

BEDFORD COUNTY PUBLIC SERVICE AUTHORITY
OPERATING POLICY MANUAL

Chapter: System Development
Document Number: 4.20
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Issue (Effective) Date: January 20, 2010
Approval Date: January 19, 2010
Approved By: Executive Director

NEIGHBORHOOD WATERLINE EXTENSION

Section 1. PURPOSE

Over the years, subdivisions have been created in Bedford County in areas that had no access to public water service. Subsequent to the creation of these subdivisions, the Bedford County Public Service Authority (“Authority”) has extended public water service to an area near some of the subdivisions so that it has become practical to construct water lines and provide water service to these neighborhoods. This policy establishes the criteria and conditions by which such neighborhood waterline extensions may occur and provides a methodology by which the cost for such extensions may be paid. This policy shall supersede all previous policies which affect this matter and shall apply only to existing neighborhoods which did not have access to public water at the time of their initial development.

Section 2. POLICY

- A. To initiate a line extension under the provisions of this policy, a neighborhood representative shall contact the Authority about the potential project; the Authority Engineering Department (“Engineering”) will then provide the neighborhood representative with a copy of this policy, as well as a blank petition form. The neighborhood representative must then provide this information to the lot owners in their neighborhood and must obtain signatures on the petition from the property owners of at least 70% of the lots and/or parcels which will benefit from the waterline extension (“Eligible Lots”). The lot owners that sign the petition are thereby agreeing to pay the project fee, as established in the Authority’s current Rate policy and at such a time as so requested by the Authority, for each of the lots they own. The completed petition bearing the original signatures must be returned to Engineering before any further steps are taken.
- B. Upon receipt of the petition, Engineering will verify that the appropriate number of signatures were obtained for the defined project area; if the petition is valid, they will then prepare a preliminary cost estimate for the project that will include the construction cost, total related costs (such as Administrative, Engineering, survey, legal, easements acquisition, etc.). Engineering will then present a memorandum to the Water and Sewer Committee (“Committee”) containing the petition, the cost estimate, a map of the area, and a summary about the project. The Committee will review the information, evaluate if the Authority has all of the resources (including, but not limited to, financial, personnel, and Administrative resources) available to commit to the project and determine if they will recommend the project to proceed. If sufficient funding is not available, then the additional funding would need to be subsidized by the property owners, or by any other funding source secured by the property owners, before the project may move forward. If the Committee recommends that the project proceed, the recommendation will be presented to the Authority Board of Directors at the next regularly scheduled Board meeting.
- C. If the project is voted by the Board of Directors to proceed, Engineering establishes a deadline for the payment of the project fees to be received and they will then mail out a letter to each of the property owners informing them of the deadline and soliciting their payments.
- D. Once the required number of project fees have been received and placed into an interest bearing escrow account, Engineering will notify the residents that the Authority will proceed to design and procure bids for the project. If the required amount of project fees has not been paid by the

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deadline, all of those fees already paid will be fully refunded. The interest earned on the account during this period will be retained by the Authority to defray the Administrative costs incurred.

- E. After designing and procuring the project, the project will be constructed if the bids are equal to or less than the preliminary cost estimate. If the bids are greater than the amount of the cost estimate, the Authority Board will determine how they would like to proceed with the project. Additional fees may be sought from the lot owners that have already paid, they may be sought from the lot owners that haven't contributed, or they may be allocated from the Authority's reserves. If the additional fees are not obtained and the project does not move forward, the Authority will refund all of the fees that have been paid, less a prorated share of any related costs that have been expended on the project to date. If the project moves forward, the Authority will administer the construction of the project. Once the construction and testing of the entire project is complete and the line is activated, connections will be allowed. For those that connect, the Authority and Virginia Department of Health standards for preventing the interconnection of the well to the public system must be followed.
- F. Any lot owner who does not pay their project fee initially, will not be required to pay the line extension fee until they decide to connect in the future. If any lot owners elect to connect to the lines built as part of a Neighborhood Waterline Extension until such a point in time as the waterlines are fully depreciated, they will be required to pay the project fee that is current at the time that it is paid, as well as all other fees in the current Rate policy that are in effect at that time. If the property line of a connecting lot is more than 300 feet from the end of an extended waterline, the "project fee" will be waived.

Section 3. REVISIONS

- A. This policy was approved and adopted by the Authority's Board of Directors on November 18, 2008.
- B. This policy was modified with the following amendments:
 - 1. January 19, 2010, effective January 20, 2010:
 - a. Made this policy to be approved by the Authority's Executive Director, not the Authority's Board of Directors.
 - b. Section 2.B was clarified for the funding options.
 - c. Section 2.F was revised to provide exceptions for when the project fee is not required.

PETITION for Utility Extension

Dated: _____, 20____

Bedford County Public Service Authority
1723 Falling Creek Road
Bedford, VA 24523-3137

Attention: Engineering Department

In accordance with the current Neighborhood Waterline Extension Policy (the "Policy"), this petition is being prepared to notify the Bedford County Public Service Authority of our interest in a water line extension in our subdivision and/or neighborhood.

We, the undersigned owners of real estate situated in the _____ subdivision and/or neighborhood, in the _____ Magisterial District of Bedford, County, Virginia, hereby respectfully petition said Bedford County Public Service Authority to determine if it is feasible to extend the water lines into our subdivision.

We understand that by signing this Petition, each of the signed parties agrees to all the conditions and stipulations as set forth in the Policy, including the commitment to pay the Authority the current "project fee" (as determined in the current rate schedule), should the Authority determine that the project is feasible to construct. After the "project fee" is requested of us by the Authority, and at such time as the necessary seventy percent (70%) of the funds have been deposited into the Authority's escrow account, it is our understanding that the Authority will proceed to design and procure the waterline extension as detailed in the Policy.

Included as part of this petition is a list of ALL the property owners in the subdivision that may be effected by this project, whether they are interested in the project or not; those owner who ARE NOT INTERESTED are indicated on the petition with a mark of "NO" in the signature space next to their name.

**AGREEMENT OF INTENT
for a project taking place under the
NEIGHBORHOOD WATERLINE EXTENSION POLICY**

THIS AGREEMENT OF INTENT, dated for identification _____, 20____, by and between the Bedford County Public Service Authority (the “Authority”); and the owners of certain lot(s) in _____ subdivision, Bedford County, Virginia (the “Subdivision”) identified by the street address and/or lot number next to their signature(s) at the end of this Agreement (the “Owners”),

WITNESSETH

WHEREAS, the Owners have petitioned the Authority to construct a waterline (the “Waterline”) to provide public drinking water to lots within the Subdivision; and

WHEREAS, the Authority, in accordance with its Neighborhood Waterline Extension Policy (the “Policy”), is prepared to assist the Owners in the financing and construction of the Waterline; and

WHEREAS, the Authority has estimated the cost of the Waterline to be \$_____. (the “Estimate”); and

WHEREAS, the policy requires that at least seventy percent (70%) of the lot owners within a finite area (such as a subdivision) have formally petitioned the Authority in writing to extend a water line and agree to each contribute the “project fee” per lot owned; and

WHEREAS, the accumulation of at least seventy percent (70%) of the project fees (the “funds”) will be placed in an escrow account prior to the Authority initiating the design of the Waterline.

WHEREAS, it is understood that by depositing the “project fee” the Owner is authorizing the Authority to use the deposited money in accordance with the terms of this agreement and that this deposit is representative of the “Project Fee” as described in the Policy.

NOW THEREFORE, the Authority and the Owners are entering into this Agreement setting out their respective duties and responsibilities to provide for the financing and construction of the Waterline:

The Funds must be received by the Authority on or before _____, 20____ (the “Deposit Date”); and if not, such as have been received will be refunded to each respective Owner.

If the Funds are deposited with the Authority by the Deposit Date, the Authority will proceed with diligence to design the Waterline and prepare final cost estimates of its construction.

The Authority reserves the right, with issuance of notice to the Owners, to cease design on the Waterline at any time if in its professional judgement there exists a situation which will prevent a timely and/or cost effective completion of the construction of the Waterline.

The Owners and the Authority understand the Authority will only withdraw the Funds to pay for the costs related to the engineering design and construction of the pertinent waterline facilities, and/or to refund some or all of the Funds deposited therein. Interest earned on the Funds deposited shall be used by the Authority to administer the escrow account.

Owners who have paid their "Project Fee" and wish to connect to the Waterline can do so by paying the Authority's current Connection Charges.

Notices hereunder are given when they are deposited in writing to the address of the Authority at 1723 Falling Creek Road, Bedford, Virginia 24523, and to the owner at the address appearing next to Owner's name at the end of this agreement, with first class postage prepaid or in person at the Authority's office, at the above address.

WITNESS the following signatures and seals:

**BEDFORD COUNTY PUBLIC
SERVICE AUTHORITY**
1723 Falling Creek Drive
Bedford, VA 24523

By: _____
Authorized Agent of the Authority

OWNER

By: _____
Signature

Printed Name

Mailing Address:

Lot Number: _____ Section #: _____