



## Chesterfield County, Virginia Utilities Department

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ROY E. COVINGTON, P.E.  
Director

### Water and Wastewater Assessment Districts

#### **Requests for public water and wastewater service**

When an initial request for public water or wastewater service is received, the requestor is initially contacted by phone, advised of the location of the closest water or wastewater line, and told that the County does not extend service into developed areas. The assessment district process is explained, and the requestor is asked if they are willing to act as a liaison between their neighborhood and the County staff. Information will be provided to the liaison for distribution to the neighborhood. The liaison is also asked to advise the County staff of questions and concerns expressed by the residents. Since at any given time there may be several neighborhood requests being evaluated by staff, this approach minimizes the difficulty of many homeowners in several different neighborhoods all trying to contact staff.

#### **Identification of Service Area/Engineering Evaluation/Cost Estimates**

Based on information provided by the requestor, and/or known limitations of existing water and wastewater lines, a "service area" is identified, which will also be considered as the proposed "assessment district". Staff will use as-built plans of existing facilities, topographic and aerial maps, and other data to determine the most logical and economical way to extend utility lines to serve the area. Staff is limited to preparing a preliminary "office design", and does not perform field surveying and soil borings as would be done by an engineering firm when/if the project is approved. Once a utility line routing is selected, a "preliminary project cost estimate" is prepared, which includes engineering, easement acquisition (if needed), advertisement, construction, and restoration. This preliminary cost estimate is based on a published national construction standard, which is updated annually. Project costs can vary greatly from location to location, depending upon how far away an existing utility line is from a specific service area (a block or ½ mile, etc.), how much line needs to be run throughout a specific service area, the depth of the line, whether or not a road boring and/or pavement replacement is needed, if there may be underlying rock, if there is a stream or drainage pipe to be crossed, and other factors. Again, these cost estimates are based on available information, but not on field surveys.

#### **Funding/Creation of an Assessment District**

The Utilities Department has no funds appropriated for the extension of the public water and wastewater systems into existing residential areas. The Utilities Department does not receive any funds from taxes but relies upon connection fees and usage charges collected from users of the public system. In 1989 the Chesterfield County Board of Supervisors adopted the policy of creating assessment districts to fund extensions of the public water and wastewater system into

existing residential areas. The Code of Virginia allows the governing body of any County to impose taxes/assessments upon all owners of property abutting a new utility extension for the construction of that line. Before establishing an assessment district, the Board of Supervisors must hold a public hearing at which time any interested citizens may speak either in favor of or in opposition to creation of the assessment district. After the public hearing the Board may create the assessment district if 2/3 of the Board, or 4 out of 5 members, vote in favor of the district. The amount to be assessed against each property will be advertised in the Richmond Times-Dispatch prior to the public hearing. An assessment district may be considered if a **clear majority** of the property owners in a given area initially request the public service. However, if an assessment district is created by the Board, **all properties** that abut the utility line(s) will be assessed for a portion of the cost of the extension.

### **Determination and Payment of Assessments**

The individual assessment per property is usually determined by dividing the "preliminary project cost estimate" by the number of residential lots that would be in the assessment district, with each property owner paying an equal share. In projects of similar size and costs, those areas with fewer and larger lots would be assessed a significantly higher amount than areas with more, but smaller lots. If an individual owns multiple lots they would be assessed for each lot, unless evidence is provided that several lots are "encumbered" by a single residence (i.e. structure built over a common lot line), or lots cannot be developed for other reasons. If an area under consideration contained larger, undeveloped properties, the assessment would be calculated on both a "per acre" basis as well as a "per lot" basis, so that properties with the potential to be developed with multiple lots would pay a proportionally higher assessment than existing lots with a single dwelling.

When the Board of Supervisors creates an assessment district, within several days the County will record a lien against each property in the amount of the assessment. **Payment is not due until the property owner is notified by the County that the utility extension has been completed and is available for connection.**

The assessed amount can be paid by the property owner in one of two (2) ways:

1. In full, upon completion of the project; or
2. The property owner may choose a payment plan in which payments are made semi-annually over a period not to exceed twenty (20) years. The interest rate is set by the Board of Supervisors on the date the assessment district is created, and is the rate of the U.S. Treasury 1-year bill on that date.

On December 17, 2003 the Board of Supervisors approved an amendment to the County Charter relating to assessment district payments. The amendment required approval of the Virginia General Assembly. It was signed into law by Governor Warner, and went into affect July 1, 2004. The amendment allows **deferral of water and wastewater assessment district payments for property owners aged 65 years or older, and who occupy a dwelling on the property.** At such time as the dwelling is no longer occupied by an owner who is 65 years old or older, or is sold or otherwise conveyed to another person, the suspension of payments will cease, and the entire assessment, including accrued interest, will be immediately due. This suspension of payments can be applied in any assessment district created after January 1, 2004.

When the water or wastewater extension project has been completed, should the "final" total project cost be less than what was originally estimated, the County will re-calculate the assessments and pass the savings on to the property owners. However, should the "final" cost exceed the original estimate, the additional cost will NOT be borne by the property owners, but will be absorbed by the County.

### **Typical Range of Assessment Payments**

Based on the assessment district evaluations that have been done since 1989 (with only a very few assessment districts being created), the range of residential assessments has been between **\$4,000 to \$11,000 for water**, and between **\$9,000 to \$25,000 for wastewater**. To date, the size of residential assessment districts that have been created range from 3 lots to 95 lots.

### **Additional Fees**

The assessments paid would go towards constructing the actual water or wastewater line. Those property owners who wish to connect to the public water or wastewater line and establish public service must also pay a connection fee. The current connection fee per residence for public water service is \$3,627.00\* and \$2,050.00 for public wastewater service. **These fees will increase on July 1, 2007 to \$4,005\* for water service and \$2,370 for wastewater service.** The connection fee can be paid over a three (3) year period. Connection fees are set by the Board of Supervisors and are subject to change. In addition, those connecting will also have to pay a licensed plumber to connect their residence to the public water or wastewater line. This cost may vary greatly depending on how far from the street/road the existing house is located, where the well or septic tank and drain field is located, and how the existing plumbing is arranged.

\*(Note: The standard connection fee for water service is \$4,404.00 in areas where a public water line already exists. **This will increase to \$4,782 on July 1, 2007.** In an assessment district, the \$777.00 charge for tapping the line and extending a service line to the property line is deducted because that work is included for each property in the construction costs for the water line project.)

### **Timeframe**

If an assessment district is created by the Board of Supervisors, the County will then need to secure engineering services to prepare construction plans and plats for any needed easements. When plans are approved, the County will then need to advertise the project, and go through the bidding process. Once a contractor has been selected and a contract finalized, the actual construction of the water or wastewater line will begin. When the utility line construction is completed, Utility Department inspectors will conduct certain tests on the line. When successful results are obtained, the property owners will be notified that the new water or wastewater line is available for connection. **From creation of the assessment district to releasing the line for connection will generally run twelve (12) to twenty-four (24) months.**

### **Requirement to Connect to the Public System**

Although an existing residential structure may be included within an assessment district, there is no requirement by the County that the structure immediately connect to public water and/or wastewater systems. If the property owner later decides to expand the structure, the issuance of a building permit will trigger a Code requirement that the structure connect to the public systems. If the property owner should ever need to repair or replace an existing well or septic

tank and drain field because of operational problems, the Health Department may require that the structure be connected to the public systems. Also, staff has learned most lending institutions considering a loan for a residential property will require that a structure be connected to the public systems (if available) if a well and/or septic tank and drainfield is still in use. That matter is worked out between the buyer and seller.

### **Impact on Residential Property If Connection Is Made to Public System**

Typically there is none. Even if an assessment district is created, the County will not increase the assessed value of a residential property if connection is made to the public water and/or wastewater system. Likewise, the County will not decrease the value because a property owners elects to continue using an existing well and/or septic tank and drainfield. The only exception is for a property that cannot support a septic system, and is therefore considered "un-developable" unless public wastewater service is made available. Staff has learned by working with various realtors that the "perceived value" of an existing residential structure ... i.e., what a buyer may be willing to pay, despite the assessed value ... may be higher if a structure is connected to the public water and wastewater systems, as opposed to private well and septic system.

### **What to Do With An Existing Well and/or Septic Tank and Drainfield**

Property owners connecting to the public water system must have a plumber disconnect their house plumbing from the well. They may continue to use the well for outdoor uses, but the spigots cannot be tied to the house plumbing that is connected to the public water system. The plumbing work must be inspected by a County building inspector. The Health Department should be consulted as to what measures to take when abandoning a septic tank and drainfield. These may include filling the existing tank with sand.

### **Getting started**

If you are interested in pursuing the extension of public water or wastewater service for your neighborhood as an assessment district, you should first talk to your neighbors and/or those who own property adjacent to yours. Provide them each with a copy of [this document](#), and follow-up by asking them to sign a petition indicating their interest. If the majority are interested in pursuing the matter further, send a letter to the Utilities Department (address below) asking that we evaluate the extension of public water or wastewater service (specify which, or both) as a possible assessment district. Include a copy of the petition with your request. If you are not able to serve as the liaison between the neighborhood and the County, please let us know who in the neighborhood will.

When staff has completed it's evaluation of a request, the neighborhood liaison will be mailed a package containing the following:

- letter explaining the assessment district process, and giving the "preliminary project cost estimate" and the "individual assessment per property";
- map showing boundaries of possible assessment district and routing of utility line;
- blank interest survey form to indicate individual property owners "support" of or "opposition" to creation of an assessment district;
- list of property owners and mailing addresses;

- contact information for the Utilities staff member.

Once the neighborhood liaison has had the opportunity to share information with their neighbors, and has collected the completed survey forms, the signed forms should be provided to the Utilities Department staff. Staff will review the forms to determine if there is sufficient interest to pursue the matter further. It should be understood that property owners who do not complete a survey form will be considered as "in opposition" to the proposal. The Utilities Department will advise the neighborhood liaison of the results of the interest survey. If there is a clear majority supporting the proposed assessment district, the process moves forward, and a public hearing before the Board of Supervisors will be scheduled. If the clear majority opposes creation of an assessment district, the project file will be closed. The matter can be pursued again in the future if another property owner wants to initiate the process.

### **Staff Availability for Neighborhood Meetings**

After the neighborhood liaison has distributed information to the impacted property owners, should there be a lot of questions and concerns among the property owners, the neighborhood liaison can request in writing that County staff attend a neighborhood meeting. The supervisor for that district should also be invited. This can be arranged to coincide with a regularly scheduled civic league, or homeowners association meeting, or by the neighborhood liaison contacting all property owners. It is recommended that these meetings be held in a local church, school, or civic association facility.

### **Utilities Department Contact:**

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(updated by CRP 5/1/07)

**INTEREST SURVEY FORM**

**Proposed Water/Wastewater Assessment District to Serve \_\_\_ Properties  
Within the " \_\_\_\_\_ " Subdivision and/or Along \_\_\_\_\_ Road**

I/we, who own the property at \_\_\_\_\_ have reviewed available information regarding a proposal to extend public water/wastewater service by creation of an assessment district. As currently proposed, if an assessment district is created I/we will be assessed in the amount of \$ \_\_\_\_\_. I/we would have the opportunity to pay the assessment in one lump sum, or in bi-annual installments for a period of twenty (20) years. If I/we are aged 65 years or older, I/we may request that those payments be suspended for as long as I/we own and occupy the residence at the above address. I/we understand that my/our signature below does not obligate me/us to anything, but will only be used to document my/our support or opposition for the proposed water/wastewater assessment district, to determine if there is sufficient support to pursue the matter further, and the number of property owners who would qualify for the deferral of payments.

I am/We are:

In favor of the assessment district ( \_\_\_ )

In opposition to the assessment district ( \_\_\_ )

I am/We are:

Currently aged 65 years or older ( \_\_\_ )

Will reach 65 years of age within the next 5 years ( \_\_\_ )

Mr./Mrs./Ms. \_\_\_\_\_ (print name)

\_\_\_\_\_ (signature)

\_\_\_\_\_ (print name)

\_\_\_\_\_ (signature)

Date \_\_\_\_\_

Mailing Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(CRP 5/1/07)

**Note: This form will be modified to conform to specific water and wastewater service requests.**

