner or tenant of property shall not be required to connect an existing structure or mobile home situated thereon to a public water main or to a public wastewater line when the following conditions apply:
  - 1. Water: the existing structure or mobile home is used principally for residential purposes and is served by a domestic supply or source of potable water which meets the standards established by the Virginia Department of Health.
  - 2. Sewer: the existing structure or mobile home is used principally for residential purposes and is served by a private septic system or domestic sewage system which:
    - (a) has absorption trenches that are functioning properly. The Virginia Department of Health shall determine whether absorption trenches are functioning properly, or
    - (b) can be made to function properly by replacing or repairing one of the following: building sewer; septic tank or any of its parts; pump or pump chamber; conveyance lines: distribution box.
- B. Time to connect. The owner or tenant of an existing structure shall comply with this connection regulation within one (1) year after receiving from the Authority written notice that utility service is available.
- C. Plumbing facilities. An existing structure required by these Regulations to connect to a utility service of the Authority but equipped with plumbing facilities required by the Virginia Uniform Statewide Building Code shall be so equipped and connected to the available utility service.
- D. Service to future structure, new development. An owner of property shall be required to connect to the facilities of the Authority when each development or each future structure not part of a development when such development or future structure shall be situated on property adjacent to a right-of-way or easement within which there is located a public water main or wastewater line.

The Board of Directors of the James City Service Authority may grant a waiver for a period not to exceed three years for commercial-industrial properties to the requirement to connect to public sewer under the following terms and conditions:

- 1. The applicant submits in writing a substantial justification for such a waiver; and

2. The applicant has Department of Health approval for alternative sewage system; and
  3. The applicant enters into an agreement with the Authority with a letter of credit in favor of the Authority in an amount that will cover the cost of such service connection, the amount to be set by the Authority and to be based on the cost of such connection at the expiration of the waiver period; and
  4. The applicant agrees to pay 33% of the connection fee for the period of the waiver prior to the approval of the waiver by the Authority; and
  5. The applicant agrees that the balance of the connection fee due at the end of the waiver period shall be calculated on the then existing rate; and
  6. The applicant agrees to pay the balance due and any other applicable service charges prior to service being provided.
- E. Access. The connection of development or an existing or future structure to a utility service of the Authority shall not be required when access to the affected property requires the crossing of property of another owner, provided Authority property and property of the Virginia Department of Transportation shall be excepted.
- F. Application required. The owner or tenant, when required by these Regulations to connect to a utility service, shall make "Application for Service and Contract" in accordance with Section 3 below.
- G. If connection is required for existing structures, the Authority shall provide a domestic water and-or sewer connection to the property line upon payment of all applicable fees and charges. On request of a residential customer with a water and-or sewer system certified as "failing" by the Virginia Department of Health, the Authority may finance up to 75% of the connection costs. Prior to the Authority extending credit, the residential customer must: 1) pay 25% of the connection costs to the Authority; 2) execute a note for the remaining principal balance with interest thereon at the rate of 8% and equal monthly payments for a term not exceeding 48 months; 3) execute a deed of trust on the subject property and all other closing documents; and 4) pay all closing costs including attorney's fees. The Authority shall provide the appropriate connection(s) after all financing documents are signed. Financial assistance under this paragraph is in addition to Section 4, Low Income Payment Plan.
- H. If development in Section (D) above consists of office and-or retail facilities the lot or parcel shall be given a one-time exemption, as it was identified as of December 31, 1984, from Authority connection requirements if the following conditions apply:

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1. The lot or parcel is located more than 500 feet from Utility facilities and said property was not subdivided after December 31, 1984; and-or,
2. The total floor area does not exceed 2,500 feet.

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## SECTION 4. LOW INCOME PAYMENT PLAN

The Authority provides by agreement an installment plan program to aid low-income homeowners in paying the local and system facilities fees, for water and sewer service, charged to applicants for new connections. To be eligible, prospective customers shall apply at the James City County Office of Community Development. If the applicant is deemed eligible, he shall be permitted to pay the local and system facilities fees in monthly installments without interest, after the service connection has been made. The payment plan shall exist until the entire amount of the connection fees has been paid or until the property is sold. The amount of the installments and length of the payment period shall be based on the recommendations made to the Authority by the Office of Community Development.

- A. Eligibility Criteria. Low-income households shall be defined as those with total gross income below eighty percent of the area median income adjusted for family size as determined by the U.S. Department of Housing and Urban Development. The applicant shall be required to occupy the property and have title or ownership interest in the property. If the applicant is deemed eligible, then he shall enter into a contract with the Authority which provides conditions to be observed by both parties, as well as a specific payment schedule, set forth by the Office of Community Development. A Deed of Trust shall be placed on the applicant's property to ensure payment of the amount owed to the Authority.
- B. Payment Schedule Determination. Thirty percent of the household's adjusted gross monthly income based on U.S. Department of Housing and Urban Development guidelines shall be calculated. From this amount, housing expenses shall be subtracted to arrive at a residual figure. Housing expenses shall include mortgage payments, real estate taxes, hazard insurance, utilities and maintenance. Mortgage payments shall include payments on purchase money mortgage and housing rehabilitation mortgages, as well as payments on loans required to finance other water and sewer installation expenses. Utilities shall include projected water and sewer usage charges, as well as all other utilities, excluding telephone and cable television. A utility allowance determined by the Office of Community Development shall be used for these projections, provided, the applicant may provide proof of higher actual bills. Maintenance shall be calculated at a flat rate of \$35.00 per month.
1. For those households whose total gross income is between fifty and eighty percent of the area median income the required monthly installment payment shall be equal to the residual figure determined above. A minimum payment of \$20.00 per month shall be required.
  2. For those households whose total gross income is below fifty percent of the area median income, the required monthly installment payment shall be equal to the residual figure determined above. If this residual figure is a negative number, payment shall be deferred for one year, at which time the residual figure shall be recalculated and a new payment plan determined.



- C. Collection of other funds advanced. The Authority may enter into an agreement with the Office of Community Development to collect installment payments on funds loaned to customers for the purpose of paying for expenses of connecting to water and sewer in addition to local and system facility fees.
- D. Payment. Installment payments shall be made monthly to the Authority, either in person or by mail. Payments shall be due on the first day of the month with a late payment fee charged if the payment is received after the fifteenth day of the month. The late payment fee shall equal ten percent of the monthly payment rounded to the nearest dollar.
- E. Change in Ownership. Should the ownership of the property change before the fees have been completely paid to the Authority, the balance of the fees shall be due immediately in accordance with the provisions of the Deed of Trust. Exception shall be made when the change in ownership is based on inheritance and the new owner of the property also qualifies for the program and agrees to assume the liability for the balance of the unpaid fees. A payment plan will then be calculated by the Community Development Office based on the new owner's gross monthly household income.
- F. Rights of the Authority. All recommendations made by the Office of Community Development are subject to approval by the General Manager. In cases of financial crisis, the General Manager may approve a written agreement with the customer to temporarily modify the payment plan. However, the Authority reserves the right to call due the balance of the unpaid fees should the program participant be found to be habitually delinquent.

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To secure the Authority against loss, these Regulations require certain customers and applicants for service to provide a deposit to guarantee payment for utility services received when certain conditions apply.

A. Required deposit. Each applicant for service or for reinstatement of service shall post a deposit for one billing period's estimated charges with the Authority if one or more of the following circumstances applies:

1. The applicant is a tenant and the owner does not execute an application for service and contract.
2. The applicant has previously had service terminated for nonpayment or had been assessed a transaction charge for late payment three times during the last 24-months of prior service.
3. The applicant currently has a utility bill which is past due.
4. The applicant desires temporary service for any purpose other than at a construction site.
5. Service is terminated and the customer requests that the service be reinstated.

B. Receipt. Upon receiving a cash deposit, the Authority shall furnish the applicant for service or customer a receipt showing: 1) the date thereof; 2) the name of the applicant or customer and the address of the premises to be served; 3) the utility service to be furnished; and, 4) the amount of the deposit.

C. Refund of deposit. Upon termination of service, the Authority shall promptly and automatically refund the customer's deposit, or the balance, if any, in excess of the unpaid utility bills for service furnished by the Authority. A transfer of service from one premises to another within the service area of the Authority shall not be deemed a termination of service within the meaning of these Regulations.

After the customer has paid bills for service for eight consecutive quarterly billings (twenty-four consecutive months) without having had service terminated for nonpayment of a utility bill or had more than three occasions in which a utility bill was not paid within the period prescribed by these Regulations, and the customer is not currently delinquent in payment of his utility bills, the Authority shall promptly and automatically refund the deposit. After the initial 24 month determination, if the customer does not qualify for the refund of deposit, the Authority shall review the account yearly to determine if the customer qualifies.

D. Record of Deposit. The Authority shall keep a record of each cash deposit until the deposit is refunded. The record shall show:

1. the name and current billing address of each depositor; and

- 2. the amount and date of the deposit; and
- 3. each transaction concerning the deposit.

E. Appeal by applicant or customer. The Authority customer representative shall inform an applicant for service or customer if a deposit is required. If the applicant expresses dissatisfaction with the decision of the Authority customer representative on the matter of the deposit, the Authority customer representative shall inform the applicant of his right to have the problem considered and acted upon by the General Manager. The decision of the General Manager shall be final and binding on the Authority and the applicant or customer.

F. Number of Deposits. If the Authority holds a deposit of a customer who has service terminated as a result of nonpayment, the deposit will not be applied to the outstanding balance if the customer desires service to be reinstated. In addition, a second deposit will be required before service is reinstated under the provisions of subsection A above. The Authority will hold no more than two deposits at any given time for the same customer account.

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All water consumption, except fire protection and authorized use of fire hydrants, shall be metered. Meters shall be read to coincide with the mailing of utility bills as specified in Section 13 below; provided, fire service detector check value meters shall be read annually or on a more frequent basis as determined by the Utility.

- A. Size, location, type of meter. The Authority shall approve the size, location and type of the water meter to be installed for all premises based on occupancy and flow data furnished by the applicant. The normal size for a single family dwelling shall be five-eighths inches by three-fourths inches.
  - B. Installation. Meters shall be approved, installed, maintained and removed by the Authority. The Authority, at its option, may authorize a developer to furnish and install a meter, which authorization shall be in writing and signed by the General Manager. In such event the developer shall furnish, at his expense, one of the approved makes and models specified by the Authority. All meter installations shall conform to the applicable provisions of the "Standards." Installed meters remain the property of the Authority.
  - C. Meter installed in building. If a meter is installed within a building, the customer shall provide at his expense a readily accessible and protected location for the installation of the meter at a point which controls the entire supply to the premises, which location shall be approved by the Authority.
  - D. Separate meter. Unless otherwise determined by the Authority, each premises shall be supplied through a separate meter or, if necessary and at the option of the Authority, through a separate battery of meters. If a battery of meters is installed, the registrations of such meters shall be combined for billing purposes and shall be subject to a minimum charge equal to the sum of the minimum charges for the meters comprising the battery setting. If, however, a premises is supplied through more than one service connection, unless otherwise provided, the registration of the meter installed on each such service shall be billed separately.
  - E. Meter maintenance. Meters shall be maintained by the Authority at its expense; provided, damage to any meter due to hot water, freezing, or other external causes arising out of, or caused by the customer's facilities, operations, negligence or carelessness shall be paid for by the customer. The Utility, however, shall be responsible for damage to meters due to freezing in outside vaults and for ordinary wear.
- All meters shall be tested for accuracy before installation. In addition, all meters shall be tested periodically in accordance with AWWA accepted practice. The Authority may at any time remove any meter for routine test, repairs, or replacement. When warranted, the provisions of Section 11 (C) below shall be invoked by the Authority.
- F. Notice of defects. The customer shall promptly notify the Authority of any known defects in or damage to the meter or its connection.

its meters at all reasonable times. The Authority requires unobstructed access to customer that unobstructed meter access is required. If access to the meter is regularly blocked by bushes or foliage, the meter reader may trim or remove the obstruction, as much as necessary to properly inspect the meter. When such access is regularly unavailable, the Authority, after written notification, terminate service until the access problem is resolved to the satisfaction of the Authority.

- H. Change in location, size. Upon request of the applicant the Authority shall change either the location or size or both of a meter when the applicant observes the following conditions:
1. Observance of applicable provisions of Section 8 (G) above.
  2. For the installation of a larger meter, remittance of the difference between the original charge and the current charge prescribed in Section 32. A refund shall be made for a reduction in meter size.
- I. Meter for private water supply. Upon written application to the Authority on a form furnished by the Authority, the Authority shall furnish, install and maintain at the applicant's expense, a water meter and required appurtenances on the private water supply which discharges into a public sewer. The meter shall be readily accessible to the Authority at reasonable times for periodic reading, inspection and maintenance. The Authority may authorize the applicant in writing to furnish and install the meter, subject to the approval of and inspection by the Authority. Such meter and appurtenances shall remain the property of the Authority. The Authority reserves the right to meter the private water supply of a single service wastewater customer.
- J. Unauthorized Meter Removal. Upon installation, only Authority employees or designated representatives shall turn on, turn off, move, remove or replace a meter or any connections to it. Should the Authority determine that a customer has tampered with the meter or its connections, then the customer shall be subject to a \$100 penalty. Payment will be made immediately and prior to reinstatement of service. Failure to pay the penalty promptly may result in the suspension of service to all other accounts in the customer's name. Payment of the penalty does not preclude the Authority from seeking additional legal remedies when deemed necessary.

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justification for extension of the payment date, nor affect the right of the Utility to either terminate service or to file a lien or to motion for judgment for money in accordance with these Regulations. Payments shall be made at the Authority office.

- F. Estimated bill. An estimated utility bill shall be mailed to the customer if the meter fails to register for any reason or the reader is unable to gain access to the premises at the time the meter is scheduled to be read. Such estimated utility bill shall be based on an average of the consumption shown on the last three (3) consecutive quarterly utility bills (twelve (12) consecutive monthly utility bills).
- G. Partial period bill. The utility service charge for an initial or final utility bill for less than a full billing period shall be based upon actual consumption.
- H. Final bill. A customer who requests that utility service be terminated shall give to the Authority a termination date and a forwarding address. The meter shall be read on the termination date and a final utility bill shall then be prepared and mailed, or personally delivered, to the terminating customer. Any deposit, plus accrued interest, held by the Authority shall be deducted from the final utility bill, and the balance then due shall be billed or the unapplied portion of the deposit refunded.

A duplicate copy of the final bill to the tenant-customer shall be mailed upon preparation to the owner of such leased or rented real estate (premises).

- I. Miscellaneous bill. A utility bill other than a regular utility bill rendered by the Authority is due and payable upon receipt by the customer and shall be paid in accordance with the provisions of these Regulations.
- J. Abatement; refund. The Authority is not responsible for water charges incurred due to leakage or for water wasted by water service pipes or fixtures either damaged or in disrepair which belong to the customer. However, in certain cases, the General Manager may at his discretion, determine a fair and reasonable settlement of the disputed bill, when, in his opinion, the circumstances justify such consideration and without which, an injustice to the consumer will result. However, in the event of broken water lines caused by excessively cold weather or an underground leak, and upon presentation of evidence that the leak has been promptly repaired, the utility bill shall be adjusted as follows:
1. One-half (1-2) of the amount in excess water reflected on the utility bill due to this cause, based on the average of the last three (3) bills; and
  2. If connected to the public sewer, all of the estimated amount of water which did not enter the public sewer.
- K. Account charge. An account charge shall be paid by each applicant for service, whether for a new account or for a transfer of account from one premises to another premises. Such charge shall be collected at the time

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application is made or shall be added to the first utility bill for new and transferred accounts. Such charge is used to defray bookkeeping and clerical costs.

- L. Transfer of charges. A customer who terminates service at one premises may transfer outstanding utility charges incurred at such premises to any other account for a premises in the name of such customer which, if unpaid within the time specified in Section 16, shall subject the latter account to termination.
- M. Customer liable for utility charges. A customer who has either made "Application for Service and Contract" or who has received utility service at a premises shall be liable for all utility service furnished to such premises until such time as the customer has properly notified the Utility to terminate the service to such premises.
- N. Transaction charge for late payment. A transaction charge for late payment, as defined in Section 32, shall be added to each bill in the event the bill is not paid by the due date.
- O. Returned check charge. A charge of ten dollars (\$10.00) shall be assessed for any check in payment of a utility bill which is returned for insufficient or uncollected funds, or drawn on a closed account, or drawn on a nonexistent account. If such check was presented in order to avoid termination of service for nonpayment of a utility bill, or to have service restored after such termination, utility service shall be terminated and this charge, as well as all others due and payable, shall be paid in cash before utility service is restored.

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5. Payment in the Field. If an employee of the Authority goes to a site for the purpose of terminating service to a customer for nonpayment, and such customer requests to pay the employee the amount owed to the Authority in order to avoid service termination, then an additional \$5.00 fee shall be assessed. Payment, of the entire amount, shall be made by check.

B. Other causes. Normally, the notice and period of time for compliance provisions of Section 16 (A) above shall govern the termination of service for causes other than the nonpayment of utility charges; provided, however, when warranted by the circumstances, the period of time for compliance may be either collapsed or suspended.

1. Content of notice. The notice of termination for causes other than the nonpayment of utility charges shall contain the following:

- (a) The cause of the termination.
- (b) The corrective action required by the customer when such action is under the control of the customer and the cause can be corrected by the customer without loss or injury to the Authority.
- (c) The date of the notice of termination.
- (d) The date of termination of service.
- (e) Notice that unless the corrective action is completed prior to the date of termination, utility service shall be terminated on the date of termination.

In case of a customer-tenant, the Authority shall mail a copy of such notice to the owner of the premises.

C. Method of termination. When utility service is terminated one or more of the following methods shall be used.

1. Sewer service. Sewer service shall be terminated by one of the following methods:

- (a) If water service is furnished to the customer by the Authority, the water supply shall be cut off and the meter removed.
- (b) If water supply is furnished to the customer by the owner, or an entity other than the Authority, the Authority reserves the right to:
  - (1) Remove the meter used for measuring the water supply to the public sewer, or
  - (2) Seal the building sewer, or
  - (3) Remove the sewer service connection to the public sewer.



SECTION 21. PRIVATE FIRE PROTECTION SYSTEMS; PUBLIC FIRE HYDRANTS

A. Private Fire Protection Systems

1. Application. Upon written application to the Authority, and upon payment of all applicable charges required by Section 32, the Authority or the applicant, at the option of the Authority, shall at the expense of the applicant construct and install a fire service connection to supply a fire protection system. Such construction shall conform to the "Standards" of the Authority. When constructed and installed by the applicant, subject to inspection by the Authority, such construction shall not commence until the applicant furnishes to the Authority and the Authority approves in writing the plans for such construction and installation.
2. Fire service detector check meter. A fire service detector check meter shall be installed in a bypass to monitor small flows in the fire service connection. The Authority shall read each detector check meter at least annually. The Authority reserves the right to require an existing fire service connection customer to install at his expense a detector check meter with a bypass pipe.
3. Charge. There shall be no charge for water supplied through a private fire protection system which is used to extinguish fires.
4. Additions. No addition of any hydrant, standpipe, sprinkler head or other outlet shall be made to a fire protection system until plans for such addition have been submitted to and approved in writing by the Authority.
5. Pressure; supply. The provisions of Section 27, which govern the interruption of water supply, apply to fire service connections. The Authority shall not assume any responsibility for loss or damage because of inadequate quantity or pressure.
6. Violation. Water supplied through a private fire service connection shall be used solely for the extinguishment of fires and, upon approval by the Authority, for fire drill testing of the fire protection system. If a customer makes unauthorized or unapproved use of the fire protection system, for any reason other than fire suppression, a \$100.00 penalty shall be imposed upon the customer. If the penalty is not paid immediately to the Authority upon discovery of the violation, all Utility service to the customer shall be terminated until such time that the penalty has been paid.

Furthermore, if it is discovered that the fire protection system has in any way been intentionally adjusted or tampered with or if any unapproved connection has been made to the system that provides the customer with an unauthorized supply of water, then a \$100.00 penalty shall be imposed. In addition, the customer shall also remit to the Authority the amount of the retail water charges for the estimated unauthorized water usage. If the penalty and charges are not paid

immediately to the Authority upon discovery of the violation, all Utility service to the customer shall be terminated until such time that the amount due has been paid.

B. Public fire hydrants.

1. General. To the extent that funds are available, the Authority shall install, at its expense, public fire hydrants on public property whenever and wherever, in its sole opinion, such hydrants may be required to provide adequate fire protection service.
2. Application for hydrant. Upon written application by any commercial, industrial, governmental entity or other interested party, and upon payment of all applicable charges required by Section 32, the Authority shall construct and install additional public fire hydrants on public property. After installation of each hydrant, the Authority shall assume ownership, maintenance and operation thereof and shall pay for any replacement or relocation which may become necessary.
3. Restrictions on use. The use of public fire hydrants shall be restricted to the taking of water for the extinguishment of fires; water shall not be taken from any public fire hydrant for any other use, including construction, street sprinkling, or flushing storm sewers or gutters, unless specifically permitted in writing by the Authority for the particular time and occasion and upon payment of all applicable charges required by Section 32. All such uses shall be metered and the Authority retail water rates shall apply. A fire hydrant meter shall be furnished by the user, and shall be registered with and approved by the Authority prior to its use.
4. No liability. The Authority shall not be considered an insurer of persons or property, or to have undertaken to extinguish fires, or to protect any person or property against loss or damage by fire or otherwise, and it shall not be responsible to any person for any loss, or damage, or injury by reason of fire, or failure to supply water or pressure, or for any other cause whatsoever.
5. Extension of main. The Authority shall not be required to extend its water mains for the purpose of installing public fire hydrants which may be desired except under mutually acceptable terms to defray the construction cost of such extensions.
6. Unauthorized use. If a public fire hydrant is discovered to have been used for any purpose other than fire suppression without prior approval by the Authority, legal action may be sought against such unauthorized user in accordance with Section 31 of these Regulations. In addition, a \$100.00 penalty shall be assessed against the violator. The penalty shall be paid immediately or all Utility service received by the violator or the employer that he represents shall be terminated until such time as the penalty is paid.

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The policies reflected below govern the extension and expansion of Authority facilities.

A. Service to new developments. The developer of any new subdivision intended for residential, commercial or industrial use or any combination thereof, or the developer of any commercial or industrial site shall construct all Authority facilities as herein required. The Authority reserves the right at any and all times to make, connect or permit new connections, extensions, or improvements or to otherwise use the facilities in the best interests of the Authority.

1. Primary service area.

(a) Local facilities. The developer shall construct and install at his expense all local facilities within his subdivision or development; provided, however, local sewer facilities are not required within a watershed protection area identified in the comprehensive plan and the zoning ordinance. The developer and successor property owner(s) are exempt from payment of local facilities charges when local facilities are constructed and installed at the expense of the developer. Investments by a developer in local facilities to serve his development, such as distribution mains, service connections and meters, fire hydrants, sewer laterals, manholes and other local appurtenances, shall neither be refunded by nor become an obligation of the Authority as such investments are considered a benefit accruing to the property which is recovered through an increase in the value of the property.

(b) System facilities. The Authority is responsible for the construction and installation of all system facilities to serve a new development when it is in the best interest of the Authority, economically feasible, and system capacity is available. If funds are not available, the Authority may permit the developer, under written contract and at his expense, to construct and install the system facilities. If system facilities are constructed and installed at the expense of the developer, the developer shall be reimbursed for the costs of such system facilities if the provisions of Section 29(E) are observed as follows:

- (1) Credit shall be given the developer for such contributed facilities against payment of system facilities fees on a dollar for dollar basis as the service connections are made to his property, or
- (2) If the developer who has incurred the costs of the construction of the system facilities transfers ownership of the property to be served by the new facilities, before service connections are made, the construction costs shall

be refunded to the developer out of the system facilities fees which are remitted to the Authority by the new property owners when such property owners connect to the facilities.

The manner in which the developer's expenses are to be recovered will be determined by the provisions of the contract, which shall be executed prior to construction.

2. Outside the PSA.

- (a) Local facilities. The responsibility of the developer is the same as that for any new development within the PSA. All conditions in Section 29 (A)(1)(a) above apply.
- (b) System facilities. The Authority has no responsibility for the construction and installation of system facilities which serve developments outside the PSA. However, the Authority, under written contract, may permit the construction and installation of such facilities at the expense of the developer. If such an agreement is entered into, the developer and successor property owners will be exempt from system facilities fees.

Provided further, the developer shall be required to pay a System Replacement Fee to cover the cost of increasing the incremental capacity in the existing system facilities, should the Authority allow the developer to connect the facilities which serve the development outside the PSA, to the system facilities inside the PSA, at some future date. The terms and amount of this fee shall be determined by the provisions of the written contract which shall be set forth before beginning construction of the system facilities outside the PSA.

- 3. Application and Contract Required. A developer who desires water or wastewater service or both such services for a certain specified area, shall make application to the Authority before starting construction of any water or wastewater facilities. Each application shall be approved by the James City County Zoning Administrator for that area to be served and has been officially zoned for the particular type, or types, of land use described in the application. Instructions as to the form and content of applications for water and wastewater services are set forth in the "Standards."

Upon approval of the application, the developer shall enter into a written contract with the Authority in accordance with Section 29(E) below. The contract shall describe in detail all fees, rebates, refunds, or exemptions that may occur as a result of the proposed project.

- 4. Dedication of facilities. Immediately upon completion and acceptance of the utility facilities, such facilities shall be dedicated to the Authority on a form prescribed by the Authority. The facilities to be dedicated shall include all local and system facilities, land and rights, structures and other necessary components of the utility

system. The developer, shall transfer such facilities free of debts, liens or other legal encumbrances. Authority. In addition, the developer shall submit simultaneously to the Authority a certificate of mechanic's lien waiver on all facilities dedicated by him.

- 5. Maintenance of facilities. The developer shall be responsible for any maintenance as a result of construction or defects of said facilities for one year from the date of initial operation or acceptance, whichever is later. To ensure compliance with this requirement, the developer shall post with the a certified check, bond, or irrevocable letter of credit in a sum equal to ten percent of project cost or shall provide an alternative guarantee in a form acceptable to the General Manager.
- 6. Owner responsibility. Building sewer pipes and water distributing pipes shall be installed at the expense of and maintained by the property owner.
- 7. Authority standards, specifications. The design of and the equipment, materials, workmanship and procedures used in the construction and installation of local and system facilities shall be in accordance with the "Standards" established, approved and adopted by the Authority.
- 8. Plan review. The Authority shall review and approve, or revise if necessary to conform with the "Standards," prepared plans for all projects for the construction and installation of all local and system facilities prior to any construction of any such project(s).
- 9. Site inspections. During progress of construction work, the authorized representatives of the Authority and others who are directly concerned with the construction work shall have access to the locations of construction for the purpose of establishing to their satisfaction that the project(s) is being constructed to the requirements of the Authority and in accordance with the approved plans and standards and specifications.
- 10. As-built drawings. As-built drawings, in the form prescribed by the "Standards," shall be submitted to the Authority before the final inspection of construction is performed.
- 11. Final inspection of construction. After completion of the construction and installation of the Authority facilities, and upon written request of the developer or owner responsible for the construction, the Authority shall make a final comprehensive inspection of the completed project(s) and shall be satisfied as to conformance with the plans and standards and specifications before accepting the utility facilities as a part of the utility system.
- 12. Non-transferability. Credits for construction and installation of system facilities are non-transferable from development to development.

B. Service To Existing Development.

1. Primary service area.

- (a) System facility capacity. Capacity to serve existing developments inside the PSA is available in existing system facilities.
- (b) Local Facilities. The property owners of any existing subdivision or any residential, commercial, or industrial site in existence on July 1, 1984, or the owners of any combination thereof, may request the Authority to construct and install local facilities. Upon receipt of such request the Authority will determine if the request is in the best interest of the Authority, economically feasible, and system capacity is available. Upon approval of the request and upon completion of an Application for Service and Contract and the payment of applicable charges, the Authority shall construct and install such local facilities as herein required to serve each applicant reflected on the petition. The applicants shall remit in advance to the Authority a sum of money equal to:
  - (1) the amount which equal to the sum of local facilities fees for each property to be served by the proposed construction of local facilities plus
  - (2) the amount required to pay for the connection of the proposed local facilities to the Authority's existing system facilities.

Funds appropriated by the Authority, grant monies, donations, and County funds contributed in aid of construction, or any combination thereof, shall be deducted from the monies required to be remitted in advance by the applicants.

- (c) System facilities fees. Upon completion of the construction and installation of such local facilities, but before physical connection, the applicants shall remit to the Authority, the then prevailing system facilities fee. These fees may be paid in advance and accompany the Application for Service and Contract.
- (d) Refund to nonowners. If the local and-or system facilities fees or construction costs have been advanced to the Authority by a party other than an owner of property to be served by the new facilities, these fees shall be considered a loan to the Authority. Such charges shall be refunded to the nonowners from the local and system facilities fees that are remitted by the owners of the property, which is serviced by the new facilities, as the Authority receives such remittance. The sum of the monies refunded shall not exceed the sum of the loan; no refund shall be made after a period of ten years from the date of such advance.

2. Outside the PSA. All terms and conditions in section 29(B)(1) above apply. In addition, should the Authority elect to construct and install system facilities to serve an existing development outside the PSA, which development is independent of the system facilities within the PSA, the property owners shall remit in advance to the Authority a sum of money equal to the total estimated construction and installation costs of such system facilities. Grant monies, donations and County monies contributed in aid of construction shall be deducted from the monies required to be remitted in advance by the applicants. The property owners shall then be exempt from the payment of system facilities fees until such time that the independent system is connected to the system facilities within the PSA. Each property owner will then be liable for the system facilities fee then prevailing.

C. Service initiated by the Authority. The Authority may construct and install local facilities and system facilities anywhere in its service area whenever it determines that circumstances warrant utility service, for example, to implement the land use element of the comprehensive plan, or to protect the health of its citizens or to promote economic development of the community. The financial performance standards of the Authority shall be observed when such construction work is undertaken.

If such service is initiated by the Authority, the funding procedures contained in Sections 29 (A) and (B) above, which are based on the cost of service philosophy, shall be observed to the maximum extent possible.

The Authority may enter into contracts with any person, firm, or corporation, or municipality, or sanitary district, or other political subdivision or public body for the rendering of any unusual or extraordinary water or wastewater service or both such services; provided, the rates or charges to be paid thereunder shall be an amount which is fair and equitable, taking into account the cost to the Authority of providing such service.

D. Off-site extensions.

1. Extensions to new developments.

(a) Cost of Extension. The construction and installation of an extension of a water or sewer line from existing local or system facilities to the property boundary of the developer shall be the responsibility of the developer and undertaken at his expense.

If, at the request of the Authority, the developer includes capacity beyond that needed for his development, the Authority shall refund to the developer the construction costs involved in including such extra capacity. The terms of the reimbursement shall be determined by the contract between the developer and the Authority.

(b) Local facilities. The terms and conditions of Section 29(A)(1)(a) shall be observed.

- (c) System Facilities. The terms and conditions of Section 29(A)(1)(b) shall be observed.
- (d) General. The terms and conditions of Section 29(A)(3) through 29(A)(12) shall be observed.

2. Extensions to existing developments.

- (a) Cost of extension. The construction and installation of an extension of a water or sewer line, from existing local or system facilities to the property boundary of the applicants, shall be the responsibility of the applicant and undertaken at his expense.
- (b) Local Facilities. The terms and conditions of Section 29(B)(1) shall apply.
- (c) System Facilities. If system facilities to serve an existing development are necessary and are installed at the expense of the property owners, the reimbursement schedule, if applicable, shall be set forth in the contract between the applicants and the Authority.

E. Conditions for Authority participation. The Authority shall participate in the construction and installation costs of local and system facilities and off-site extensions to serve new development when the developer observes all of the terms and conditions set forth below; provided, the Authority reserves the right to decline to participate in a utility project with a developer if the project is either detrimental to the utility system or the utility service project is economically unfeasible, as determined solely by the Authority. If the Authority selects to participate, the following conditions shall apply:

- 1. Pipe size. The size of pipe of water distribution mains and branch and lateral sewers shall be not less than eight inches in diameter; provided in residential districts a six (6) inch water line may be used in blocks six hundred (600) feet or less in length if such water main completes a good gridiron.
- 2. Developer responsibility. The developer accepts in writing sole responsibility for all matters relating to the construction and installation of all facilities required in the project, including the acquisition of all necessary permits from regulatory agencies. The developer shall acquire at his expense all easements required to install utility service to his development.
- 3. Prior approvals required. All required federal, state and local government approvals of both the developer's building project and utility project shall be obtained by the developer and delivered in writing to the Authority before the Utility agrees to participate in the utility project.



4. Bidding required. The intent of the provisions of the County Purchasing Manual shall be observed by the developer in the award of a contract for the construction and installation of a utility project. The project shall be awarded by the developer to the lowest responsible bidder. Authority approval of the lowest responsible bidder shall be required prior to the award of the contract.
5. Performance guarantee. Prior to the award of the contract, the developer shall furnish to the Authority either a certified check or a letter of credit in the amount of the contract award.
6. Payments to contractor; change orders. During progress of the construction work, the Authority shall approve: (1) all project partial payments prior to payment to the contractor; and (2) all change orders.
7. Eligible costs. In calculating the costs of facilities which are considered developer loans to the Authority, only labor and materials costs incurred by the developer in the construction of the project are considered eligible for refund. Costs of administration, engineering and legal representation are not eligible.
8. Developer option to bid. The developer may elect not to publicly bid the utility project in which case the Authority shall not participate with the developer in the cost of the project as provided for in Sections 29 (A) and 29 (D) above.
9. Payments to developer; applicants. Payments on loans shall be remitted directly to the developer, his assignee or successor, or to the party or parties representing the applicants in the manner stipulated in the contract. Payments shall be made annually on the anniversary date stipulated in Section 29 (E)(10) below out of revenues collected from remittances made by applicants for service for connections made directly to the facilities and by affected non-users. No more than ten (10) such annual payments may be made. Such remittances shall be deposited in an interest-bearing escrow account and investment earnings shall be distributed to the developer.  
No payments shall be made to the developer or to the applicant by the Authority until the facilities constructed and installed are formally accepted into the utility system.
10. Interest on loans. The unpaid balance of developer and applicant loans shall bear interest at the rate of six (6) percent per annum, compounded on the anniversary dates as follows:
  - (a) Developer loans: date of acceptance of the facilities by the Authority.
  - (b) Applicant loans: date facilities are placed in operation by the Authority.

## SECTION 32. GENERAL RATE POLICY AND RATE SCHEDULE

A. General rate policy. The determination of rates for the Authority is based upon three interrelated elements:

1. Revenue requirements. Revenue requirements to ensure proper operation and maintenance, development and perpetuation of the system, legal requirements imposed by the Code of Virginia and by debt agreements, and maintenance of the Authority financial integrity.

Revenue requirements are generally defined under either a cash basis or a utility basis. EPA mandates a utility basis for a system constructed with grant funds and the major regulatory agencies endorse the utility basis for defining revenue requirements.

A brief visual comparison is shown below:

<u>Revenue requirements defined</u>	<u>Cash basis</u>	<u>Utility basis</u>
Operations and maintenance	X	X
Debt service - interest expense	X	X
Debt service - payment of principal and reserves	X	
Annual requirements for improvements	X	
Return on investment		X
Depreciation		X

The Authority endorses and uses the cash basis to define revenue requirements with improvements financed from commodity service charges and connection fees.

2. Allocation of costs to services provided. Water and wastewater systems are designed and built with several objectives and the associated costs should be allocated to these cost components, as follows:

Water

Base costs for service  
Demand costs  
Customer costs  
Direct fire protection  
Future capacity

Wastewater

Base costs for collection  
Base costs for treatment  
Demand costs  
Customer costs  
Future capacity

Water and wastewater systems must have the capacity, and therefore generate costs, to provide basic services for average consumption. They must also be designed to meet customer demands for peak usage - seasonal, maximum day and maximum hour. There are certain costs that are also associated with customers, such as meter reading and billing, that are not associated with usage. Water systems also provide capacity (and incur costs) for fire protection.

- D. Exceptions to local, system facilities charges. The provisions of Section 29 above shall be observed when there is a conflict between Section 29 and the provisions of Sections 32 (B) and 32 (C) above.
- E. Billing and account charges. The following charges shall be assessed for any customer billed by the Authority.

- 1. Account charge. An account charge of \$10.00 (\$20.00 if the meter is read) shall be paid by each applicant for continuing service, whether for a new account or for a transfer of account, for water and-or wastewater service.

The purpose of this charge is to defray the cost incurred in clerical and bookkeeping activities, the turning on of services and-or meter reading required for each new account or transfer of account.

- 2. Transaction charge for late payment. A transaction charge for late payment of 10% of the balance due, shall be added to a bill in the event that the bill is not paid within thirty (30) days following the date thereof. All unpaid balances shall be assessed a carrying charge of three quarters of one percent (.75%) per month of unpaid and overdue balances. This is equal to an effective annual interest rate of 9.38 percent.

The purpose of this charge is to defray the cost associated with the rebilling of accounts not paid on a prompt basis and carrying costs for delinquent accounts.

- 3. Restoration of service charge. Where service has been terminated on account of the non-payment of any bill, a restoration of service charge of \$30.00 (\$100.00 for a single service wastewater customer not on metered water service) shall be paid before service is restored, except as defined in Section 17 (A)(2).

The purpose of this charge is to defray the expenses of terminating and restoring service, including clerical and bookkeeping activities.

- 4. Meter test deposit. A test of a water meter shall be done at the request of a water customer upon payment of a meter test deposit as defined in Section 11. If the meter is found to be 3 percent or more fast then the deposit shall be refunded. If inoperable or 25 percent or more slow, the deposit shall be credited against a revised billing. The deposit shall be determined by meter size, as follows:

<u>Meter size</u>	<u>Deposit</u>
5-8" - 3-4"	\$15
1" and over	\$65

- 5. Fire hydrant charge. For customer-requested hydrants installed under the provisions of Section 21, there shall be an installation cost of actual cost plus an allowance of 25 percent for overhead. The applicant shall deposit with the Authority an estimated fee prepared

by the Authority, subsequently adjusted at the completion of the installation with costs exceeding the estimate billed or, in case the estimate exceeds the cost, refunded to the applicant.

The purpose of this charge is to assess to the user the cost of installing fire hydrants for the benefit of the applicant.

6. Temporary water service charge. Under the provisions of Section 22, an applicant for temporary service shall pay, upon application, for the estimated costs of installing, replacing and removing the facilities which are required to furnish such services plus an allowance of 25 percent for overhead. The applicant shall receive a refund if the estimate exceeds the estimate. The applicant shall also pay service charges and all charges caused by a late payment or nonpayment. The applicant may also be required to post a deposit as described in Section 6.

7. Fire connection detector check meter charge. Fire connection detector check meters shall be read and billed at least annually or on a more frequent basis, as determined by the Authority. Rates governing normal water usage shall be assessed.

Fire connection detector check meters monitor non-fire flow usage from a fire connection and there should be little or no water activity.

F. Multiple charges bills. All charges and fees above are in addition to charges and fees assessed and owed to Newport News Waterworks, the Hampton Roads Sanitation District, or any other private or municipal utility.

G. No free service. There shall be no utility service provided to any customer without the assessment of service charges.

H. Billing Service Charge. A billing service charge of \$2.07 shall be paid for each Newport News Waterworks customer receiving Authority sewer service. The purpose of this charge is to pay for fire hydrant rentals from Newport News Waterworks.

I. Plan Review Fee. The following charges shall be assessed for the appropriate plan. The purpose of this charge is to defray cost incurred for time used to provide engineer technical review.

<u>Document</u>	<u>Collection</u>
REZONINGS	
10 acres or less	\$ 50
Greater than 10, but less than 50 acres	\$100
Greater than 50 acres	\$150