
**AUGUSTA WATER
OPERATING PROCEDURES AND POLICY MANUAL**

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

Engineering Management/Design
Policy No. 10.3
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Service to Developed Areas

General

Augusta Water may, at its option, install water and/or sewer facilities within a developed area when, in Augusta Water's opinion, the installation of such facilities is economically feasible and justifiable. All extensions of service must be consistent with the County Comprehensive Plan.

Each year during the budget process, the Executive Director will recommend a general allocation of funds that may be budgeted for use in line extension projects. The Board of Directors will consider, modify and approve the budget allocation, as appropriate.

Where a single property owner in a developed area is the sole beneficiary of an extension request, the extension will be evaluated under Policy 10.2 – System Improvements or the owner will be required to pay a pro-rata share of the extension cost (design and construction) based on an evaluation by the Engineering Department.

Board of Supervisors Participation

Infrastructure funds may be contributed by the Board of Supervisors in accordance with the Augusta County Infrastructure CIP guideline which is included at the end of this policy.

Property Owner Participation

Property owners requesting extension of service will be required to pay the prevailing connection fees, unless otherwise noted. A minimum number of signed commitments and prepaid connections necessary to establish economic feasibility will be determined for each project.

Owners of at least fifty percent of properties potentially served by the project must participate in the project. Availability fees from prospective customers will, unless otherwise directed by the Board, be allocated to the cost of the line extension.

In connection with any extension of Augusta Water's water or sewer system, the connection fees to be paid by customers (other than wholesale customers) shall be those fees in effect at the time of the submission of the petition for such extension of service. These fees will be applicable for 6 months following the availability of service from the project. A customer who did not sign the original petition for a qualifying extension project will nonetheless be eligible for the payment of fees in accordance with this policy. Upon the expiration of such 6-month period, the applicable connection fees shall be the then-prevailing published fees.

If the project is approved, a deadline will be established for payment of the appropriate fees. A service agreement must be signed at the time of payment, subject to the final approval of the project.

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Non-User Participation

A property owner who elects to prepay a connection at the start of the project in order to support economic feasibility of the project but does not wish to be immediately connected may do so, subject to the following terms:

1. The prepaid non-refundable availability fee must be paid prior to the deadline established above.
2. The prepaid connection will be valid for a period not to exceed 10 years from the date of payment. If the connection is not installed within the first 5 years of the 10-year period, the customer will be required to pay the difference between the prepaid availability fee and the current availability fee. If, after the 10-year period, the property is still not connected, the availability fee will be forfeited.
3. The hookup portion of the connection fee will be due at the time of connection and will be at the current rate.

Augusta Water Participation

Subject to available funds, the Augusta Water Board may elect to financially participate in line extensions to existing areas in addition to the allocated availability fees from the project participants. Augusta Water participation will be limited to a maximum contribution of \$6,000 per connection (but in no event more than the contribution of the Board of Supervisors) unless otherwise approved by the Augusta Water Board.

Determination of Project Feasibility

1. Following initial contact regarding a possible service extension, Augusta Water will advise potential petitioners of the potential costs relative to the extension location and possible contributions from other land owners. Additionally, Augusta Water will advise of any limitations associated with the Augusta County Comprehensive Plan.
2. At least fifty percent of property owners who own parcels that would potentially benefit from the project must indicate support for the project by signing the petition before any further action is taken.
3. Following receipt of a petition from property owners, Augusta Water will prepare a formal cost estimate to provide service to the proposed project area.
4. A preliminary level of funding support from the Board of Supervisors will be determined. This will be based on the number of anticipated connections and the available funding in the infrastructure fund for the magisterial district in which the proposed project is located.

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5. The preliminary level of funding support necessary from the Augusta Water Board will be determined. A determination will be made whether the required funding is available within the Augusta Water budget or other reserve funds. If the project appears to be economically feasible at this point, the Augusta Water Board will take action on a preliminary approval to proceed with the project. If the project does not appear to be economically feasible, participants may elect to pay additional fees to meet the necessary funding level. If additional funding cannot be obtained, the project will be suspended.
6. State and Federal funding assistance programs will be reviewed by Augusta Water for potential applications for grant or loan funds. If eligible for funding assistance, a final project decision may be delayed pending appropriation of funds by the respective funding agencies.
7. A deadline for payment of availability fees by all interested property owners will be established. A service agreement must be signed at the time of payment, subject to final approval of the project. Interested property owners must sign a service agreement to either connect to the Augusta Water system at project completion, or to delay connection according to the terms of the “Non-User” section above. If the required minimum number of payments is not received by the deadline, the project will be suspended and all fees returned, without interest. A time extension may be granted at the discretion of the Executive Director or designee.
8. If the required minimum number of payments is received, the project will be presented to the Board of Supervisors and the Augusta Water Board of Directors for formal action on the contributions.
9. Augusta Water will prepare construction plans and documents as required for the project.
10. If the final construction cost estimate or bid exceeds the preliminary cost estimate, the petitioners will have 30 days to obtain commitments from an additional number of customers sufficient to eliminate the deficiency or to fund the deficiency in a manner acceptable to the Augusta Water Board. The deficiency will also be reviewed with the Augusta Water Board and/or the Board of Supervisors member for that district. If additional funding cannot be obtained, the project will be suspended and all fees returned, without interest, less a prorated share of any related costs that have been expended on the project to date.