

Patrick County Public Service Authority

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General Business Policies & Development Rules & Regulations Manual

April 26, 2022



GENERAL BUSINESS POLICIES

The Patrick County Public Service Authority (Authority) rates, fees, and penalties referred to in this document are reflected in the Approved Rates and Fees Schedule as amended.

1. INTRODUCTION

The purpose of this publication is to establish and furnish information on the policies, rules, and regulations which have been adopted by the Patrick County Public Service Authority of Patrick County, Virginia in accordance with the Virginia Water and Waste Authorities Act.

2. MISSION STATEMENT

The Patrick County Service Authority is committed to providing safe, high quality water services to our community; while maintaining excellence in customer service; environmental conservation; and to anticipate the greater needs of the community through systematic expansion were economically possible.

3. NON-DISCRIMINATION

The Authority operates in a non-discriminatory basis with regards to race, color, national origin, religion, sex, familial status, age, or handicap. Complaints of discrimination may be sent to the U.S. Secretary of Agriculture, Washington DC 20250.

4. PRIVACY POLICY

The Authority will not release to anyone other than staff, counsel for the Authority, a collection agent, or the customer, any information concerning an account, payment history, address, telephone number, social security number, or other information in the file except in response to a valid court order, valid FOIA request, or the customer's direct authorization.

5. BOARD OF DIRECTORS

The Authority is governed by a seven member Board of Directors appointed by the Patrick County Board of Supervisors representing each of the county's magisterial districts, one citizen at-large member, and one supervisor at-large member. Board appointments are for a four-year term and, at its July meeting, the Board elects a Chairman, Vice-Chairman, and a Secretary/Treasurer. The Board may adopt and amend by-laws, policies, rules and regulations as may be deemed necessary by the Board.

6. BOARD OF DIRECTORS APPROVAL

The Board of Directors will review and approve any policy, rule, or regulation of the Authority that:

- Has a significant financial impact on the Authority in any given fiscal year, or that will have a significant financial impact on the future annual budget(s).
- Has a significant and regular impact on any customers, or potential customers, of the Authority.
- The Board of Directors deems as requiring their approval.

7. EXECUTIVE DIRECTOR'S AUTHORITY

With the exception of those situations listed in Section 6 above, the Board of Directors has authorized the Executive Director to draft, review, and approve policies, rules, and or regulations of the Authority that:

- Relate to the efficient and safe operation of the Authority
- Do not have a significant financial impact on the Authority
- Provide for the operational details needed to carry out policies, rules, and or regulations approved by the Board of Directors.

The Executive Director may modify and append any policy, rule, or regulation to correct grammatical or typographical errors, to renumber or rename, or to revise the language for clarification provided that any such changes to documents approved by the Board of Directors shall only be done without making any change to the intent of the policy, rule, or regulation or the manner in which it is to be carried out.

The Board of Directors shall be provided with a copy of any new or modified policy, rule or regulation at least annually at a Regular Board Meeting.

8. AUTHORITY FORMS AND OTHER PUBLIC INFORMATION

- Authority By-laws (Exhibit 1)
- Mandatory Connection Policy for Facilities (Exhibit 2)
- Control & Prevention of Cross Connections & Backflow Policy (Exhibit 3)
- Service Agreement Form (Exhibit 4 and 4-A)
- Landlord Authorization Form (Exhibit 5)
- Service Order Turn On Form, Schedule A (Exhibit 6)
- Fees & Rates Schedules (Exhibit 7)

9. SERVICE TURN ON / TURN OFF REQUESTS

1. Customers are requested to sign up for water and/or sewer services or terminate services in person at the Authority's office located at 106 Rucker Street, Suite 218 during regular business hours, Monday through Friday, 8:00 am to 4:00 pm ET. Customers who fail to sign up for service may be subject to an *Administrative Non-compliance Fee* (Exhibit 7) to cover cost of services provided.
2. The Authority shall accept, review, and render decisions on applications for service to the premises described in the application from any person, group, firm, corporation, or association, who are owners of, or legally represent the owners of, real property or who are tenants of real property within the Authority's service

area. The Authority reserves the right to approve, revise, request additional data, design, or to disapprove any such application or plans pertinent thereto, which in the opinion of the Authority is in the best interest of the Authority.

3. **PROPERTY OWNER**

In order for a property owner to sign up for service, the owner (applicant) must bring and present the following items to the Authority for review at the time of application.

- Applicant's Photo Identification
- Applicant's Social Security Number or Applicant's Federal Tax ID Number.
- Proof of property ownership which may include one of the following items:
 - Current deed to the property
 - Current Patrick County real estate tax ticket for the property
 - Current print out from the Commissioner of Revenue's Office verifying ownership
- If the property is currently being purchased by the applicant, the purchaser must bring a copy of the sales contract or a letter written and signed by the real estate agent, closing attorney, or current property owner, with the expected closing date specified. If the service is requested prior to the closing date, the purchaser must provide a letter from the current property owner verifying early occupancy by the purchaser.
- *Security Deposit* (Exhibit 7)
- *Initial Application for Service Fee* (Exhibit 7)
- *Service Cut-on Fee* (Exhibit 7)
- *Applicable Connection Fee* (Exhibit 7)
- *Applicable Tap Fee* (Exhibit 7)
- *Applicable Extension Fee* (Exhibit 7)

4. **TENANT / RENTER**

In order for a tenant at a rental property to sign up for service, the tenant (applicant) must bring and present the following items to the Authority for review at the time of application.

- Applicant's Photo Identification
- Applicant's Social Security Number or Applicant's Federal Tax ID Number.
- Signed Landlord Authorization Form (Exhibit 5). All tenants listed in the lease agreement must also be listed on the Authority's account and all tenants must come to the Authority's office to sign the application prior to service being started.
- *Security Deposit* (Exhibit 7)
- *Initial Application for Service Fee* (Exhibit 7)
- *Service Cut-on Fee* (Exhibit 7)

The Authority requests that tenant applicants contact their landlord prior to applying for service to ensure that there is no outstanding balance on the property being rented. If there is an outstanding balance service will not be turned on until the balance has been paid in full.

5. Real Estate Agents and property owners can sign up for temporary services as needed for inspections, etc. Applications for temporary service shall be received in the same manner as listed above; however, the *Initial Application for Service*

fee shall be waived in favor of a *Temporary Water or Sewer Account Set-up Fee* (Exhibit 7). Temporary services shall be subject to *Security Deposits* (Exhibit 7) and any unused deposit shall be returned to customer after termination of service. Temporary services shall be charged at the *Temporary Water and Sewer Service Rates* (Exhibit 7) for all usage and will not be subject to monthly minimum rates. Temporary services are subject to *Service Cut-on* and *Service Disconnection Fees* (Exhibit 7). Temporary services shall be limited to a 60 day service period but may be extended at the discretion of the Authority's Executive Director.

6. Requests to sign up for service must be received in advance and no later than 2:00 pm on the day prior to the requested service start date in order for service to be available on the requested start date. When applicable, all outstanding delinquent debt in the customer's or renter's name must be paid in full prior to starting service. A *Security Deposit* (Exhibit 7) as described in Section 15 below, must be paid prior to starting service. An initial *Application for Service Fee* and a *Service Cut-on Fee* (Exhibit 7) shall be collected prior to services being activated.
7. Requests to terminate service must be received in advance and no later than 2:00 pm on the day prior to the service end date for the final reading to occur on the service end date. A *Service Disconnection Fee* (Exhibit 7) will be applied to the final account bill.

10. RENTAL PROPERTIES

Accounts must be established and maintained in the name of the landlord or property owner for multiple unit rental properties served by only one meter.

If the rental property units are individually metered, then the service may be established in the name of the tenant(s).

Where two (2) or more tenants leave a debt at a particular rental property within the last five (5) years, the property will be considered as having established a history of default and service can only be established in the property owner's name.

In accordance with Article 14.3 below, rental properties are subject to property liens for debts left by tenants of the rental property.

11. SERVICE PAYMENT

Meters are read monthly except in cases of unusual circumstances such as inclement weather, staffing shortages, etc. wherein a bill may be estimated based upon prior service history and an adjustment made as soon as the meter can be read in the next billing cycle. Sewer usage is not metered and charges are assessed based upon metered water usage. Meters can be read via electronic and or remote methods.

Customer bills are mailed generally the first week of every month and payment is due within 30 days of the bill date.

All mailings by the Authority, including utility bills, are deemed to be delivered when submitted for mailing to the United States Postal Service. Under normal circumstances, customer payments are due the same week every month. Therefore, failure to receive a bill does not relieve an account holder from responsibility for timely payment of the bill.

Payments must be received by the due date on the bill to avoid late fees, collection processing, and possible service disconnection. Payments are processed on business days Monday through Friday between 8:00 am and 4:00 pm.

11.1. Payment Options

Payments may be made by cash, check, money order, or cashier's check. Where applicable, payments may be made by wire transfer.

11.1.1. By Mail

Customers may mail monthly payments to the Authority's Billing Office: Patrick County PSA, P.O. Box 422, Stuart, VA 24171. To avoid late penalties, envelopes containing payment must be postmarked on or before the due date shown on the bill.

11.1.2. Drop boxes

Payments by check and money order may be dropped in the night payment window located at the Authority's Billing Office (Town of Stuart) located at 100 Patrick Avenue, Stuart VA, 24171. To avoid late penalties, payments must be placed in the window no later than 4:00 pm on the due date of the bill.

11.1.3. In Person

Customers may pay by cash, check, money order, or cashier's check at the Authority's Billing Office (Town of Stuart) located at 100 Patrick Avenue, Stuart VA, 24171 during regular business hours, Monday through Friday between 8:00 am and 4:00 pm.

12. PAYMENT EXTENSIONS

Two (2) payment extensions within a twelve (12) month period may be allowed at the discretion of the Authority's Executive Director. Customers seeking payment extensions shall agree to the terms of and execute a payment agreement (Utility Payment Plan Agreement). The terms of a payment agreement may be variable based on the dollar amount of the account and any unusual circumstances.

Any deviation from the terms of the payment agreement may result in immediate disconnection of service and a security deposit will be required for services to be restored. If disconnected, a *Service Disconnection Fee* (Exhibit 7) will be charged to the account for each service trip resulting from the disconnection. Account balances must be paid in full for services to be restored. Full payment must be received before 2:00 pm for service to be restored the same day. Payments received after the 2:00 pm deadline may be subject to an *Additional Overtime Charge* (Exhibit 7) should the customer request services to be restored on the same day.

13. RETURNED CHECKS

In accordance with § 2.2-614.1 of the Code of Virginia (1950) as amended, a *Returned Payment / Check Charge* (Exhibit 7) will be applied to each returned check, rejected e-check, online payment, or bank draft reject. After two (2) returned items for a customer, the account will be restricted to payment by cash, certified check, or money order only. Payment restrictions will be considered for removal after one (1) full year of good payment history. The Authority may require an additional *Security Deposit* (Exhibit 7) as set forth in Section 15 below due to any rejected payment.

14. NON-PAYMENT OF ACCOUNTS, FEES, AND DISCONNECTIONS

14.1. Late Payment Penalties

A *Late Payment Fee* (Exhibit 7) will be applied to the account on current charges not paid by the due date. Accounts may be made temporarily exempt from penalties and penalties may be waived at the sole discretion of the Executive Director.

14.2. Disconnections

An account is subject to service disconnection for non-payment when any portion of the balance on the account is forty-five (45) days or older than the bill date. A returned check or rejection of other payments against a delinquent account will result in immediate disconnection of service.

A *Service Disconnection Fee* (Exhibit 7) will be charged to the account for each service trip resulting from non-payment of an account. Account balances must be paid in full, including a *Service Reconnection Fee* (Exhibit 7), for service to be restored. Full payment must be received before 2:00 pm for service to be restored the same day. Payments received after the 2:00 pm deadline will be subject to an *Additional Overtime Charge* (Exhibit 7) should the customer request service to be restored on the same day.

All delinquent charges, all fees, and any *Security Deposit* (Exhibit 7) must be paid in full before service will be restored.

14.3. Liens and Legal Actions

Past due balances on disconnected, inactive, and/or delinquent accounts will be subject to collection through a 3rd party debt collection agency, the Commonwealth of Virginia's Debt Set-Off Collection Program, Credit Bureau reporting, and any other legal action available to the Authority. Methods to collect debt shall be at the sole discretion of the Authority.

The customer is responsible for a *Debt Collection Fee* (Exhibit 7) and any legal fees resulting from efforts to collect the debt.

The Authority may contract with the Treasurer of Patrick County to collect delinquent account charges in the same manner as unpaid property taxes.

14.3.1. 3rd Party Debt Collection Agency

The Authority may contract the services of a 3rd Party Debt Collection Agency to collect on any unpaid account balances. A *Debt Collection Fee* (Exhibit 7) will be added to all accounts submitted to a 3rd party debt collection agency.

14.3.2. Credit Bureau Reporting

Any collection status account over \$10.00 originating from an unpaid water/sewer bill may be reported to the credit bureau provided a final bill or collection notice has been mailed to the account holder.

14.3.3. Set-Off Debt Collection

Any collection status account over \$10.00 originating from an unpaid water/sewer bill may be submitted to the Commonwealth of Virginia's Debt Set-Off Collection Program for offset against the account holder's state income tax refund or lottery winnings, provided a final bill or collection notice has been mailed to the account holder. Any debt submitted to this program will incur a *Debt Set-Off Fee* (Exhibit 7) as authorized by Section 58.1-520.1 of the Code of Virginia (1950), as amended.

14.3.4. Liens

14.3.4.1. Liens against Property Owners

As set forth in Section 15.2-2119 and Section 15.2-5139 of the Code of Virginia (1950) and herein, liens may be placed against real estate for nonpayment of fees and charges by the customer.

14.3.4.2. Liens against Rental Properties

Per Chapter 51, Article 4 § 15.2-5139 of the Virginia Water and Waste Authorities Act and Section § 15.2-2119 of the Code of Virginia, a lien for delinquent charges applicable to three or fewer delinquent billing periods will be placed on a rented property after (i) the owner of such real estate has been advised at the time of initiating service to a tenant of such real estate that a lien will be placed on the real estate if the tenant fails to pay any fees or other charges when due for services rendered to the tenant ; (ii) a security deposit of no less than 3 months and no more than 5 months consumption has been collected and applied to the outstanding balance on the account at the time of termination or after two (2) years of good credit; (iii) a duplicate copy of the final bill was mailed to the owner of the real estate at the same time the final bill was rendered to the tenant; (iv) the owner of the real estate has been given 60 days to pay off the debt; and (v) reasonable collection efforts have been employed.

15. SECURITY DEPOSITS

15.1. Deposit requirements for establishing service

15.1.1. Property owners:

A *Property Owner Security Deposit* (Exhibit 7) is required for all customers signing up for service unless the customer has had two (2) years of good credit with the Authority. Those accounts deemed to have a bad credit history with the Authority, as determined by the Authority in its sole discretion, will require a security deposit of the greater of twice the amount of the debt or *Property Owner Security Deposit* (Exhibit 7).

15.1.2. Rental properties:

A *Rental Property Security Deposit* (Exhibit 7) is required for all customers signing up for service at a rental property. Those accounts deemed to have a bad credit history with the Authority, as determined by the Authority in its sole discretion, will require a security deposit of the greater of twice the amount of the debt or *Rental Security Deposit* (Exhibit 7).

15.2. Deposit requirements on accounts disconnected for nonpayment

Additional security deposits on residential accounts and that of twice the amount of the debt on commercial accounts is required each time service is terminated due to non-payment. Security deposits shall be paid prior to service reconnection.

15.3. Deposit requirements on returned payments

Additional security deposits may be required for those accounts that 1) have filed bankruptcy and in which case the deposit is twice the amount of the debt; and/or 2) have a returned check, bank draft rejection, or electronic payment rejection and in which case the deposit is twice the amount of the returned check, reject bank draft, or rejected electronic payment.

15.4. Deposit Limits

The total of all deposits on a residential account shall not exceed \$500.00. The maximum deposit on commercial accounts will be calculated on an individual account basis and shall not exceed the average of four (4) months consumption.

15.5. Security deposits may be waived at the sole discretion of the Authority's Executive Director.

15.6. Deposit Refunds

Security deposits shall be credited to accounts, without interest, after two consecutive years of good payment history.

16. **TAMPERING / ILLEGAL CONNECTIONS / MALFEASANCE**

No person shall deface or injure any house, well, valve, fire hydrant, or other fixture connected with or pertaining to the Authority's water and sewer system. No person shall 1) obtain or attempt to obtain water or sewer service by the use of any device, means or method, with the intent to avoid payment of lawful charges therefor or 2) tamper with any metering device or otherwise intentionally prevent such metering device from properly registering the amount of service supplied. No person shall 1) tamper with or place any material on the meter, meter box, or valve of a water main or service pipe, 2) obstruct access to any fixture connected with the Authority's water or sewer system, 3) remove or damage any pipe, fire hydrant, meter, meter box, or valve, 4) open any fire hydrant, meter, or valve or 5) open any meter, meter box, or valve that has been closed, locked, or to which access has been restricted by the Authority.

The owner of the premises shall be responsible for the water obtained illegally from the owner's service connections unless a tenant is signed up for service during the time of the illegal use. In addition to applicable water and sewer charges, an *Administrative Noncompliance Fee* (Exhibit 7) will be charged whenever water is obtained through an unauthorized connection (unauthorized service).

When no customer is signed up for service at a service address and unauthorized service is obtained at that service address, the property owner will be charged an *Administrative Noncompliance Fee* (Exhibit 7) and billed for any service usage. The property owner will be notified of the unauthorized usage and any associated fees.

When a current customer or a customer that has been recently disconnected at a service address obtains unauthorized service at that service address, the customer

will be charged an *Administrative Noncompliance Fee* (Exhibit 7) and billed for all service usage.

On the first occurrence of obtaining unauthorized service through an unauthorized connection a \$500 *Administrative Noncompliance Fee* will be charged. However, if an illegal connection is found, or a lock, a meter, meter reading equipment and/or a meter setter is damaged, the *Administrative Noncompliance Fee* will increase to \$1,000.

On the second and each subsequent occurrence of obtaining unauthorized service a \$1,500 *Administrative Noncompliance Fee* will be charged. At the discretion of the Authority's Executive Director, repeated attempts to obtain unauthorized service shall be referred to the Commonwealth's Attorney for criminal actions.

At the sole discretion of the Authority's Executive Director, and with proof that no damage was done to a lock, a meter, meter reading equipment and/or a meter setter, the *Administrative Noncompliance Fee* may be lowered to \$250 on the first occurrence of obtaining unauthorized service.

All fees and charges, including those associated with the unauthorized use of water or sewer services, past due balances, and fees associated with disconnection of service for nonpayment must be paid before service will be restored or new service will be started at the service address.

Meter tampering shall be a violation of Section 18.2-163 of the Code of Virginia (1950) as amended, and anyone found guilty shall be guilty of a Class 1 misdemeanor.

Illegal connections shall be a violation of Section 18.2-162.1 of the Code of Virginia (1950) as amended, and anyone found guilty shall be guilty of a Class 2 misdemeanor.

Any other tampering, illegal connections, or other malfeasance shall be governed by and punished in accordance with the Code of Virginia Sections 18.2-162 and 18.2-163 and other applicable law.

17. LIMITED ACCESS FOR WATER OPERATIONS PERSONNEL

Water operation personnel shall not enter onto private property to investigate high water bills or leaks without prior approval from Authority management and the property owner.

18. LIABILITY FOR DISCONNECTION / RECONNECTION OF WATER AND SEWER SERVICE

The Authority and its employees, agents and assigns shall not be responsible for any damages, loss to property, interruption of business, or any other liabilities whatsoever that occur upon and result from the Authority's disconnection and/or reconnection of water or sewer service for any reason.

19. ADJUSTMENTS AND CREDITS

19.1. Leak Adjustments

Customers may qualify for a leak adjustment, per the guidelines set below, only if their consumption was affected by the leak. For residential customers, leak

adjustments will only be applied to water consumption above average use. The Authority has sole discretion to determine the period for which an adjustment will be granted and will not allow more than one adjustment in 12 months.

When the Authority notifies the customer of a possible leak, the customer must confirm that the leak was repaired by contacting the Authority at (276) 694-6094 within 30 days of the Authority's notification to qualify for a leak adjustment. If the customer chooses not to fix the leak within the 30 day period, the customer will not be eligible for an adjustment. Failure of the Authority to notify the customer of a possible leak shall not relieve the customer of their responsibility to identify and repair any leaks nor shall the lack of Authority notification relieve the customer from their responsibility to pay for any additional usage due to a leak until an adjustment, if any, has been made.

If the customer suspects a leak, it is their sole responsibility to perform leak investigations and to notify the Authority immediately upon verifying a leak. Once the Authority has been notified of a customer leak, the Authority shall be afforded opportunity to verify and inspect the leak as well as to verify its repair. If the customer chooses not to fix the leak within a 30 day period, the customer will not be eligible for an adjustment.

- a) Leaks occurring in the underground line between the main meter and the residence or building:
 - i) Residential customers will require proof that the leak was repaired in order to qualify for an adjustment. The water portion of the bill will be adjusted for 50% of the water loss over the average consumption for the customer. The sewer portion of the bill will be adjusted 100% of the sewer flow over the average flow for the customer.
 - ii) Commercial customers will require proof that the leak was repaired in order to qualify for an adjustment. The water portion of the bill will be adjusted for 50% of the water loss over the average consumption for the customer and the sewer portions will be adjusted 100% of the sewer flow over the average flow for the customer.

- b) Leaks occurring inside the residence or building:
 - i) Residential customers will have the water portion of the billing adjusted for 25% of the water loss over the average consumption for the customer provided proof of the repair is presented to the Authority. For unexplained high consumption or when proof of the repair is not presented to the Authority, the water portion of the bill may be adjusted, at the discretion of the Executive Director, for 15% of the water loss over the average consumption for the customer.
 - ii) Commercial customers do not automatically qualify for an inside leak adjustment but will be reviewed on a case by case.

- c) Leaks occurring in lines to secondary uses, such as a pool, sprinkler system, and/or outside spigots, will be reviewed on a case by case basis to determine whether a leak adjustment is justifiable.

19.2. **Billing and Payment Adjustments**

- a) Payment Adjustments: Refunds of payments due to inaccurate records or payments made in error or by mistake, are limited to a three-year period preceding

the discovery of the error or mistake or the life of the account whichever is the shortest period. The credit will be applied to the utility account.

- b) Billing Adjustments: Where customers have been receiving free water and/or sewer service due to inaccurate records, billing for these services are limited to a three-year period preceding the discovery of the unbilled services.

20. SEWER ONLY SERVICES

Sewer only services are billed at a flat rate set by the Authority unless the customer chooses to install an Authority approved meter on the water well on the property to provide meter readings for sewer billing or the customer installs an Authority approved sewer metering system. Utility accounts for sewer only services must be established and maintained in the name of property owner.

21. COMMERCIAL SEWER DEDUCT METERS

All commercial sewer deduct meters shall be installed according to the applicable building code. Where sewer deduct meters cannot be placed in the ground, the meter must be at a location that is accessible to the Authority for visual meter reading.

22. TEMPORARY FIRE HYDRANT SERVICE

Application for a fire hydrant meter shall be made with the Authority at the offices located at 106 Rucker Street, Stuart, VA. In order to establish an account and start service, the applicant will be required to sign a Temporary Water Agreement and pay the *Temporary Water or Sewer Account Set-up Fee* (Exhibit 7) as well the *Security Deposit Fire Hydrant Meter* (Exhibit 7) for each meter issued to the customer.

The deposit covers the cost of the meter and will be credited to the account or refunded to the customer if the meter is returned in good working condition. The customer shall assume all responsibility for care of the meter while the meter is in their possession including during freezing weather conditions.

Fire Hydrant meters must be inspected by Authority staff on a quarterly basis. Failure on the customer's part to have the meter inspected will result in an *Administrative Noncompliance Fee* (Exhibit 7) to be charged to the account every month after the inspection date has passed until the meter is inspected.

A monthly utility bill consisting of a *Fire Hydrant Meter* (Exhibit 7) base rate, a consumption charge based on the *Temporary Water Service* (Exhibit 7) rate, and any additional fees charged will be rendered. The customer shall provide a monthly meter reading to the Authority Billing Office no later than the second business day of every month. Regardless of the total monthly usage a minimum consumption charge for 10,000 gallons will be applied to all accounts.

Accounts with a delinquent status are subject to all collections processes as well as disqualification from the program. Applicants with unpaid delinquent accounts will not be allowed to obtain future hydrant meters until all charges are paid in full.

The illegal use of water from a fire hydrant, or any other part of the Authority's systems, is classified as a Class 1 misdemeanor and is subject to prosecution under Virginia Code 18.2-162 and 18.2-163.

23. TEMPORARY SEWER SERVICE

Temporary sewer service shall not be allowed except for in cases where facilities are currently served by Authority water and or a temporary water service has been obtained.

24. APPEALS AND RIGHT TO HEARING

Utility bills may be appealed and any questions, objections, or explanations may be presented to utility billing staff or representatives by telephone or in writing during regular business hours. Any person who believes that the full amount of the utility bill or charges is not owed will be provided the opportunity to be heard in person before a designated management representative. If a hearing is desired, a request should be delivered, in writing, prior to the due date of the utility billing. Such written notice should state the reason(s) the charges are not owed as rendered. Hearing requests should be made promptly to avoid disconnection of service prior to the hearing.

25. LOANS

The Authority from time to time, subject to the availability of funds, may offer to make loans to property owners who wish to connect to the water or wastewater system. Property owners who are unable to secure financing through other means may apply to the Authority to make payment of their Connection Fee, Tap Fee, and /or Extension Costs in monthly installments. The number of installment payments allowed will be at the discretion of the Authority's Executive Director and will be decided on a case-by-case basis. Installment payments will include interest on the borrowed principal at rates set by the Authority.

Property owners are required to sign a customer financing agreement and a promissory note, which sets forth the terms and conditions of the loan, and a lien instrument to secure the repayment of the promissory note by the owner. The lien shall be against the property of the owner.

Property owners will be required to pay the legal fees associated with the drafting of the customer financing agreement, the promissory note, the lien instrument, and the recordation costs of the lien instrument.

26. IDENTITY THEFT PREVENTION

The Authority will require personal information from existing customers and new customers, as set forth in the Authority's Identity Theft Policy (Exhibit 8) and required by the Federal Trade Commission (FTC), when initiating accounts or when communicating with customers in order to identify potential identity theft. Appropriate action, including reporting violations to law enforcement, will be taken in the event of such a violation.

27. SEASONAL TERMINATION OF SERVICE

Customers who live outside their service jurisdiction for more than 60 consecutive days during the year may request to have their service terminated during that time. However, a *Service Disconnection Fee* (Exhibit 7) will be charged to the account at service termination and a *Service Reconnection Fee* (Exhibit 7) will be charged to the

account when the service is restored. Customers who are billed a monthly minimum water charge, per the Authority rate structure, will be required to provide a forwarding address for the period that their service is terminated as they will continue to receive bills for the minimum monthly base water and or sewer rate.

28. PURCHASING PROCEDURES

Purchasing procedures used by the Authority shall follow all policies and procedures as adopted by the County of Patrick under the *Ordinance Establishing Purchasing Policies for Patrick County* and the *Virginia Public Procurement Act*.

29. NOT USED

(End of General Business Rules and Regulations)



Development Rules and Regulations

DEFINITIONS

Applicant: The individual, group of individuals, partnership, firm, association, institution, corporation, political subdivision, or agency making application for the establishment of a new water and/or sewer service, or expansion of an existing water and/or sewer system.

Approved Plans: Plans which have been approved for construction by the local jurisdiction, applicable state or federal agency, and the Authority.

Authority: The Patrick County Public Service Authority

Authorized Utility Contractors: Those contractors secured by the Authority from time to time under term or prequalification contracts, to perform general utility construction. Contractors shall be licensed under Chapter 11 Title 54.1 of the Code of Virginia and hold a specialty license classification of H/H and or UUC.

Availability Application: Initial application completed by an Applicant, providing location of desired service, contact information, capacity requirements (if known), and requesting the Authority to determine if, and under what circumstances, service might be available. Form (Service Request Form) is available through the Authority's web site.

Availability Fees: Monthly nonuser fees that are charged to owners of existing facilities who have received a connection notice or letter of service availability from the Authority and who have elected to defer connection to the Authority's system/s. Fee amounts are listed in the approved Rate and Fee Schedule (Exhibit 7), as amended.

Availability Letter: A letter prepared by the Authority for all Applicants requesting a new water and/or sewer service. This letter addresses available capacity, Tap Fee, Connection Fee, Extension Costs (if any), and other conditions required to provide service.

Certificate of Final Acceptance: Documentation prepared by the Authority stating that the work is satisfactorily completed, and that there are no outstanding claims or deficiencies. Completion of the project may also involve submittal of as-built plans, affidavits, tax statements, maintenance guaranty, or other documents that are required by the Authority.

Certificate of Substantial Completion: Documentation prepared by the Authority stating that the work is satisfactorily substantially completed and can be placed into service. Substantial Completion is required before any water or sewer Service Connection may be made to a new Main Line or Extension of a Main Line.

Capital Improvements Program (CIP) – A budget plan for provision of infrastructure and other capital needs for the community. This plan is compiled periodically and adopted by the Authority’s Board of Directors.

Connection Fee: Capital recovery fees charged to all new customers for each new connection to the Authority’s water and or sewer systems. Connection Fees address additional capacity required by new services as well as buy-in to the Authority’s capital assets which have been paid for by previous customers. Capital assets include any facility needed to provide water or sewer service such as land, reservoirs, treatment facilities, wells, pumping stations, storage tanks, transmission lines, trunk lines, etc. Fee amounts are listed in the approved Rate and Fee Schedule (Exhibit 7), as amended.

Construction Costs: The actual cost of construction for extending water and/or sewer improvements (including services), from their existing location to a point adjacent to the proposed development or parcel, including furnishing and installing all components of the extension project.

Design and Construction Standards: The latest edition of the Authority’s standard specifications and standard details for the construction of water and/or sewer lines and appurtenances (currently none, and until standards have been adopted, the Design and Construction Standards shall be as set forth by the Authority’s Executive Director).

Design Fee: A non-refundable fee charged by the Authority for the design administration of extension improvements. Fee amount shall be based upon actual cost to the Authority for the design administration.

Developer: An individual, group of individuals, partnership, firm, association, institution, corporation, political subdivision, or agency which is improving property, or is causing property to be improved, by the provision of new public water and or sewer utilities.

Development Agreement: An Agreement between the Authority and Developer stipulating the conditions and responsibilities for design, construction, bonding, acceptance and use required for the Authority to participate in the cost of an Extension or other system improvements.

Development Extension Cost: The total cost of extending water and/or sewer improvements (mains, services and other appurtenances), from their existing location to a point adjacent to the proposed development property or parcel, including planning, design, surveying, drafting, inspection, administration, acquisition of easements, legal services, environmental studies, permits, construction, and all other costs necessarily incurred between project initiation and Final Acceptance.

Domestic Service: Provision of potable water for the purposes of consumption and hygiene for an individual or family and the collection of wastewater generated from these uses.

Duplex: Two single family units, and therefore a Multi-Family Unit from the standpoint of extensions of water and sewer mains. Each unit of a duplex shall be served by a separate water and sewer connection, and is responsible for corresponding Tap, Connection, and Availability Fees.

Extension: Any new or proposed water or sewer Main Line being constructed where no Main Line existed before, which construction was not in the Authority's CIP.

Extension Fee: In order to promote more equitable cost sharing of Extensions among new customers, the Authority will generally use a fixed-rate Extension Fee for existing single family residential units with failed wells or septic systems. The Extension Fee includes all applicable Tap Fees (Exhibit 7), construction costs, Connection Fees (Exhibit 7), and any Meter Fees (Exhibit 7). Construction costs are the costs for Authorized Utility Contractors to complete the Extension plus a 15% fee for Authority administration costs. The Authority shall solicit pricing from contractors to perform Extensions in accordance with the Virginia Public Procurement Act and Patrick County's Purchasing Ordinance. Tap Fees and Connection Fees may be waived at the discretion of the Authority's Executive Director in cases where Extension costs are fully funded by the Developer.

Failed Wells and/or Failed Septic Systems: Wells and septic systems will be considered to have "failed" when they require repairs of more than 50% of their replacement values, or when they are not capable of meeting current Virginia Department of Health (VDH) requirements.

Fire Protection: The provision of adequately sized water mains, water volumes, and fire hydrants at suitable intervals to be used by fire departments in fighting fires. The level of protection varies with land use and development type.

Infill Development: Development of existing platted lots.

Licensed Utility Contractor: An individual, firm, or corporation who is licensed by the Virginia Board for Contractors to perform public utility and/or unclassified construction projects which have a contract value not exceeding their license limitation.

Licensed Plumber: An individual, firm, or corporation who is licensed by the Virginia Board for Contractors to perform plumbing construction.

Main Line or Distribution Main: A public water or sewer pipe installed along a street, road, highway, or within a public water or sewer easement, primarily for the purpose of providing water or sewer service to adjoining properties.

Meter Fee: The total cost to furnish and install a new meter in an approved meter box or meter vault. Fee amounts are listed in the approved Rate and Fee Schedule (Exhibit 7).

Multi-Family Units: Two (2) or more Single Family Residential Units in one structure.

Non-Participating Lot Owners: The owner of a lot or parcel which benefits from a Water or Sewer Extension, who may also be required to connect to the water or sewer system under the Authority's Mandatory Connection Policy, but who has not paid or contracted to pay the Extension Fee.

Off-Site Extension: The portion of an Extension that is installed prior to reaching the internal portion of a development property and that is able to provide service to properties not included in the Development.

Performance Guaranty: The approved form of security furnished by the Developer and

his sureties conditioned upon the faithful performance of the work in strict accordance with the Approved Plans and the Authority's Design and Construction Standards.

Private Service: That portion of the water or sewer service which is located on private property and not within a public water or sewer easement. Construction, ownership, and maintenance of the Private Service are the sole responsibility of the customer.

Public Water and Sewer System: The water and sewer pipes, storage facilities, pumping stations, treatment facilities, and appurtenances that are owned, operated, and maintained by the Authority.

Priority Rating: A system developed by the Authority to rank projects based on a number of different criteria including; project cost, project benefits, and other items.

Service Connection: A connection to the water or sewer service line for the purpose of supplying service to a customer.

Single-Family Residential: A group of rooms, including cooking accommodations, occupied as a single housekeeping unit capable of being served by a minimum 5/8-inch or 3/4-inch water meter and minimum 4-inch diameter sewer pipe.

Subdivision: All divisions of a tract or parcel of land into two or more lots, building sites, or other divisions for the purpose, whether immediate or future, of sale or building development. Subdivision for purposes of the Authority's Rules, Policies, and Regulations is not necessarily as defined by the *Subdivision Ordinance of Patrick County*.

Tap Fee: The total cost to furnish and construct a new service from a Main Line to the property line. Fee amounts are listed in the approved Rate and Fee Schedule (Exhibit 7), as amended.

Transmission Main: A water pipe constructed primarily for the movement of water from one area to another. Transmission Mains are usually, but not always, 12" or greater in diameter. Transmission Mains usually supply water to smaller Main Lines.

Trunk Line or Interceptor Sewers: A sewer pipe constructed primarily for the conveyance of sewerage from one area to another, usually following creeks, rivers, or drainage ways. Trunk Lines are usually, but not always, 12" or greater in diameter. Trunk Lines usually collect and convey sewer from the smaller Main Lines of the collection system.

1. NEW SERVICE CONNECTIONS FOR WATER AND SEWER

1.1. General

Before any new water and/or sewer service may be constructed, an Availability Letter must be received from the Authority.

Each lot being served by the Authority requires a separate water and sewer service connection, including each unit of a duplex or greater, unless approved in writing by the Authority.

For non-residential or multi-residential development, the domestic water, fire, and

sewer services shall be furnished and installed by a Licensed Utility Contractor, to the Authority's Design and Construction Standards, at the developer's expense. All physical taps required for connections to existing water or sewer mains shall be made only by a provider approved by the Authority. All water meters shall be furnished and installed by the Authority, Meter Fees will be charged to the Developer.

For residential properties, the Authority allows a private water service or sewer lateral to cross one intervening private property to access a public main. The Applicant must provide a copy of a recorded private easement prior to any service construction. The easement must be a minimum of ten (10) feet in width. It is strongly required that the Applicant have a Licensed Surveyor prepare an exhibit drawing to accompany the easement.

12. Tap Fees and Connection Fees

Connection Fees and Tap Fees will be charged to all new customers for the initial connection to the Authority's water and/or sewer systems. Fee amounts are listed in the approved Rate and Fee Schedule (Exhibit 7), as amended. These fees will be collected following issuance of an Availability Letter and prior to any taps or connections being made. Any property which can be shown to have been previously served, will not be required to pay a Connection Fee for a new service, up to the size of the previous service; however, Tap Fees will be applicable. If the previous service size cannot be confirmed, it will be assumed to have been a 3/4-inch water meter. Increases in service sizes require payment of the difference between the current Connection Fee for the original and required service sizes. No refund of Connection Fees will be issued for reductions in service sizes.

13. Mandatory Connection

Authority

This mandatory connection policy is adopted in accordance with Section 15.2-5137 of the Code of Virginia (1950, as amended).

Applicability

This policy applies to the owner, tenant, or occupant of each lot or parcel of land (i) which abuts a street or other public right of way which contains, or is adjacent to an easement containing, a water main or a water system, or a sanitary sewer which is a part of or which is or may be served by such sewer system and (ii) upon which a building has been constructed for residential, commercial or industrial use (collectively "Service Accessible Property").

Mandatory Connection

All Service Accessible Property are subject to mandatory connection to PSA water or sewer lines. Service Accessible Property owners, tenants, or occupants are responsible for installing and maintaining the connecting line within the boundaries of their property from the PSA connection point.

For Service Accessible Properties existing prior to the completion of the PSA water or sewer line, the PSA will provide notice to the owner, tenant, or occupant that connection is required. Connection fees will be waived for owners, tenants, or occupants of existing Service Accessible Properties making the required connection within the time prescribed by the PSA. Unless an exception applies, owners, tenants, or occupants receiving a notice to connect must connect to the line or lines within 12 months.

Nothing contained in this policy shall prohibit the use of an existing water well for auxiliary uses by an owner, tenant, or occupant of a Service Accessible Property that is connected to a water line pursuant to this policy.

Exceptions

Primary Residences: Owners, tenants, or occupants of primary residences subject to mandatory connection will have two (2) years from the time they receive PSA notice of water or sewer availability to make the required connection. Owners, tenants, or occupants may be granted an additional grace period for primary residences so long as they meet the requirements for real estate tax relief for the elderly and disabled in Patrick County and provide evidence of a properly functioning well and septic system consistent with Virginia Department of Health guidelines.

Residential Outbuildings: This policy is not applicable to the water line connection of uninhabitable outbuildings associated with a residence, such as barns, detached garages, storage sheds, and barns.

Availability Fee: Owners, tenants, or occupants of existing Service Accessible Property who receive a connection notice from the PSA may elect to defer connection to water and sewer lines by agreeing to pay an availability fee equal to the minimum monthly water and sewer charge set by the PSA. The fee shall be payable monthly after any applicable grace period provided for in this policy. Said owners must furnish the PSA with evidence of a properly functioning well and septic system consistent with Virginia Department of Health guidelines.

Existing Public Water Systems: Owners of any existing public water system may (1) elect to continue to operate the water system during the applicable grace period provided for by this policy or (2) terminate operation of the system at any point before expiration of the applicable grace period, thereby forcing customers to connect to the PSA water line. The continued operation of an existing public water system as allowed by this policy is purely a private matter between the owner thereof and customers.

2. EXTENSIONS OF WATER AND SEWER MAINS

21. General

All improvements and extensions to the Authority's water and sewer systems must

be constructed in accordance with the Authority's Design and Construction Standards. All physical taps required for connections to existing water or sewer mains shall be made only by a provider approved by the Authority. Design and construction of all water and sewer mains, appurtenances, easements, and services required to serve new subdivisions or in-fill development, shall be the sole responsibility of the Developer.

Any deviation from this stated policy will require a written Development Agreement approved by both parties.

In addition to the policies listed herein, the extension of public water and sewer facilities will comply with local Comprehensive Plans, and other requirements of the appropriate jurisdiction.

22. Off-Site Extensions Less Than 1,000 Feet in Length to Serve Existing Single Family Residential Units with Failed Wells or Septic Systems

2.2.1. If an Extension is deemed by the Authority to be technically feasible, cost effective, and in the best long-term interest of the Authority and its present and/or future customers, the Authority may design and manage construction of extensions up to one thousand feet (1,000') in length, in cases of failed wells or failed septic systems.

2.2.2. Construction will be initiated after the following items are confirmed:

- 2.2.2.1. Payment or financing of the current Extension Fee by Applicant(s).
- 2.2.2.2. Project achieves adequate Priority Rating.
- 2.2.2.3. Funding is available in the Authority's Accounts for the balance of costs.
- 2.2.2.4. In order to encourage timely connections and to recognize construction efficiencies, Extension Fees may include adjusted Tap Fees and Connection Fees until the Final Acceptance date of the Off-Site Extension. This reduced Extension Fee is only available to Applicants who make payment for service prior to the date of Final Acceptance of the Extension improvements.

23. Off-Site Extensions More Than 1,000 Feet in Length to Serve Existing Single-Family Residential Units with Failed Wells or Septic Systems

2.3.1. If an Extension is deemed by the Authority to be technically feasible, cost effective, and in the best long-term interest of the Authority and its present and/or future customers, and if a minimum of fifty (50%) percent of the eligible customers in a neighborhood on private wells and/or septic systems, provide their Extension Fees for an Extension, the Authority may finance the balance and manage construction of the system, pending the availability of Authority funds.

2.3.2. Construction will be initiated following confirmation of all the following items:

- 2.3.2.1. Payment or financing of the Extension Fee by a minimum of fifty (50%) percent of alleligible property owners.

- 2.3.2.2. Project achieves adequate Priority Rating.
- 2.3.2.3. Funding is available in the Authority's Accounts for the balance of costs.
- 2.3.3. In order to encourage timely connections and to recognize construction efficiencies, Extension Fees will include reduced Tap Fees and Connection Fees until the Final Acceptance date of the Off-Site Extension construction. Fifty (50%) percent of the Tap Fees and Connection Fees are eligible for credit. This reduced Extension Fee is only available to Applicants who make payment for service prior to the date of Final Acceptance of the Extension improvements.

24. Off-Site Extensions to Serve Development

- 2.4.1. The Development Extension Cost and corresponding work for all new subdivisions or infill development shall be the sole responsibility of the Developer. If the Authority desires mains larger than those required by the development, one hundred percent of the differential cost for the larger size will be paid by the Authority.
- 2.4.2. Fifty (50%) percent of the Connection Fees are eligible for credit to the Developer, up to the Construction Cost of the Off-Site Extension improvements. This credit is eligible to the Developer for all parcels within the subdivision, and for all parcels outside the subdivision which make payment to connect prior to Final Acceptance of the Extension improvements. No refund of future Tap Fees or Connection Fees outside the subdivision will be provided following Final Acceptance of the offsite improvements.
- 2.4.3 If an Off-Site Extension is determined by the Authority to provide significant benefits to properties other than those owned by the Developer, the Authority may participate in the cost of that Extension. Participation in the form of cash, in-kind services, materials, or other, will be based on a Development Agreement which will be specifically prepared for each Extension. Participation in the form of cash will not be provided until the Off-Site Extension has been issued Final Acceptance.

3. AUTHORITY ACCEPTANCE OF PRIVATE UTILITY SYSTEM

3.1. Requirements

The following shall serve as minimum conditions under which the Authority might eventually take responsibility for and accept private community utility lines into the public system:

- 3.1.1. The existing system must be in full compliance with the Authority's Design and Construction Standards, unless a written waiver is obtained from the Authority.
- 3.1.2. The system must be supplied by a central source from wells, pumps, and tanks and/or a sewage disposal system.
- 3.1.3. A copy of all available system maps, plats, deeds, easements, operation and maintenance records, billing, collection and expense records, and all other applicable records shall be provided.
- 3.1.4. The utility lines being conveyed to the Authority shall include main

distribution lines, services from mains to meters, valves, hydrants, and other fixtures to form the system, but will not include service lines leading from the meter to the buildings.

3.1.5. All required property, easements, and right-of-ways shall be conveyed to the Authority in clear title.

3.1.6. The system owner shall provide for the water and sewer systems in streets and easements to become part of the Authority's utility system at a mutually agreeable cost or payment to the Authority.

3.1.7. All lots connecting to the utility system shall bear their share of any Extension Fees.

4. ENCROACHMENTS

Encroachments by structures of any kind are not allowed in utility easements. The Authority shall consider requests for relocation of water or sewer mains and easements proposed as a remedial action to resolve conflicts such as encroachment of buildings, houses, and other such permanent structures. The total cost of relocation of mains and dedication of new easements shall be at the expense of the property owner, including all costs for engineering, design, surveying, recordation, and vacation of easements, construction, restoration, maintenance warranty, etc. Plans and Construction must be approved by the Authority.

5. NOT USED

(End Development Rules and Regulations)