

Washington County Service Authority Water and Sewer Line Extension Policy



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Introduction

Background:

The Washington County Service Authority (WCSA) is a public utility that provides drinking water and public sewer service to the residents of Washington County, Virginia. The Towns of Abingdon and Damascus also provide sewer collection and treatment service. Washington County's population is estimated at 53,018 persons. WCSA serves drinking water to 21,000 connections or 93% of Washington County's 22,500 residences, and provides public sewer service to 1,600 or 7% of County residences.

WCSA was originally chartered in 1953 as the Goodson Kinderhook Water Authority; however, its roots go back to 1910 when the Abingdon Water Authority was established. A large portion of the heart of WCSA's distribution system was established in the 1930s through President Franklin Roosevelt's Works Progress Administration. WCSA was formed in 1976 through the consolidation of the Goodson Kinderhook Water Authority, the Washington County Sanitation District #1, and the Manhaim Water Company. Today, WCSA is the third largest waterworks in Southwest Virginia.

One difficulty with serving a rural community is the distance water must travel to reach the customer. Washington County covers approximately 566 square miles; WCSA's distribution system covers approximately 300 square miles with 900 miles of pipeline, which is about 220 feet of pipeline per customer. Furthermore, a majority of the pipeline in WCSA's distribution system was installed in piecemeal fashion with inadequate planning or design for future growth. Thus, we have a system with pipe sizes ranging from ½" to 20" in diameter and pipe materials of galvanized steel, cast iron, ductile iron, asbestos cement, PVC and stainless steel.

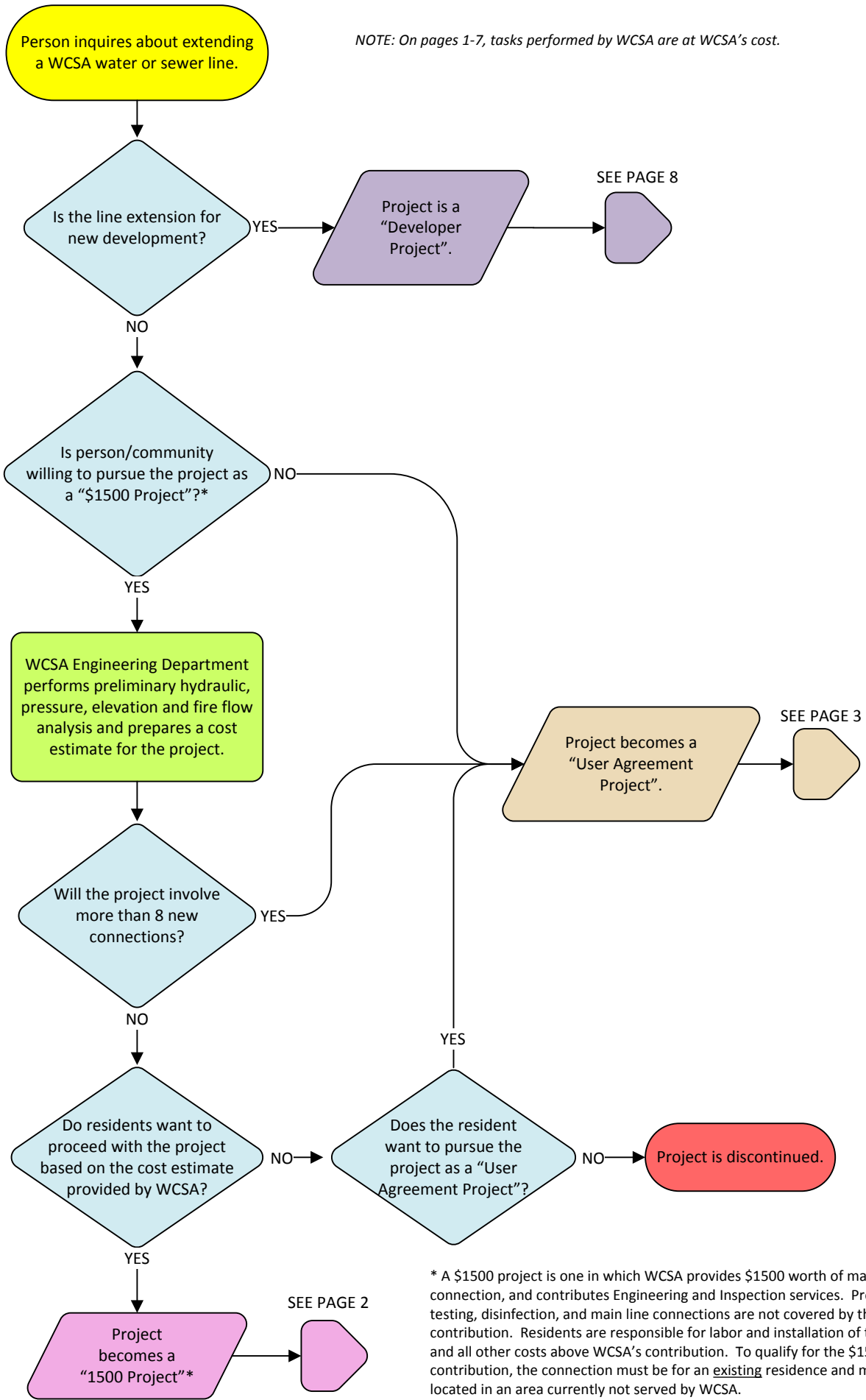
Another challenge with serving customers in a mountainous region is the elevation changes encountered within the service area. Washington County's lowest elevation point is 1,698 feet above sea level and its highest is 5,520 feet above sea level - a vertical range of 3,822 feet. Within the water system itself, the elevation change from the lowest to highest point is 1,147 feet, which translates to 493 psi. The distribution system has 27 water pumping stations and 39 pressure zones. The maximum normal operating system pressure is 250 psi.

WCSA's wastewater collection system covers approximately 30 square miles with 60 miles of pipeline, which is about 198 feet of pipeline per customer. Unlike the water system, the pipeline in WCSA's collection system was installed in a systematic fashion with proper planning for future growth.

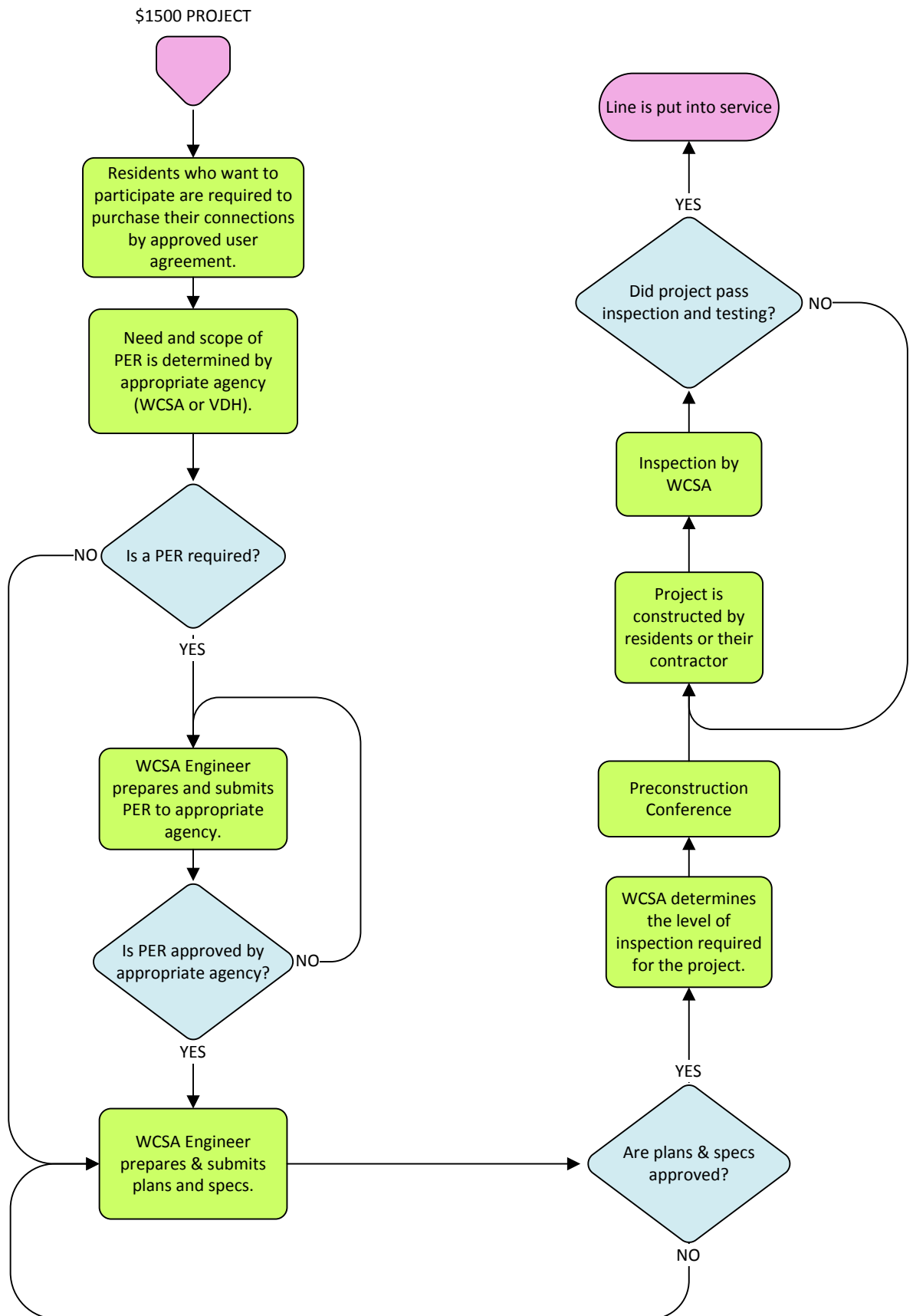
Like the water system, another challenge with serving sewer customers in a mountainous region is the elevation changes encountered within the service area. The collection system has 27 sewer lift stations.

Purpose and Goal:

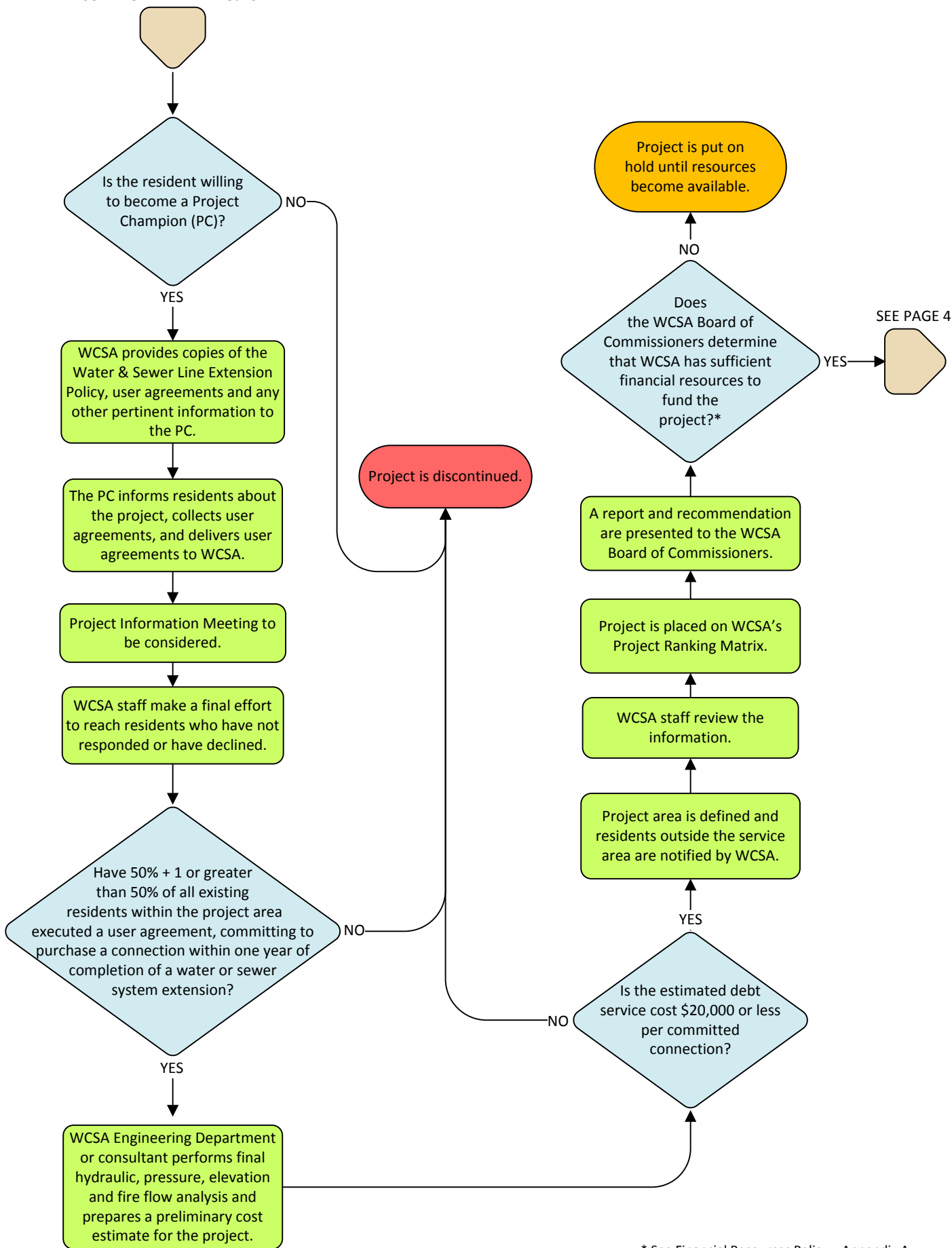
The purpose and goal of the water and sewer line extension policy is to provide clear direction to the staff and public for obtaining service; to promote equity among those who seek service; and, to ensure the long-term financial viability of WCSA.



* A \$1500 project is one in which WCSA provides \$1500 worth of materials per connection, and contributes Engineering and Inspection services. Pressure testing, disinfection, and main line connections are not covered by the \$1500 contribution. Residents are responsible for labor and installation of the line and all other costs above WCSA's contribution. To qualify for the \$1500 contribution, the connection must be for an existing residence and must be located in an area currently not served by WCSA.

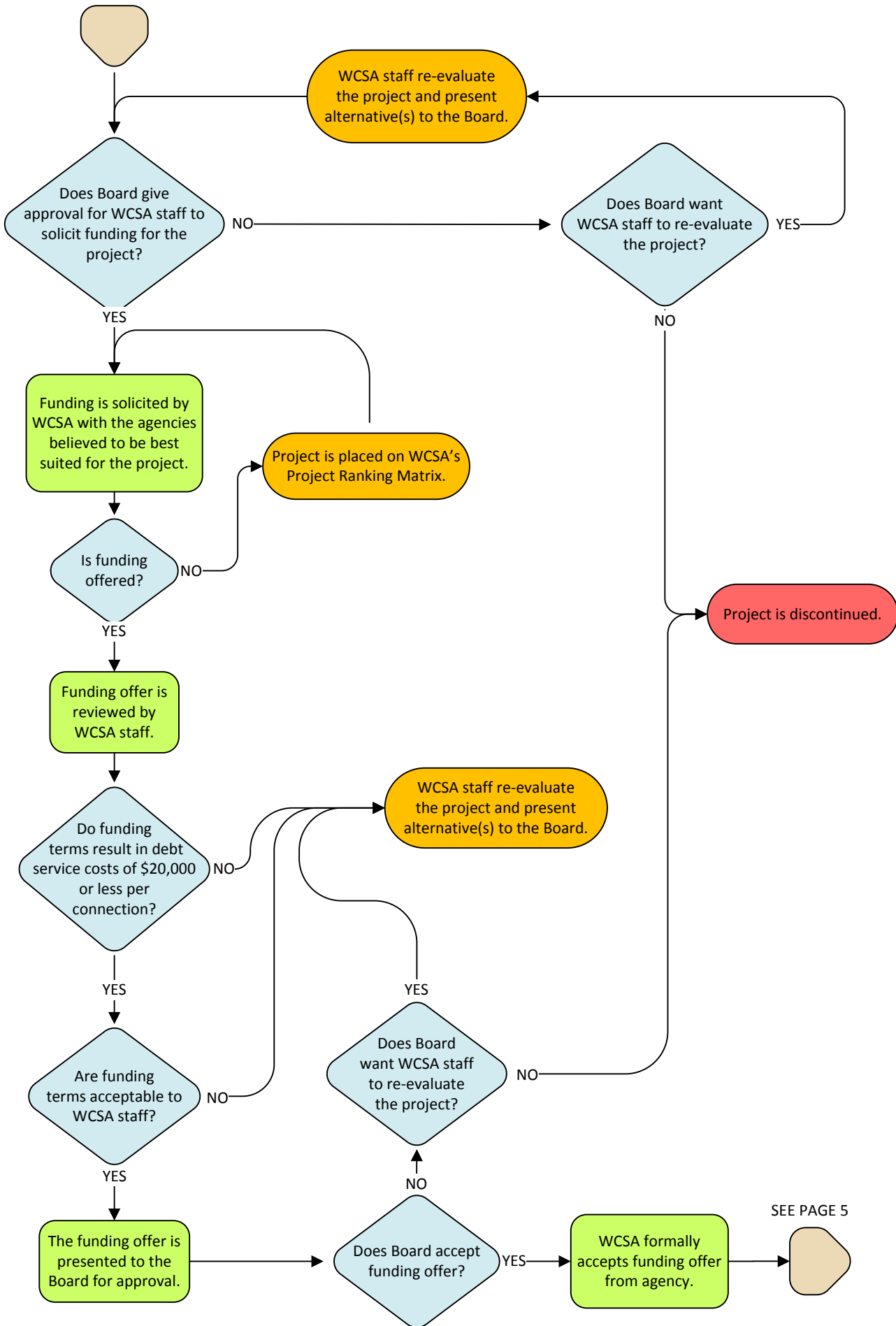


USER AGREEMENT PROJECT



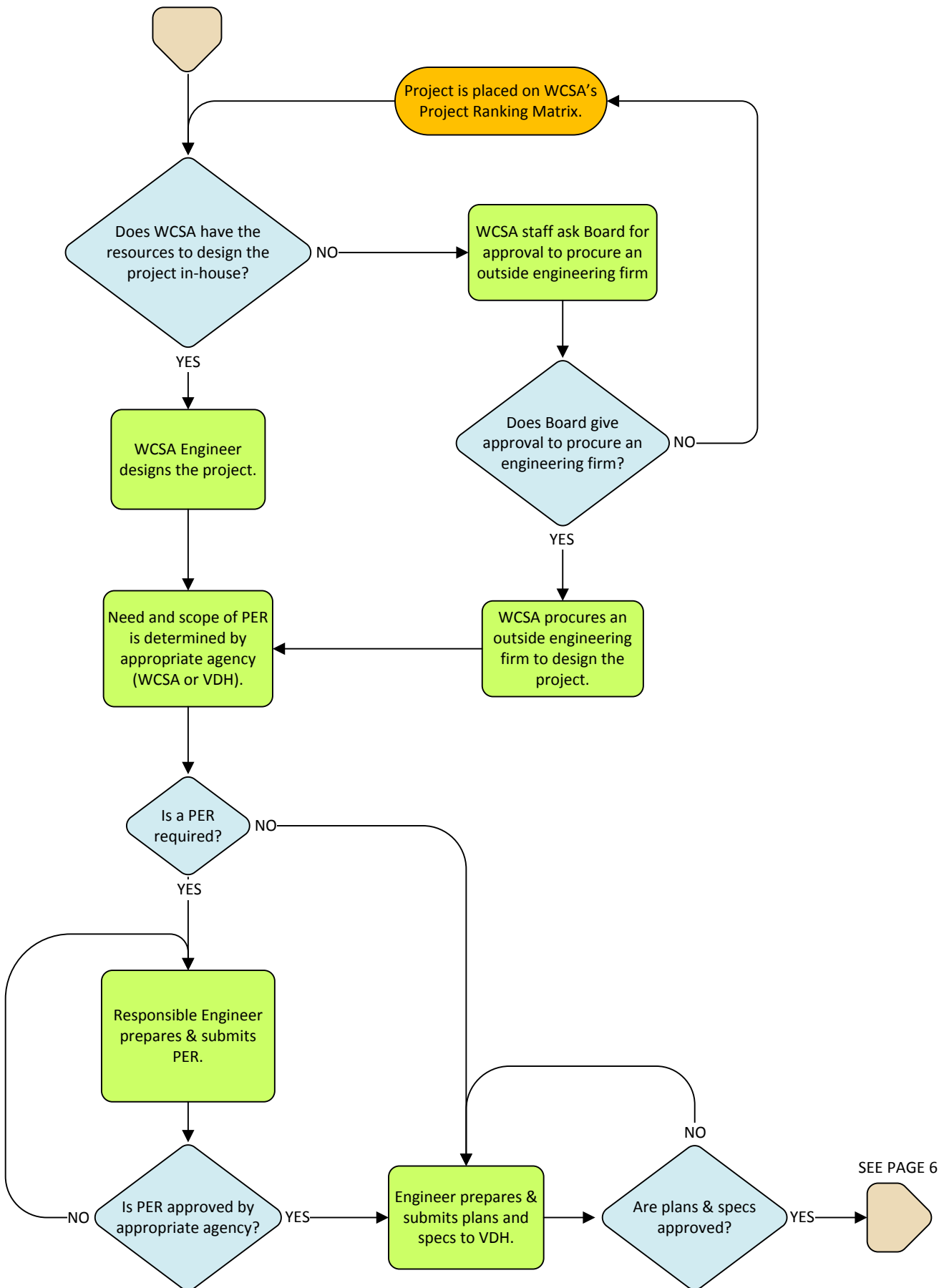
* See Financial Resources Policy – Appendix A.

USER AGREEMENT PROJECT
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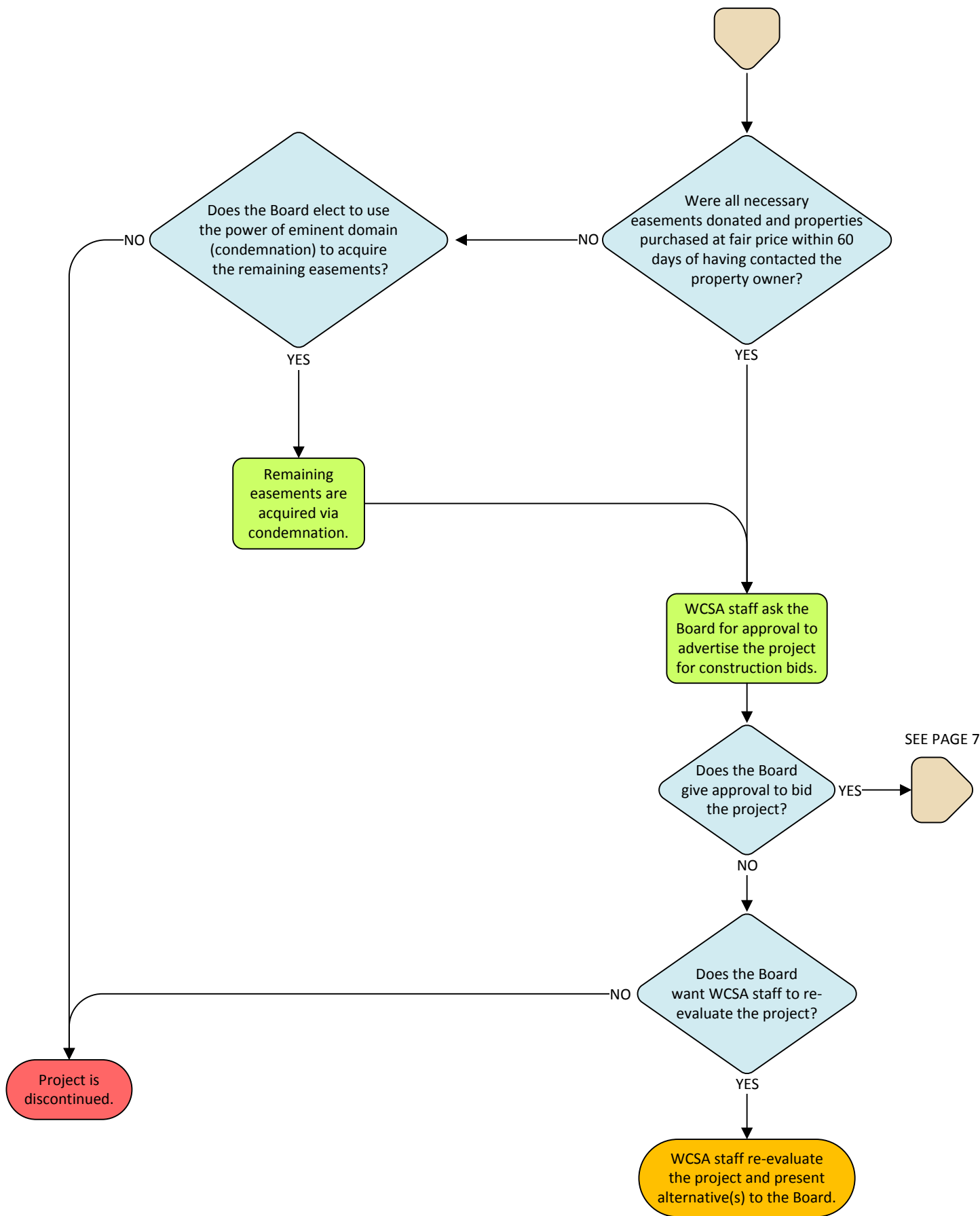
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USER AGREEMENT PROJECT
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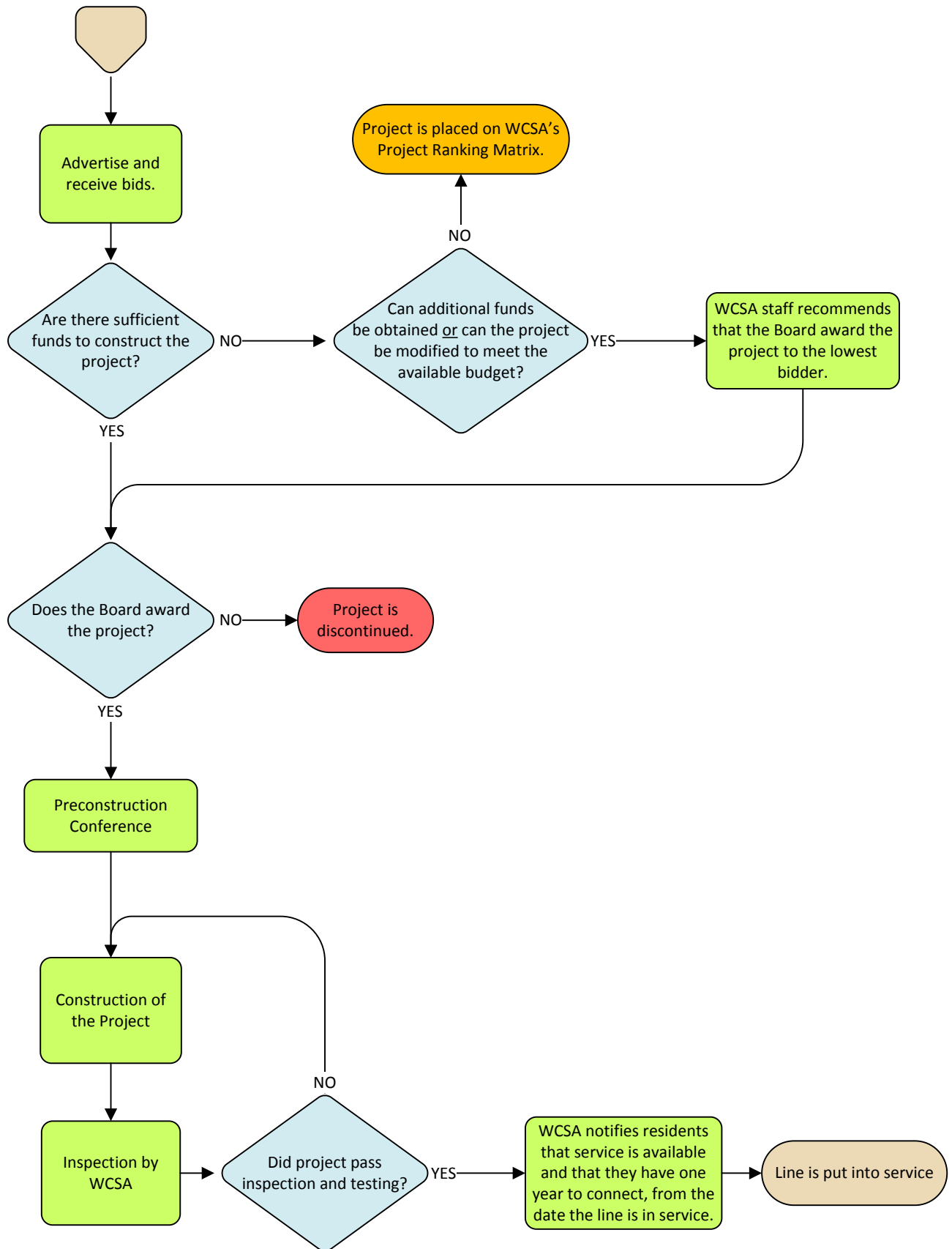


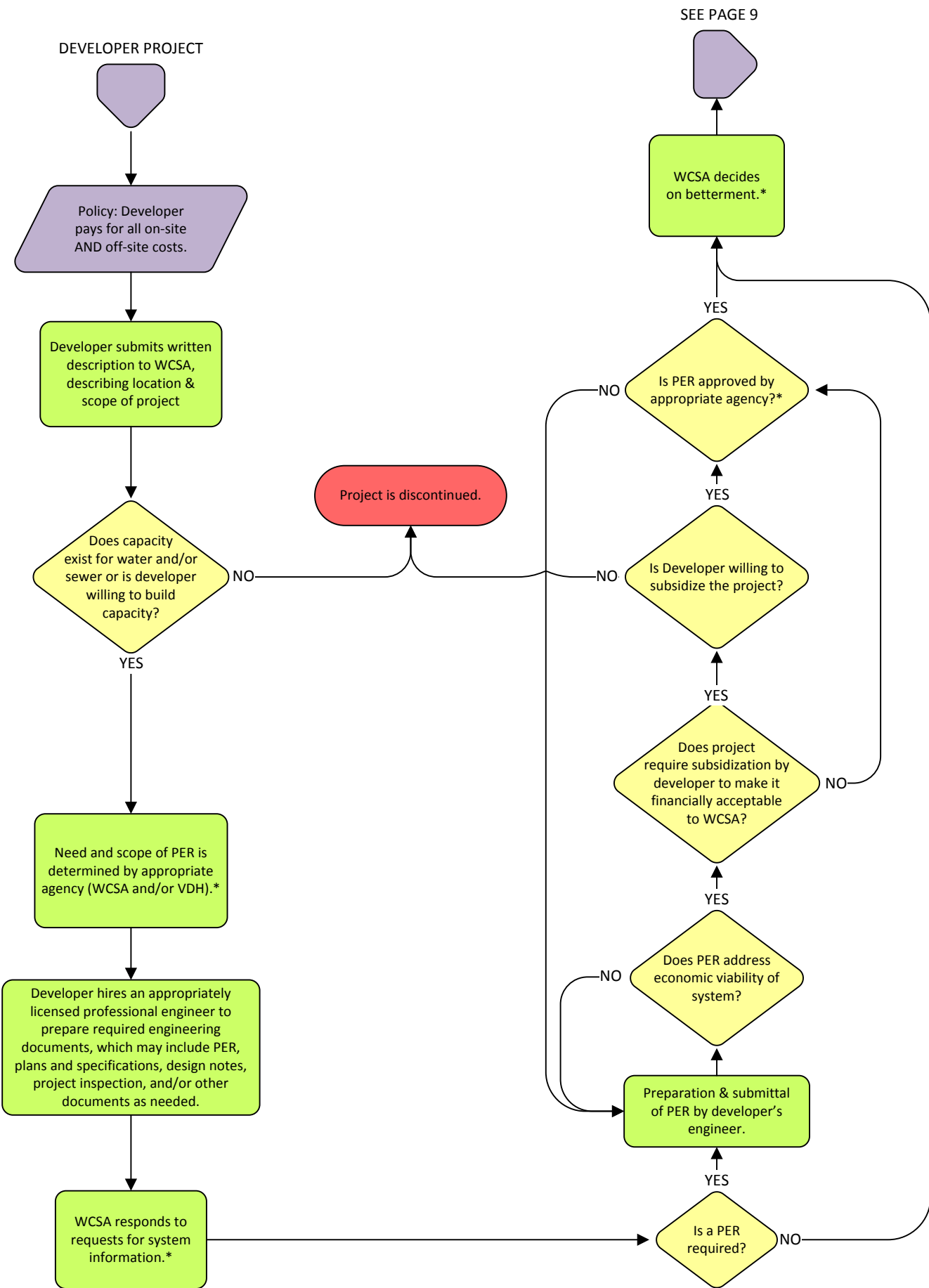
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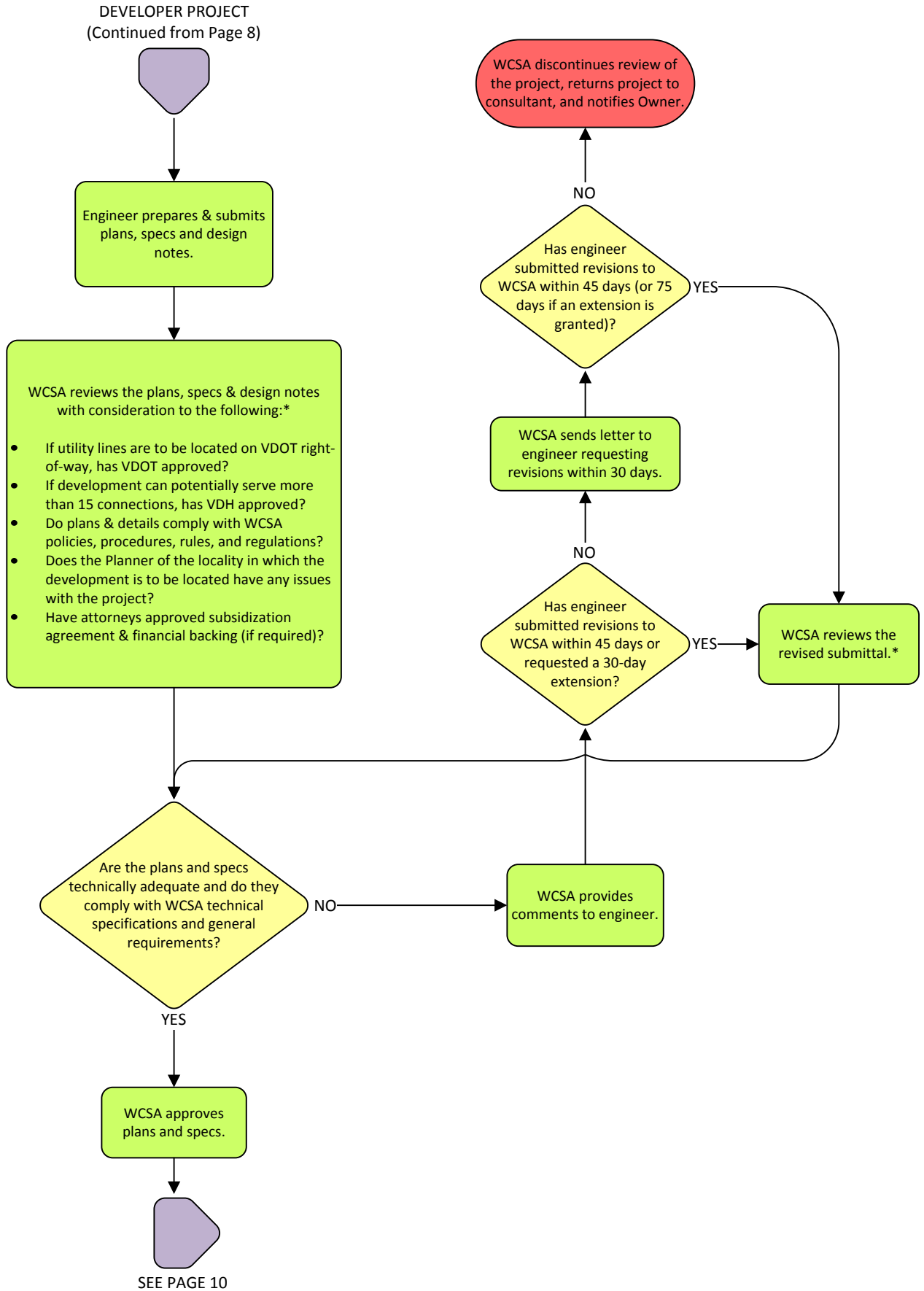


USER AGREEMENT PROJECT
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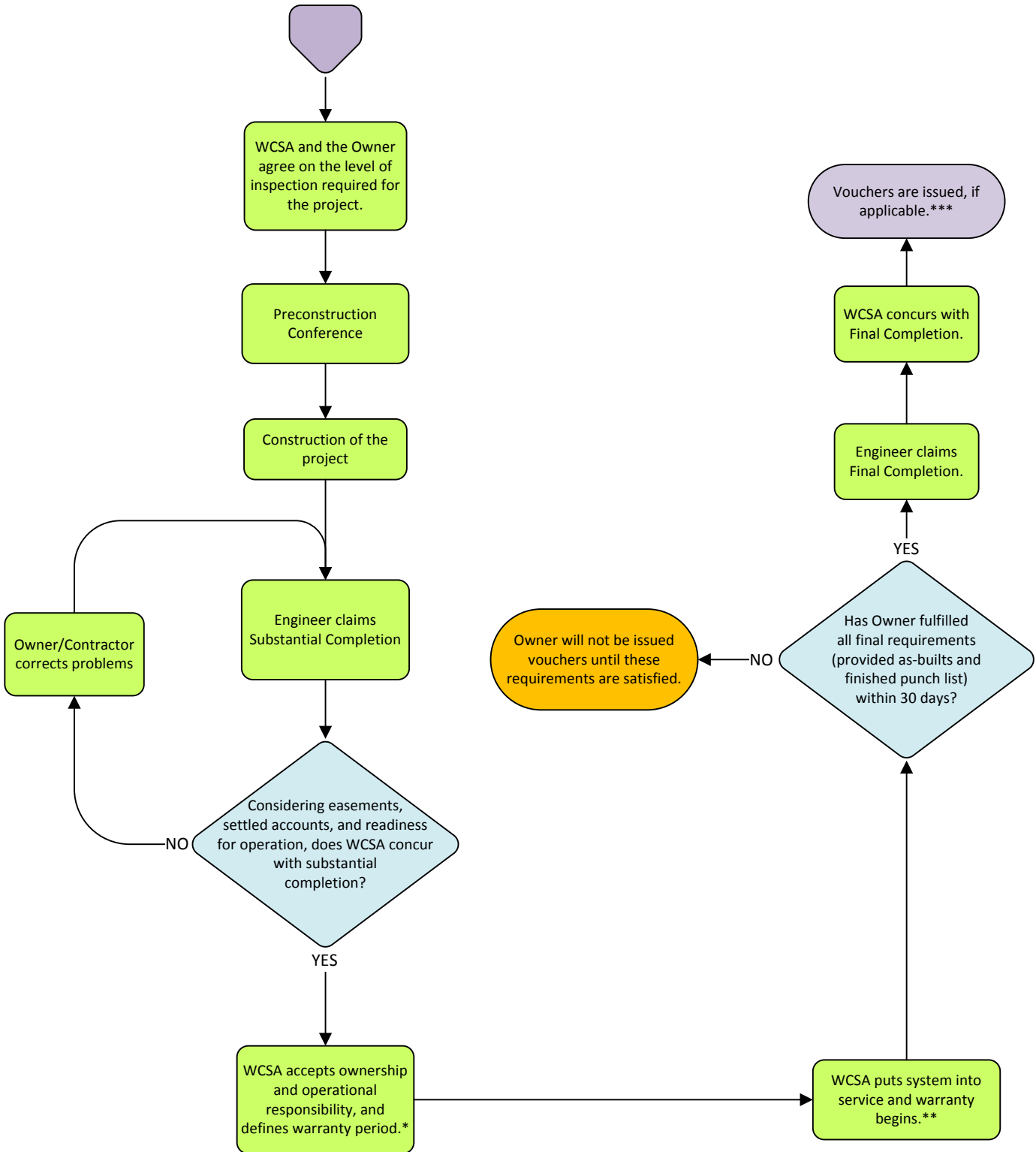


* WCSA requires up to 30 days to review and comment.



* WCSA requires up to 45 days to review and comment on the first and subsequent submittals.

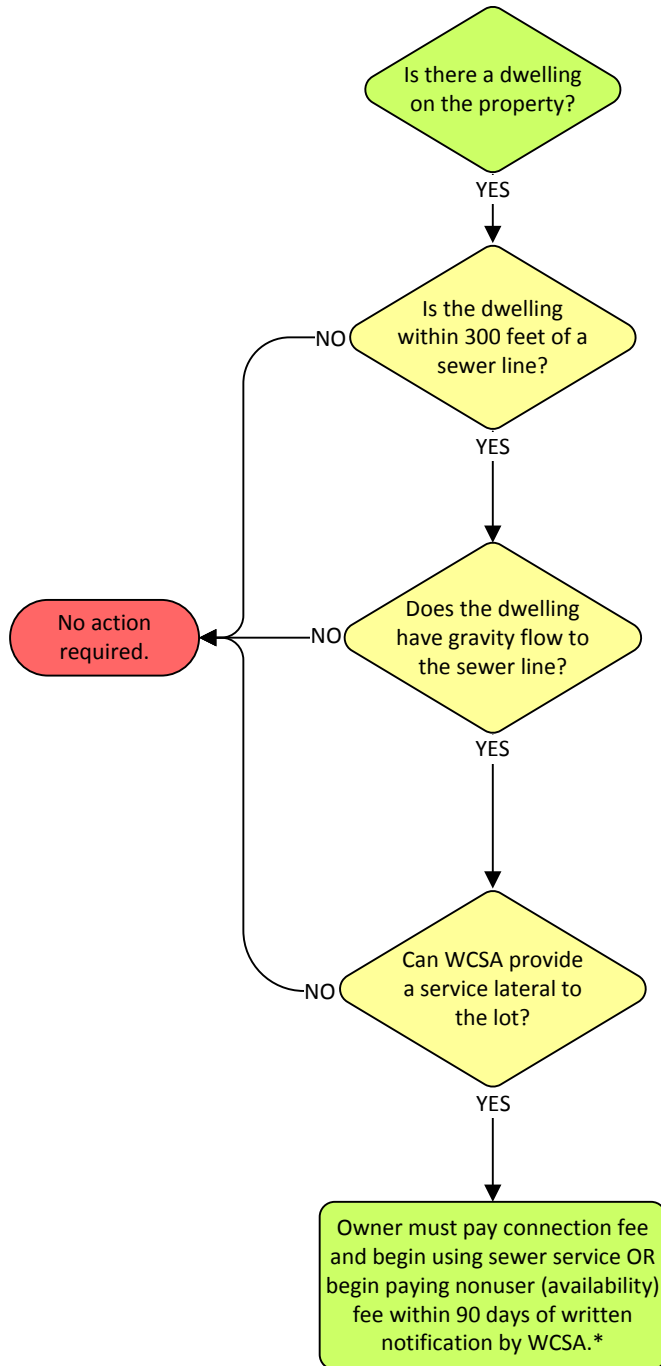
DEVELOPER PROJECT
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* Substantial completion is effective on the date of successful bacteriological sampling.

** During Warranty period, WCSA corrects any problems threatening public health or the environment and bills the Owner for time and materials expended.

CONNECTION ORDINANCE



* See Exceptions to Mandatory Connection – Appendix B.

Appendix A – Financial Resources

WCSA endeavors to provide a safe, dependable supply of drinking water to its customers at the most economical cost. WCSA has a fiduciary responsibility to its current water and sewer customer base. For that reason, any number of economic conditions may exist that prevent WCSA from accommodating extensions of its water and sewer systems; even if those systems are proposed to be constructed and given to WCSA.

Since the late 1990's, while we have been successful in obtaining some grant funds, WCSA has financed an average of a million dollars per year to accommodate water line extensions to unserved areas of Washington County. WCSA's contribution of planning, engineering, property acquisition, inspection, testing and "cash" outlay to these projects are not included in this figure.

Water and sewer line extensions between 2004 and 2011 cost an average of \$38,699 for water and \$33,502 for sewer per existing project area resident agreeing to take service.

Until August 2011, WCSA required a minimum of one more than 50% of the project area residents to "sign up" for service before a project was prioritized for funding and construction. After extensive consideration, the minimum percentage of area residents was believed to be too low and moreover, in some cases the number of residents to initially connect was less than the number signed. Nearly all of the extension projects constructed by WCSA did not pay for themselves, therefore requiring financial support from our existing customer base.

If the Authority were to continue to operate under the pre-2011 policy of funding the cost of extensions from user rates, WCSA would be required to increase rates substantially. According to a January 2010 report by Municipal & Financial Service Group, if the remainder of the County were served with water, rates could increase to the point that the average existing customer pays approximately \$290 more for water per year to fund water line extensions.

The Authority wants to ensure that it is able to meet its objective to continue to meet the needs of its existing customers and at same time extend public water and sewer to those who do not have it. For the reasons mentioned above, in August 2011 the Board of Commissioners determined that it was in the best long-term interest of the Authority to require that, for water and sewer projects, a minimum of 75% of the existing residents in a community sign a user agreement to take service before service can be extended and the debt service cost of that extension cannot exceed \$20,000 per paying connection.

In October 2013, the Board of Commissioners revisited the participation requirement for water line extensions. Concern was expressed about the ability of the "minority" to essentially veto a line extension, especially on small projects. For example, a project area with three potential connections would require that all three homes sign user agreements in order to achieve 75% participation. The Board of Commissioners determined that participation levels for water line extensions should return to a minimum of one more than 50% of the project area. A project must still meet the criteria of costing \$20,000 or less in debt service per paying connection. By keeping the ceiling on cost/paying connection, the Board decided this would meet our objectives listed above while allowing projects with less than 75% participation levels to move forward.

Appendix B – Exceptions to Mandatory Connection

Notwithstanding any provision of the Washington County Code which establishes and sets forth mandatory connection and any exceptions, WCSA policy is as follows:

Water:

Presently not enforced.

Sewer:

If a dwelling is within 300 feet of a sewer line; if the Authority can provide gravity flow sewer service; and if the Authority can provide a connection to the property/lot, the owner or occupant must pay a connection fee and begin using sewer service or pay the connection fee and begin paying the nonuser (availability) fee within 90 days of written notification by WCSA.

If the dwelling is greater than 300 feet from the sewer line or the Authority cannot provide gravity flow to the dwelling or the Authority cannot provide a connection to the property/lot the landowner/resident is exempt from this rule.