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**AUGUSTA WATER  
OPERATING PROCEDURES AND POLICY MANUAL**

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Approved By: Board of Directors  
Effective Date: January 1, 2017

Procurement  
Policy No. 11.4  
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**Material Sales From Inventory**

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**1.0 Intent**

This policy is a statement of rules and regulations governing the dispensing of material to outside contractors or individuals. This intent of this policy is to comply with Virginia Department of Taxation requirements.

**2.0 Policy**

Augusta Water maintains an inventory of parts and supplies for its use during projects and repair situations. This inventory is not intended to be available to outside contractors and developers.

Augusta Water acknowledges there are situations where contractors find themselves with an immediate need for materials that are not stocked by local plumbing supply houses, but are stocked by Augusta Water. In this case, Augusta Water will loan contractors the materials necessary to complete the job by the following guidelines:

- a. There must be sufficient quantities on hand of the requested item so as not to disrupt a project in progress by Augusta Water Crews. Augusta Water projects have priority.
- b. Items on loan must be returned within 30 days. Contractors who abuse this return policy will have their loan privileges suspended.
- c. The item returned must meet the requirements of approved style and manufacture as indicated on Augusta Water's List of Approved Materials in the Augusta Water Design and Construction Standards.

In the event Augusta Water requires a contractor or developer to use a specific item, Augusta Water may, at its discretion, provide the item to the contractor or developer at cost using the miscellaneous billing process.

**3.0 Mutual Interest Project**

Augusta Water acknowledges that in certain cases a developer and/or contractor will have a mutual interest with Augusta Water in the construction or replacement of a utility line. In these cases, the respective values of the interests may be assessed and Augusta Water contributes materials while the other party contributes labor (and possibly some materials) for completion of a project that will eventually be solely owned by Augusta Water.