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**AUGUSTA COUNTY SERVICE AUTHORITY  
OPERATING PROCEDURES AND POLICY MANUAL**

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Approved By: Board of Directors  
Effective Date: March 9, 2015

Engineering Management/Design  
Policy No. 10. 2  
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**System Improvements**

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**General**

Extensions of service and/or system improvements (referred herein as “system improvements”) to serve a developer’s project shall be the responsibility of the developer.

System improvements shall be defined as:

- 1) Any water and/or sewer pipeline replacement, relocation, extension, interconnection/looping, or oversizing.
- 2) Relocation, replacement, upgrade, or oversizing of existing treatment, pumping, and storage facilities, or new facilities.

Facilities subject to system improvements shall include, but not be limited to supply and/or collection mains, master meters, pressure-reducing or control valves, booster pumps, pressure tanks, storage tanks, new water supply/source development, wastewater treatment plants, and all necessary accessories and appurtenances.

**Conditions for Authority Participation**

The Authority may participate in such system improvements only when, in the opinion of the Authority, such improvements will provide additional value and support the mission of the Authority by serving properties other than those of the developer.

The Authority will not allow or participate in system improvements that are less than the minimum size as required by the latest versions of the Authority’s Design and Construction Standards, the Virginia Department of Health Waterworks Regulations, the Department of Environmental Quality Sewage Collection and Treatment Regulations, and/or regulations of other agencies having jurisdiction over the system improvements.

The Authority will not participate in system improvements that are minimum sizes as determined by Authority Design and Construction Standards or Authority approved manufacturer's even though the minimum size is larger than what is needed for the developer’s project. Furthermore, the Authority will not allow system improvements utilizing non-standard sizes or materials as determined by the noted standards.

The Authority will not participate in projects required solely for the purposes of providing fire flow in accordance with County Ordinance.

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If Authority participation in a system improvement project is requested and approved by the Authority, the developer shall enter into a written contract with the Authority agreeing to the following:

- 1) The developer is solely responsible for all aspects of the construction project, including land and easement acquisition, which shall be performed in compliance with all applicable federal, state, and local requirements and Authority rules, regulations, and Design and Construction Standards. This shall include prepayment to the Authority of all estimated costs for required independent design and testing as related to the project.
- 2) All required federal, state, and local government approvals of both the developer's project and any utility extension project shall be obtained by the developer and delivered in writing to the Authority as a contractual condition prior to any payment by the Authority. All fees associated with approvals and permitting will be the responsibility of the developer.

The Authority may provide credit or reimbursement for the differences in material costs. Differences in construction labor and/or equipment costs may be considered when improvements for the Authority will require notable increases in these items. When construction, labor, and/or equipment costs are included, at least three bids must be provided by licensed contractors for each alternative with installation costs included. For materials only, three bids from vendors supplying products approved by the Authority shall be provided. The contract shall provide for adjustment based on quantities actually used.

**Reimbursement or Credit Against Future Charges**

Upon completion of the project and acceptance into the Authority's system, the developer shall become eligible to receive reimbursement or credit in accordance with the contract established in the above "Conditions for Authority Participation."

**Conditions for Reimbursement and/or Use of Credit**

The contract established in the above "Conditions for Authority Participation" shall include provisions for reimbursement or credit to the developer. Credit can only be used for the development for which the system improvement is constructed. The credit does not constitute a priority or reservation of capacity for water or sewer service. As water and/or sewer capacity is reserved by payment of availability fees or connections are made in accordance Authority policies, the developer must first use existing credit. Availability or connection fees will be charged against the credit at the prevailing rate in effect at the time the credit is used. The contract shall be limited in duration to a time period of no more than ten (10) years from the execution of the contract. The credit will expire at the end of the ten (10) year time period whether or not the credit has been used in its entirety.

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The Authority reserves the right to choose cash reimbursement or credit as the method of participation. The Authority also reserves the right to limit credit for availability fees to a percentage that corresponds to the type of facility constructed in accordance with the most recent availability fee analysis.

**Authority's Right of Refusal to Participate**

The Authority shall have the right to refuse to participate in any project at the sole discretion of the Service Authority Board of Directors.

**Special Agreements**

Subject to approval by the Board of Directors, the Authority may enter into an agreement with a developer or land owner when the Board determines that it is in the best interest of the Authority rate payers to proceed with conditions that differ from the above. Legal fees associated with the development of a special agreement shall be included in the project costs and subject to any cost sharing provisions.