

FOUNDERS BRIDGE UTILITY COMPANY, Inc.
FOUNDERS BRIDGE SUBDIVISION
POWHATAN COUNTY, VIRGINIA

TARIFF

RATES, RULES AND REGULATIONS

For

Water and Sewer Service in
Territory Served by Company in
Powhatan County, Virginia

FOUNDERS BRIDGE UTILITY COMPANY, Inc.
FOUNDERS BRIDGE SUBDIVISION

June 1, 2014

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RATE SCHEDULE

GENERAL NATURE OF SERVICE
TO BE PROVIDED

The primary purpose of FOUNDERS BRIDGE UTILITY COMPANY, Inc. is to provide water and sewerage service to the portion of the FOUNDERS BRIDGE Subdivision located in Powhatan County, Virginia.

RATE SCHEDULE

This schedule is for service available to all customers in the area indicated above other than customers purchasing water for resale. Water and Sewage (Wastewater) will be billed bi-monthly and will be composed of a minimum charge for water plus a commodity (usage) charge for water and a flat rate charge for sewage. The minimum charge for water and the flat rate for sewage will be charged to the customer once service is requested regardless of whether water and sewage services are used. A sewage connection will not be granted without a corresponding water connection that supplies all the water used to generate sewage flows.

WATER RATES

1. Service Connections:

- (a) 5/8 X 3/4-inch meter service connection\$5,000.00
- (b) Service connection over 5/8 X 3/4-inch meter size will be based on the actual cost to the Company plus any capacity charges from Chesterfield County plus a gross-up for taxes and applicable charges but in no event less than that for 5/8 X 3/4-inch connection

2. Water Charge:

There shall be a bi-monthly minimum service charge for water service plus the commodity charge. No bill shall be rendered for less than the minimum charge. The minimum bi-monthly service charge shall become effective when the water service is connected to the lot. The minimum bi-monthly service charge shall be composed of the Basic Operation Costs plus the Capacity Charges as assessed by Chesterfield County.

2a	Basic Operation Cost	\$ 27.86
2b	Capacity Charge	
	Meter Size	Rate
	5/8 or 3/4 inch	\$ 12.64
	1 inch	\$ 31.60
	1-1/2 inch	\$ 63.2

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2 inch	\$ 101.12
3 inch	\$ 202.24
4 inch	\$ 316.00
6 inch	\$ 632.00
8 inch	\$ 1,011.20

3. Metered Rates for Water Service:

<u>Gallons Bi-Monthly/</u>	<u>Rate Per 1,000 Gallons</u>
For the First 15,000 gallons	\$ 2.81
15,001 gallons to 60,000 gallons	\$ 4.74
All over 60,001 gallons	\$7.75

SEWERAGE RATES

1. Service Connections:

- (a) Single family dwelling \$4,500.00
- (b) Multi-family dwelling no charge

Commercial or recreational facility connection fees will be based on the actual cost to Company, plus any capacity charges from Chesterfield County , plus gross-up for taxes and applicable charges.

2. Minimum Charge:

There shall be a bi-monthly minimum service charge for sewerage service plus a capacity charge based on Chesterfield County charges.

2a	Capacity Charge	
	Meter Size	Rate
	5/8 or 3/4 inch	\$ 23.04
	1 inch	\$ 57.60
	1-1/2 inch	\$ 115.20
	2 inch	\$ 184.32
	3 inch	\$ 368.64
	4 inch	\$ 576.00
	6 inch	\$ 1,152.00
	8 inch	\$ 1,843.20

3. Metered Rates for Sewerage Service based on water meter readings:

<u>Gallons</u>	<u>Rate Per 1,000 Gallons</u>
For all usage	\$ 2.85

RULES AND REGULATIONS

The Rules and Regulations as herein set forth, or as they may hereafter be revised with approval of the State Corporation Commission, shall govern the rendering of water and sewer service, including the extension of mains and the making of connection thereto, and every customer upon making an application for any service rendered by the Company, or upon the taking of water or sewer service shall be bound thereby.

RULE NO. 1 - GENERAL:

(a) The utility office is located at the offices of Sydnor Hydro, Inc, 2111 Magnolia Street, Richmond, VA 23223. Sydnor Hydro, Inc. is the contract operator.

(b) The utility provides water and sewerage service in the section of the Founders Bridge Subdivision located in Powhatan County.

(c) During normal business hours the local telephone number for billing and service questions is (804) 643-2725. Outside the Richmond, VA area call 1-800-552-7714.

(d) After normal business hours for emergency service call (804) 257-7773.

(e) Any questions about service or employees of the Company should be made at the office of the Company or in writing.

(f) No employee or agent of the Company shall have the right or authority to bind it by any promise, agreement or representation contrary to the letter or intent of these Rules and Regulations.

RULE NO. 2 - DEFINITIONS:

(a) A "Water service connection" is the water service line connecting the Company's water main or lateral to a customer's premises. Where meters are installed it includes the meter and meter equipment.

(b) A "Sewerage service connection" is a pipe connecting any premises with the Company's sewerage transmission main.

(c) "Customer" as used herein is any party who has applied for and is receiving water or sewerage service at a premises.

(d) "Company" as used herein is FOUNDERS BRIDGE UTILITY COMPANY Inc.

(e) "Commission" - Virginia State Corporation Commission.

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(f) "Equivalent Residential Unit" (ERU) is defined as 350 gallons per day of usage.

(g) "Inactive Connection" as used herein is any water service connection which is not being used by the customer to provide water service regardless of the reason.

(h) "Normal Household Requirements" as used herein shall mean indoor water usage for normal cooking and sanitary purposes only.

(i) "Operator" as used herein is the contract operator which is currently Sydnor Hydro, Inc.

(j) "Owner" as used herein is any party who is the legal owner of the premises to which the Company is providing water service.

(k) "Premises" as used herein shall mean the lot or parcel of land upon which is situated a single-family dwelling, a single commercial establishment or community facility, or in the case of a multiple dwelling where authorized by the Developer, the individual units within such a multiple dwelling.

(l) "Service Outlet" as used herein shall mean the yoke or yoke valve (including the meter) as provided by the Company. Where a yoke or yoke valve is not provided, then it shall mean the tapping saddle at the main.

(m) "Termination of Water Service" as used herein shall mean the disconnection and permanent loss of water service to a premises.

(n) "Unapproved Source" shall mean any water source or storage facility which is not approved by the Virginia Department of Health.

(o) "Wastewater" – shall mean the same as sewage.

RULE NO. 3 - APPLICATION FOR SERVICE:

(a) Before any water and/or sewerage service is delivered, the Company reserves the right to require the applicant to:

1. Establish that the applicant is the owner, his duly authorized representative or bona fide lessee of the premises.

2. The applicant shall make application for water and/or sewerage service in a manner prescribed by the Company.

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3. Upon approval of the application, the Company shall install the service connection.

4. Pay any fees under RULE Establishment or Transfer of Services.

(b) Whether or not the Company initially exercises the right specified in Rule 3 (a) above, the applicant, by accepting water or using sewerage disposal services, agrees to:

1. Comply at any time with the right specified in Rule 3(A), above.

2. Be bound by the applicable rate schedule(s) and rules and regulations which are currently on file with the Commission.

(c) Should at any time the Customer not comply with this section, service may be discontinued in accordance with Rule 14 of these Rules and Regulations.

RULE NO. 4 - SERVICE CONNECTIONS:

(a) For water service, the Company shall install the service line connecting the water main or lateral to the customer's premises. Where meters are installed, it includes the meter box, the meter and other metering equipment.

(b) For sewerage service, the Company shall install the service connection line from the sewerage transmission main to the lot line of the premises to be served.

(c) The Company will maintain and replace all water service connections from the main in the street to the meter box. All sewerage connections from the transmission main in the street to the lot line will be maintained and replaced by the Company.

(d) The Company will make all connections to its water and sewage mains and will specify the size, kind and quality of all materials entering into the service connection.

(e) The corporation cock, yoke valve, yoke, meter, meter box and service pipe from the water main to the service outlet will be furnished and installed by and shall remain the property of the Company and under its sole jurisdiction. Meters will be installed in a utility easement, provided by the customer, which is adjacent to and parallel to the water main or highway right-of-way; or in a public right-of-way. The company reserves the right to determine the location of the meter and service connection and characteristics of any easements if required.

(f) The sewerage service pipe, from the sewerage main to the lot line of premises to be served, will be furnished and installed by and shall remain the property of the Company and under its sole jurisdiction.

(g) Any damage done to the water service connection by the customer, or his agents will be repaired by the Company at the expense of the customer.

RULE NO. 5 - CUSTOMER SERVICE PIPES:

(a) The service pipe, meters and fixtures on the customer's premises shall be accessible to the Company for observation or inspection at reasonable hours.

(b) The Company may specify the size, kind and quality of the materials which shall be laid between the meter cock and the structures on the premises to be supplied.

(c) The water service pipe from the meter cock to the place of consumption shall be furnished and installed by the customer at his or her expense and risk.

(d) The customer's service pipes and all connections and fixtures attached thereto shall be subject to the inspection and approval of the Company before the water will be turned on or sewerage service provided.

(e) No fixture shall be attached to, or any branch made, in a service pipe between the meter, lot line, or sewerage service connection point and the street mains.

(f) Any repairs, maintenance, replacement or relocation necessary on the customer's water service pipe or fixtures in or upon the customer's premises shall be performed by the customer at his or her expense and risk in a manner approved by the Company.

RULE NO. 6 - METERS AND METER INSTALLATIONS:

(a) The Company shall determine the type and size of any meter to be installed.

(b) Meters will be furnished, installed and removed by the Company and shall remain its property.

(c) When damage to any meter arises out of, or has been caused by, the customer's negligence or carelessness, the repair or replacement of that meter shall be paid for by the customer.

(d) The customer receiving water through a meter shall promptly notify the Company of any defect in or damage to the meter or its connection.

RULE NO. 7 - METER TESTS AND TEST FEES:

(a) All meters shall be accurately tested before installation. The Company may at any reasonable hour remove any meter for routine tests, repairs or replacement.

(b) The Company shall upon written request of a customer, and if so desired, in his presence or that of his authorized representative, make without charge a test of the accuracy of the meter in use at the premises. The test shall be performed at the office of the company. Provided that the meter has not been tested within a period of twenty-four (24) months previous to such request. A written report of the results of the test shall be furnished to the customer if requested

(c) If a meter test has been conducted within the past twenty-four (24) months, and the customer still desires a test, the customer must pay the actual cost of the test, unless the meter is found to have an average error greater than two (2) percent in which case the test will be at no charge to the customer. The actual cost of the test is \$100.00.

(d) Whenever a test of meter reveals it to have an average error of more than two (2) percent, the Company shall bill or refund to the customer, as the case may be, such percentage of the amount of bills, covering the consumption indicated by the meter for the previous six months, as the meter was found to be in error at the time of test.

(e) If after the company testing, the customer is still not satisfied, the customer may request that the meter be returned to the manufacturer for testing, provided the manufacturer offers such testing and under the following conditions. The customer will be responsible for paying all charges identified as a result of the company testing, however, the charges will be subject to refund if the manufacturer testing identifies an accuracy error which is not in the customers favor.

The Company will, upon the deposit with the Company by a customer of \$100.00, have the meter serving the customer's premises returned to and tested by the manufacturer subject to the following understanding:

1) If the meter is found to be operating within the aforementioned standards, it will be restored to service and the deposit of \$100.00 will be retained by the Company for costs incurred by the Company in having the meter tested.

2) If the meter is found to over register in relation to the aforementioned standards, it will be replaced and the deposit of \$100.00 will be refunded by the Company to the customer. The Company shall refund to the customer the overpayment for water usage as indicated by water consumption for the previous six months.

3) If the meter is found to under register in relation to the aforementioned standards, it will be replaced and the deposit of \$100.00 will be retained by the Company. The Company shall also charge the customer the under payment for water usage as indicated by the water consumption for the previous six months.

RULE NO. 8 - CUSTOMER'S DEPOSITS:

(a) Before providing water service, the Company may require of any customer a cash deposit or other suitable guarantee to secure the performance by the customer of the terms and conditions of the Company under which water or sewerage service is supplied. The maximum amount of any deposit shall not exceed the customer's estimated liability for two months usage.

(b) The deposit of each residential customer will be refunded after not more than one year of satisfactory credit has been established or after final settlement of the customer's account, whichever is first.

(c) Simple interest on the Deposit will be paid at the rate determined annually by the State Corporation Commission from the date of the deposit receipt to the date of the deposit refund. Credit of interest shall be made annually.

(d) Deposits for residential customers will not be held beyond a one-year period during which the customer has established satisfactory credit.

(e) If the customer fails to maintain satisfactory credit with the Company, it may require a deposit from the customer which will be held until the customer has established satisfactory credit for a period of not less than one year.

RULE NO. 9 - BILLS FOR WATER SERVICE:

(a) Customers are responsible for furnishing the Company with their correct address. Failure to receive bills will not be considered an excuse for non-payment nor permit an extension of the date when the account will be considered delinquent.

(b) If bills are to be sent to an address other than the premises served, the Company should be notified in writing by the customer of any change of address.

(c) If requested in writing by the owner (in a form acceptable to the Company), the Company may send bills to, and may receive payments from, agent or tenants. However, this accommodation will in no way relieve the owner of the liability for charges which may be due to the owners failure to maintain plumbing lines and fixtures free from leaks. The Company shall not be obligated to notify the owner of leaks or plumbing problems on the premises, although it will endeavor to do so. Water service to a property may be denied if the owner refuses to acknowledge liability for charges

against the property. Bills may not be sent to agents or tenants, or water service turned on or continued at the premises without the authorization of the owner.

(d) Payments shall be made at the office of the Company or at such other places conveniently located as may be designated by the Company.

(e) The Company reserves the right to correct any bills endorsed in error as to the service supplied.

(f) Each "Premises" as described in Rule No. 2 shall be billed separately for service.

(g) In those cases where meters are installed, if the meter should fail to register for any reason, or if the meter reader should be unable to gain admittance to the premises at the time the meter is due to be read, an estimated bill will be submitted. Such bill shall be based on an average of the consumption shown by three (3) previous consecutive billing periods, or, in the case of a new customer, where previous consumption cannot be so used for computing average consumption, reasonable estimated consumption shall be utilized.

(h) Bills for service shall be rendered every two months for water service in advance. Metered customers may at the discretion of the Company be billed the minimum charge in advance, with an adjusted bill rendered when the meter is read or billed in arrears for the minimum charge plus actual water used.

RULE NO. 10 - TERMS OF PAYMENT:

(a) The Company shall allow the customer 21 days from the date on which bills are mailed to pay all charges due against the customer's account, including charges for service billed in advance, before initiating any proceeding against the customer for non-payment of service.

(b) If a bill is not paid within (10) days after written notice properly given by the Company to the customer of record, service may be discontinued and where installed the meter and service equipment removed by the Company, and the deposit, if any, may be applied against such bill and any other arrears due by the customer. If a bill is not paid within six (6) months after service has been discontinued, then the Company may initiate proceedings to terminate service as outlined in Rule No. 10, Termination of Water Service.

(c) Where the customer is not the owner of the premises, and the owner has failed to maintain plumbing lines and fixtures free of leaks, the owner will be responsible for any estimated excess usage, which can be attributed to such failure. The company will determine such excess usage by comparing usage for the period in question with comparable historic usage.

(d) The company may offer the option for credit card payments. If credit card payments are accepted then the company may assess a surcharge not to exceed 3%.

RULE NO. 11 - LATE PAYMENT CHARGES:

Each public utility may charge up to one and one-half percent (1½%) per month on any customer charges not timely paid. Appropriate calculation of this late payment charge shall be made at the time of each successive, usual billing date, and the amount of any such charge included as a separately identified item upon the current bill. Before implementing a late payment charge program, the utility must show on its customer bill, in addition to other necessary information, the date on which the bill is delivered to the U.S. mail, or delivered to the customer's premises, together with showing the date by which payment must be received in the utility's offices to avoid late payment charges. In no case shall payment for current service be considered overdue if received by the utility within twenty days from the mailing date or delivered date of the bill.

The late payment charge shall not be applied to any amount billed as taxes, which utilities may collect on behalf of governmental units.

RULE NO. 12 - BAD CHECK CHARGE:

Each public utility subject to the jurisdiction of the State Corporation Commission may impose and collect a service charge for every check received in payment of a customer's account, which check is lawfully dishonored by the payer bank. Provided however, the service charge shall be uniformly applied to all customers of each utility. The bad check charge shall be \$25.00.

RULE NO. 13 - ABATEMENTS AND REFUNDS:

There shall be no abatement of the minimum rates in whole or in part, by reason of the extended absence of the customer, and no abatement shall be made for leaks or for water wasted by improper or damaged service pipes or fixtures belonging to the customer; except, however, that in the case of an underground leak.

In the case of an underground leak, an adjustment may be made for fifty percent (50%) of the amount of excess in a water bill due to this cause, based on an average of the previous three (3) consecutive periodic bills, provided the customer promptly and properly repairs such leak when detected.

RULE NO. 14 - DISCONTINUANCE OF WATER OR SEWERAGE SERVICE:

(a) No person shall turn the water on or off at any street valve corporation cock, meter cock or other connection, or disconnect or remove any meter or disturb any connection pipe or service line without the consent of the Company. Penalties provided by law for any such unauthorized action will be rigidly enforced.

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(b) Water and sewerage service may be discontinued by the Company after **ten (10) day's** written notice for any of the following reasons:

1. For willful or indifferent waste of water due to any cause.
2. For failure to protect and maintain the service pipe or fixtures on the property of the customer in a condition satisfactory to the Company.
3. For non-payment of any account 30 days past due for water service, for sewerage service, or for any fee or charge accruing under these Rules and Regulations and the effective Schedule of Rates. The residential service of a customer shall not be terminated for non-payment of basic non-residential services such as governmental utility taxes, trash pick-up, etc.
4. For violation of any rule or regulation of the Company.

(c) The following reasons are cause for immediate discontinuance of water and sewer services.

1. For molesting or tampering by the customer, or other with the knowledge of the customer, with any meters, connection, service pipe, meter cock, seal, or any other appliance of the Company controlling or regulating the customer's water supply or sewerage service.
2. For failure to provide the Company's employees free and reasonable access to the premises supplied, or for obstructing the way of ingress to the meter or other appliance of the Company controlling or regulating the customer's water supply or sewerage service.

(d) Discontinuing the supply of water or sewerage service to a premises for any reason shall not prevent the Company from pursuing any lawful remedy by action of law or otherwise for the collection of monies due from the customer.

(e) When water or sewerage service to a customer has been terminated for any of the above reasons, other than temporary vacancy of the premises, it will be renewed only after the conditions, circumstances or practices which caused the water or sewerage service to be discontinued are corrected to the satisfaction of the Company, and upon payment of all charges due and payable by the customer in accordance with these Rules and Regulations and the effective Schedule of Rates.

RULE NO. 15 – ESTABLISHMENT OR TRANSFER OF SERVICE:

When an individual requests, in accordance with RULE NO. 3 that an account for water service be established in their name or transferred into their name, then a \$100.00 service charge will be applied to setup and turn on the water service. The turn on charge identified below is included in this charge.

RULE NO. 16 - TURN-ON CHARGE:

(a) When it has been necessary to discontinue water service to any premises because of a violation of these Rules and Regulations, or because of non-payment of any bill, a charge of \$ 60.00 may be made for turning on the water. This charge, together with any unpaid or outstanding debt(s) that may be due the Company, must be paid before the water service will be resumed.

(b) When it has become necessary to discontinue sewerage service to any premises because of a violation of these Rules and Regulations, or because of non-payment of sewerage service charges, the customer's water service may also, incident thereto, be discontinued. In such event a charge of \$60.00 may be made for turning on the water prior to the resumption of sewerage service. This charge, together with any arrears that may be due the Company for charges against the customer, must be paid before the sewerage service will be resumed.

RULE NO. 17 - CUSTOMER REQUEST TO TERMINATE SERVICE:

(a) A customer who is about to vacate any premises supplied with service by the Company, or who for any reason wishes to have service discontinued, shall give at least three working days notice (preferably in writing) thereof to the Company specifying the date on which it is desired that service is discontinued. Until the Company receives such notice, the Customer shall be responsible for all service rendered.

(b) A service charge of \$60.00 shall be applied when it is necessary to remove the meter at the customer's premises.

RULE NO. 18 - TERMINATION OF WATER SERVICE:

(a) When it has been necessary to discontinue water service to any premises because of a violation of these Rules and Regulations, or because of non-payment or any other reason as addressed in Rule No. 14 - Discontinuance of Water Service and the Owner does not correct the basis for discontinuance of water service within six (6) months of the discontinuance of water service then the Company may issue a notice of termination of water service and may revoke the Owner's right to future water service at the service location. After a notice of termination of water service has been issued, the Owner shall have thirty (30) days to make any payment, repairs or improvements as determined by the Company. Failure to do so to the full satisfaction of the Company

shall result in the termination of water service. Future reconnection of the premises shall be treated as a new connection. If the notice is returned by the post office, then it shall be remailed to the address of the property owner listed in the county tax record for the property at which water service is to be terminated. In addition, a copy of the notice shall be hand delivered to the service address. All notices relative to termination of water service will be sent by certified mail, return receipt requested. This shall constitute appropriate notice.

- (b) At the request of the owner of the premises.

When termination of water service is initiated, the company may then excavate and cap the service lateral. Capping of the customer's line is the responsibility of the customer or property owner. Once a connection has been terminated, the company may then connect other parties to the water system and is under no obligation to provide service to the former customer or property owner. The company reserves the right to all easements previously granted, written and verbal, regardless of customer or property owner termination status. As part of the termination agreement, the company may require property owners to provide written easements for recordation. Once termination procedures have been initiated by the owner or the company, reconnection of the premises will be subject to the same rules and regulations of a new customer, including payment of a connection fee.

RULE NO. 19 - CROSS-CONNECTIONS AND BACK SIPHONAGE:

- (a) No pipe or fixtures connected with the mains of the Company shall also be connected with pipes or fixtures supplied with water from any other source.

- (b) Piping systems supplying swimming pools or tanks shall be so arranged as to prevent water from re-entering the water distribution system by siphonage or other means. An independent supply pipe shall be provided in such a way that its discharge end is at least eight inches above the highest possible water level in such a swimming pool or tank. These installations shall in each case be approved by the Company.

- (c) The plumbing on all premises supplied from the Company's water or sewerage system shall conform to the Statewide Plumbing Code as may be applicable and any county or city sanitary code that may be applicable.

- (d) The Company will operate a continuing cross-connection control and backflow prevention program as required by the Commonwealth of Virginia Waterworks Regulations. Upon request the customer shall furnish the Company pertinent information regarding the piping system on the premises. If this information indicates a possible source of contamination, the customer shall have installed at his expense the proper cross-connection and backflow prevention assemblies. The customer shall submit proof satisfactory to the Company that this has been done. Failure to install appropriate cross-

connection and backflow prevention assemblies may result in termination of water service.

(e) Each customer who has installed a backflow prevention device or low pressure cut-off device shall submit proof annually or as requested by the Company that the device has been thoroughly inspected and tested for proper operation in accordance with approved methods. Failure to provide satisfactory proof may result in termination of water service.

(f) No water service will be provided to a premises to which an unapproved water source is or may be connected. If reasonable cause exists that an unapproved source is connected to an existing customer's water service, then upon notification by the Company water service shall be terminated to the premises unless the customer certifies to the satisfaction of the Company that there is no unapproved source or the unapproved source has been disconnected. The Company may request that the Owner or Customer allow company personnel to inspect the premises to determine that appropriate action has been taken. Refusal by the customer or owner to allow an inspection will result in termination of water service.

(g) Where the customer is not the owner of the premises, then documentation may also be required from the owner in addition to the customer.

RULE NO. 20 - PRESSURE AND CONTINUITY OF SUPPLY:

(a) The Company does not guarantee a sufficient or uniform pressure, or an uninterrupted supply of water, and customers are cautioned to provide sufficient storage of water where an absolutely uninterrupted supply must be assured, such as for steam boilers, domestic hot water systems, gas engines, etc.

(b) In high levels sections where pressure is low the customer shall, if he desires a higher pressure than that furnished at the mains of the Company, install at his own expense a tank and/or booster pump, of a type and installation approved by the Company.

(c) Where the pressure to a customer's premises is greater than he wishes, it shall be his responsibility to install the proper regulating device to reduce the pressure to the extent desired.

(d) The Company will supply water at a minimum pressure of 20 psi.

RULE NO. 21 - INTERRUPTIONS IN WATER SUPPLY:

(a) The Company may, at any time, shut off the water in the mains in case of accident, or for the purpose of making connections, alterations, repairs, changes, or for

other reasons, and may restrict the use of water to reserve a sufficient supply for public fire service or other emergencies whenever the public welfare may require it.

(b) The Company will try to give notice in advance of any work which must be done that will necessitate any interruption of the supply, such notice is to be considered an accommodation and not a requirement on the part of the Company. Property owners must so regulate their installations connected with the water supply system that damage will not occur if water is shut off without notice.

(c) The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in the service, but it cannot and does not guarantee that such will not occur.

RULE NO. 22 - EXTENSION OF MAINS:

The Company will extend its water distribution and sewerage service systems of mains and laterals to supply consumer, where application for service has been made, under the following terms and conditions.

(a) Where the cost of the extension does not exceed three and one-half times the estimated normal annual consumption revenue from bona fide applicants whose service pipes will be directly connected to the extension and from whom the Company has received applications for service upon forms provided by the Company for this purpose, the Company will install, at its own cost and expense, the necessary extension.

(b) Where the cost of making an extension exceeds three and one-half times the estimated normal annual revenue, the applicant or applicants shall deposit with the Company the excess cost of the extension, that is, the difference between the estimated cost of the extension and the three and one-half times the estimated normal annual revenue from the applicant or applicants and other persons whose applications are received on or before the work of making the extension has begun.

(c) Any deposit so made shall remain without interest, in the possession of the Company, subject to refunds as follows: After the completion of the extension when and as additional bona fide consumers are secured whose service lines are directly connected to such extension, the Company will refund to the original depositor or depositors an amount equal to three and one-half times the estimated annual revenue from such additional consumers. Refunds will be made for a period of ten years only from date of original deposit, and the total of such refunds will in no event exceed the amount of the original deposit. All or any part of the deposit not refunded within said ten-year period shall remain the property of the Company.

(d) The ownership of the extensions installed under this rule shall at all times be in the Company, its successors and assigns.

(e) The Company reserves the right to determine the size of the pipe necessary in making such extension.

RULE NO. 23 - ADVANCES FOR CONSTRUCTION:

This rule applies in particular to new connections such as subdivisions, apartment buildings and large commercial establishments that will require a substantial increase in waterworks capacity or provide service outside the original service area.. When an increase in capacity, including infrastructure construction, is required before the connection may be made, the Company may require a deposit with the Company an advance for construction in addition to payment of the connection fee. The size of the deposit and the details of repayment, if any, shall be a matter of agreement between the Company and the customer. The deposit shall remain without interest, in the possession of the Company, subject to refunds in accordance with the agreement between the Company and the Customer. Unless otherwise specified in this agreement, refunds will be made for a period of three years only from the date of the original deposit, and the total of such refunds will in no event exceed the amount of the original deposit.

NO. 24 - ACCESS TO PREMISES:

(a) The customer shall grant the Company any right-of-way or easement it requires for installation, construction, service maintenance, connection and disconnection and inspection of the system.

(b) The service lines, meters and fixtures on the customer's premises, including service lines and outlets within the customer's building, shall be accessible to the Company for observation or inspection at reasonable hours.

If a customer or owner refuses to permit an agent of the Company to enter on his premises to service the system as specified in 7(a) above, the Company shall disconnect the property owner's premises from the system if connected. The Company will not provide service to this property owner until he has reimbursed the Company for any added expenses incurred as a result of his refusal to permit entry to his property and allow access to the property.

RULE NO. 25 – WATER CONSERVATION:

The company may institute water use restrictions based on the following criteria:

- (a) Water use restrictions placed on the company by Chesterfield County, Powhatan County or any other State , Federal or Local Body.
- (b) Sewer flow restrictions placed on the company by Chesterfield County, Powhatan County or any other State , Federal or Local Body.
- (c) Usage in excess of the water capacity allocation from Chesterfield County.
- (d) Infrastructure problems, which require the temporary reduction in flow to effect corrective action.

RULE NO. 26 – LIMITATIONS OF SERVICE:

Water service may be limited or application for service denied when there is insufficient capacity from Chesterfield County or the Department of Health's Operation Permit does not allow additional connections or where provisions of these Rates, Rules and Regulations are not met. Service may also be limited to properties which are served by existing infrastructure.

RULE NO. 27 – INCREASES IN WATER AND SEWER CAPACITY TO MEET CURRENT OR PROJECTED DEMAND

If water or sewer capacity, which is allocated from Chesterfield County, is exceeded or projected to be exceeded, then the company may obtain additional capacity from any available source. The water source must be approved by the Office of Water Programs of the Virginia Department of Health for use as a community waterworks water supply. All costs associated with this additional capacity shall be part of future rate cases. It is understood that the cost of these improvements will be funded by a loan and the revenue generated by the rate case must equal or exceed the cost of this loan over the same time period. These costs may be recovered by either an increase in the rates, a surcharge over a set period of time or through a portion of future connection fees collected.

RULE NO. 28 – INCREASES IN WATER AND SEWER CAPACITY TO MEET PROJECTED DEMAND FROM SIGNIFICANT NEW DEVELOPMENT

The cost of additional capacity for expansions of the utility under RULE NO 22 and 23 may also be recovered through assessment of a fee to the developer or new customers being served by this significant development which required the additional capacity. The said fee, its amount and terms said be by written agreement between the parties and shall be paid prior to the capacity being received. This rule shall also apply to significant expansions which require increases in water or sewer capacity from existing customers.