

OYSTER BAY WATER AND SEWER COMPANY, INC.

ACCOMACK COUNTY, VIRGINIA

RATES, RULES AND REGULATIONS

FOR

**Sewerage Service for the
Oyster Bay II Community
Chincoteague Island, Accomack County, Virginia**

ISSUED: July 20 , 1980

EFFECTIVE: July 12, 1980

REVISED: May 19. 1990

EFFECTIVE: July 1, 1990

REVISED: October 21 , 2000

EFFECTIVE: October 21, 2000

**OYSTER BAY WATER AND SEWER COMPANY, INC.
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SEWER RATES

Applicable in the Oyster Bay II Community
Chincoteague Island, Virginia

AVAILABILITY OF SERVICE:

Available to all lot owners in Oyster Bay Community, Section I I. Subdivisions B, C, and D, commonly known as the Oyster Bay 11 Community.

SEWERAGE RATE:

The quarterly sewerage service charge, per residence served, shall be set by the Board of Directors, and shall be published annually.

RULES AND REGULATIONS

The Rules and Regulations as herein set forth, or as they may hereafter be altered or amended, shall govern the rendering of sewer service, including the extension of mains and the making of connections thereto, and every customer, upon signing an application for any service rendered by the Company or upon the taking of sewer service, shall be bound thereby.

RULE NO. 1 - DEFINITIONS:

- (a.) A "sewerage service connection" is a pipe connecting any premises with the Company's sewerage transmission main.
- (b.) "Premises" as used herein shall mean the lot or parcel of land upon which is situated a single family dwelling.
- (c.) "Customer" as used herein is the owner of any lot in the Community not served by an approved individual lot sewerage disposal system.
- (d.) "Company" as used herein is Oyster Bay Water and Sewer Company, Inc.
- (e.) "Directors" as used herein shall mean the Board of Directors of the Oyster Bay Water and Sewer Company, Inc.

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RULE NO. 2 - AVAILABILITY:

- (a.) Sewerage service shall be deemed to be available from the date mains operating or ready for operation are located adjacent to or in the immediate vicinity of a premises, whether or not any residential connection has in fact been made.
- (b.) Each lot owner not served by an approved individual lot sewerage disposal system shall pay a service Availability Fee until sewerage service is purchased in fact. The amount, set by the Board of Directors, shall be published annually.
- (c.) Availability Fee collection may be suspended by the Company in the event no further sewerage service connections are allowed by applicable authorities.

RULE NO. 3 - SERVICE CONNECTIONS:

- (a.) Before a sewerage service connection permit is provided, the owner of the premises to be served, or his duly authorized representative, shall make application for sewerage service upon form(s) prescribed by the Company in accordance with applicable sewerage service application procedures. Upon application, and upon issuance of a Sewer Connection Permit by the Company, the customer must arrange for a sewerage service connection to the sewerage collection main. An Application Fee and/or a Connection Fee of an amount specified by the Company in the sewerage service application will be charged.
- (b.) The customer will maintain and replace all sewerage lines from the collection main in the street to the residence.
- (c.) The Company will approve all connections to its mains and may specify the size, kind and quality of all materials used in the service connection.
- (d.) The customer shall be responsible for restoring any affected property outside the customer's lot lines and shall be responsible for restoring any affected roadway to the original condition upon completion of a service connection.

RULE NO.4 - CUSTOMER'S SERVICE PIPES:

- (a) The size, kind and quality of the materials which shall be laid between the sewerage service line and the residence to be supplied, shall be in accordance with applicable local codes.

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- (b.) The sewerage service pipe from the sewerage service line to the point of connection with the residence shall be furnished and installed by the customer at his expense and risk.
- (c.) The customer's service pipes and all connections fixtures attached thereto shall be in accordance applicable local codes and shall be subject to inspection and approval of the Company before sewerage service will be provided.
- (d.) Customer's service pipes shall be laid below the surface of the ground in accordance with local codes and shall be installed in trenches at least two feet in a horizontal direction from any other trench wherein are laid water service pipes, telephone lines, or other facilities public or private, unless otherwise authorized or approved by the Company. In back-filling the trench, rock or ashes shall not be permitted within one foot of a service pipe and clean soil shall be filled in to a depth of at least one foot over a service pipe.
- (e.) The customer may be required to install a shutoff valve between the service main and the lot line of the premises. If required, the shut-off valve shall be of a type approved by the Company and shall come under the control of the Company upon initiation of sewerage service.
- (f.) No fixture shall be attached to or any branch made in a service pipe between the sewerage service connection point and the collection mains.
- (g.) Any repairs, maintenance, replacement or relocation necessary on the customer's service pipe or fixtures in or upon the customer's premises shall be performed by the customer at his expense and risk in a manner approved by the Company.
- (h.) Any damage sustained to a neighboring premises, common, public or private property, or any health hazard created due to a customer's service pipe or fixtures shall be the sole responsibility of the customer.

RULE NO. 5 - CROSS-CONNECTIONS:

- (a.) No pipe or fixtures connected with the mains of the company shall also be connected with pipes or fixtures from any other source.
- (b.) The plumbing on all premises from the Company's sewerage system shall conform to the Commonwealth of Virginia Sanitary Code and any Sanitary Code of Accomac County which may be applicable.

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RULE NO. 6 - CUSTOMERS' DEPOSITS:

(a.) The company may at any time require any customer to pay a cash deposit of an amount determined by the Company or other suitable guarantee to secure the performance by the customer of the terms and conditions of the Company under which sewerage service is supplied.

(b.) Whenever the Company may deem the customer's credit satisfactorily established, or after final settlement of the customer's account and the customer discontinues use of sewerage service, the Company shall notify the customer in writing that the deposit is refundable and the customer may request full refund to be paid within thirty (30) days. In any case the deposit shall be refunded after not more than one year after satisfactory credit has been established.

RULE NO. 7 - DISCONTINUANCE OF SEWERAGE SERVICE:

(a.) Sewerage service {to a customer] may be discontinued by the Company after fifteen (15) days written notice for any of the following reasons:

1. For willful or malicious misuse 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 molesting or tampering by the customer, or others with any connection, service pipe, seal, or any other appurtenance of the Company controlling or regulating the customer's sewerage service.
4. For failure to provide the Company's Officers and Agents free and reasonable access to the premises supplied, or for obstructing the way of ingress to any appurtenances controlling or regulating the customer's sewerage service. [Revised October 21, 2000]
5. For non-payment of any account for sewerage service or for any fee or other charge accruing under these Rules and Regulations and the effective Schedule of Rates. Sewerage service may not be re-connected until all availability charges in arrears are paid.
6. For violation of any Rule or Regulation of the Company.

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(b.) Discontinuing the sewerage service to a premises for any reason shall not prevent the Company from pursuing any lawful remedy by action at law or otherwise for the collection of monies due from the customer. Discontinuation of sewerage service must be reported to the Health Department and may result in revocation of the occupancy permit of the premises. Reinstatement of any occupancy permit shall be the responsibility of the customer.

(c.) When sewerage service to a customer has been terminated for any of the above reasons, it will be renewed only after the conditions, circumstances or practices which caused the 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. A Disconnect Fee shall be assessed. The amount of this fee shall be set by the Board of Directors and shall be published annually.

(d.) After discontinuance of service for a period of six (6) months, the Sewer Connection Permit shall be revoked by the Company and may be re-issued to the next customer awaiting availability of sewerage hook-up.

RULE NO. 8 - TURN-ON CHARGE:

(a.) When it has been necessary to discontinue sewerage service to any premises because of a violation of these Rules and Regulations, or because of non-payment of any bill, a charge may be made for re-establishing sewerage service. The amount of this charge shall be set by the Board of Directors and shall be published annually. The customer shall be solely responsible for payment of this charge and for arrangements for re-establishment of sewerage service.

(b.) If at the time of such discontinuance of service the customer has a deposit as a guarantee of payment of future bills, the deposit shall be forfeited by the customer against costs incurred.

RULE NO. 9 - BILLS FOR SEWERAGE 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 a permit an extension of the date when the account will be considered delinquent unless specifically so stated by the Company in writing.

(b.) If bills are to be sent to an address other than the customer served, the Company must be notified in writing by the customer.

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(c.) If requested in writing by the customer, the Company will send bills to and will receive payments from agents or tenants. This accommodation will in no way relieve the customer of the liability for all charges. It shall be the responsibility of the customer to assure that all bills are current and paid.

(d.) Payments shall be made at the office of the Company or such address as may be designated by the Company.

(e.) The Company reserves the right to correct errors on any checks as payment for service supplied.

(f.) Each "Premises" as described in Rule No.1 shall be billed separately for service unless otherwise determined by the Company to be more convenient.

(g.) Any part of a month in which service is rendered shall be considered a whole month for billing purposes.

RULE NO. 10 - TERMS OF PAYMENT:

(a.) Service Availability Fees will be collected annually in advance and shall be paid by July 1st each year. Interest and Penalties will be waived for fees paid by October 1st. Fees paid after this date will be assessed a Late Payment Penalty and interest at rates which shall be set by the Board of Directors shall be published annually.

Service Availability Fees for new customers are assessed for the full month in which a lot is purchased and are due and payable by the end of the following month. Any Service Availability Fees not paid by the due date are subject to penalty and interest at the published rates.

(b.) Monthly sewerage service charges will be billed and collected quarterly in advance. Payment shall be due on the first day of the month of the quarter. If not paid by the tenth (10th) day of the first month of the quarter, a Late Payment Penalty will be assessed and interest at the published rate will be assessed on the outstanding balance from the due date.

Charges for new customers are assessed for the full month in which service is initiated and are payable for the remainder of the quarter within thirty (30) days. After this time, penalties and interest at the published rates will be assessed.

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(c.) If Service Availability Fees and/or monthly sewerage service charges along with applicable penalties and interest, are not paid by the due date as stated in paragraphs (a.) and (b.), above, the Company at its discretion may, after ten (10) days written notice properly given to the Customer of record, suspend service and/or cause a lien to be placed on the property in an amount equal to the applicable charges, interest, penalties, legal fees and costs of collection.

(d.) If a lien of record is placed against a lot the lien will be released only upon full payment to the Company of all amounts due as established in paragraphs (a.), (b.), and (c.) above, or at the discretion of the Company.

(e.) The Company will make all reasonable attempts to collect charges, fees, judgments, collections and/or liens from the customer of record. However, in the event of the sale or transfer of ownership of a premises or lot, the Company will not continue or initiate sewerage service until all amounts due are paid. It is considered the obligation of the purchaser to determine any outstanding charges due.

RULE NO. 11 - 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 by improper or damaged service pipes or fixtures belonging to the customer.

RULE NO. 12 - GENERAL:

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

(b.) No Officer or Agent of the Company shall have the right or authority to bind the Company by any promise, agreement or representation contrary to the letter or intent of these Rules and Regulations. [Revised October 21, 2000]

(c.) Any extension of mains, system design or pro-ration of costs thereof will be handled on a case by case basis by the Company upon written request by a lot owner.

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RULE NO. 13. - CUSTOMER COMPLAINT AND SERVICE REQUEST PROCEDURES:

To assure prompt handling of customer complaints, inquires. and service request, the following procedure should be followed:

1. Inquires and complaints may be made by telephone or in writing directly to the President of the Company at the telephone number and address provided to the customer.
2. Service requests should be made in writing to the person or agent designated by the Company for this purpose. If an emergency service problem arises, the request may be made by phone directly to the designated person or the President of the Company.