

1.0 Purpose and Need

This policy establishes the requirements for transfer of sanitary sewer facilities. In certain circumstances, it may be in the best interest of HRSD, localities, private owners, and the Commonwealth to transfer ownership of sanitary sewer facilities.

2.0 Definitions

Collection System. A network of pipes, manholes, and pumping stations to convey sewage from individual properties to the regional interceptor system. Sewer service laterals on private property are not included.

Facility. One or more sanitary sewer assets but not a complete system.

Facility Transfer Agreement. Contract signed by HRSD and entity that describes the terms and conditions of the facility transfer.

HRSD Service Area. The area of sewer service that is defined through coordination with the localities that HRSD serves. The existing Service Area boundaries can be found on the HRSD website.

HRSD Territory. All territory lying within the boundaries of the counties and cities included in the District, including all territory lying within the boundaries of any town in a county unless otherwise specified.

Localities. Cities, Counties, and Towns located with the HRSD Service Area.

Regional Interceptor System. A network of gravity and/or force main pipes owned and operated by HRSD which convey sanitary sewer flow received from locality or HRSD pump stations to the HRSD treatment works.

Sanitary Sewer Asset. Any individual element of the sanitary sewer or treatment system. Sewer service laterals on private property are not considered to be a sanitary sewer asset.

Sanitary Sewer System. The collection system, the regional interceptor system, and the associated treatment works. Sewer service laterals on private property are not included.

Sewer Service Agreement. Contract signed by HRSD and entity that describes the terms and conditions required for HRSD to own and operate a sanitary sewer system.

Terminal Pump Station. Any pump station that connects to; (1) the regional interceptor system or; (2) to a collection system force main that ties into the regional interceptor system.

3.0 Guiding Principles

HRSD is responsible for ensuring adequate sewage treatment and conveyance capacity exists to meet the current and future sanitary sewer needs within the HRSD service area, and for operating and maintaining the sanitary sewer system, to protect public health and the environment.

To ensure protection of public health and the environment, it may be in the best interest of HRSD, localities, private owners, and the Commonwealth for HRSD to accept transfer of ownership and operation of government or private entity owned sanitary sewer facilities.

Likewise, on occasion it may be in the best interest of HRSD, localities, private owners, and the Commonwealth for HRSD to transfer ownership and operation of HRSD owned sanitary sewer facilities.

Generally, transfer of sanitary sewer facilities will be at the request of the owner of the facilities.

Ownership of sanitary sewer facilities entails assuming the long term liability of operating, maintaining, upgrading, and replacing the facilities. As such, HRSD shall not provide compensation to facility owners upon facility transfer.

4.0 Procedures

4.1 Transfer of Facilities to HRSD

Owners of sanitary sewer facilities desiring to transfer ownership of facilities to HRSD shall submit a request in writing signed by an authorized official.

4.1.1 Requirements

- A. Comply with the criteria described herein.
- B. Execute Sewer Service Agreement or Facility Transfer Agreement.

4.1.2 General Criteria

Facilities to be transferred to HRSD must meet the following criteria:

- A. Any piping, manholes, and associated sanitary sewer appurtenances shall be within a transferrable easement or within the public right of way.
- B. Pump stations, treatment works and other structures associated with the sanitary sewer system shall be on a dedicated parcel deeded to HRSD without lien or any other legal or physical encumbrances. All parcels shall be contiguous with an improved public right of way or with a dedicated ingress/egress easement. Where possible, additional land for buffer and future expansion shall be transferred to HRSD with the facility.

4.1.3 Real Property and Easement Criteria

Transfer of facilities will include the conveyance of all the real property associated with the facilities. The transfer will be by a general warranty fee simple deed in a format acceptable to HRSD's attorney.

Title to facilities shall be marketable and free and clear of any lien or encumbrance which, in the judgment of HRSD, has a materially adverse effect upon the right of HRSD to use such lands or property in the performance of the functions of HRSD or would preclude HRSD from obtaining owners title insurance on the facilities at market rates.

Conveyance of pipeline or similar infrastructure shall include assignment or grant of a perpetual easement to HRSD with defined rights for the maintenance and replacement of the infrastructure.

4.1.4 Transfer of Entire Sanitary Sewer Systems

- A. Government owned, existing systems: Existing sanitary sewer systems owned by a locality within the HRSD service area may be conveyed on a case-by-case basis with an approved Sewer Service Agreement. Facilities may be transferred "as-is." Facilities must be debt free. HRSD shall not compensate a locality for facilities transferred. All facilities shall meet the criteria herein prior to transfer of operational responsibilities.
- B. Privately owned, existing systems: Existing sewer systems owned by a private entity within the HRSD service area may be conveyed on a case-by-case basis with an approved Sewer Service Agreement. Facilities must be debt free. HRSD shall not compensate a private entity for facilities

transferred. All facilities shall meet the criteria herein prior to transfer of operational responsibilities.

4.1.5 Transfer of New Facilities

In addition to meeting the criteria herein, all new sanitary sewer system assets constructed on behalf of a public or private entity to be transferred to HRSD shall also meet the following criteria:

- A. The facilities shall be constructed according to HRSD's Design and Construction Standards and HRSD Sanitary Sewer Guidelines.
- B. All new facilities shall be warranted for one year from the date of transfer.

4.1.6 Transfer of Portions of Existing Sanitary Sewer Systems

In addition to meeting the criteria herein, public or private entities may request that HRSD assume ownership of portions of existing sanitary sewer facilities when the following criteria are met.

- A. Requests will be reviewed on a case by case basis by HRSD for operation and ownership transfer.
- B. Facilities will be transferred at no cost to HRSD with an approved Facility Transfer Agreement.
- C. Facilities proposed to be transferred to HRSD shall undergo a condition assessment review process by HRSD that may include record review and physical inspection. Facilities to be transferred to HRSD must be in good condition and have received adequate maintenance and repair. In cases where facilities are in need of repair or replacement, a cost sharing agreement will be negotiated and executed before HRSD assumes ownership.
- D. Pump station transfers shall include the first gravity manhole upstream of the station and the connecting gravity pipe.
- E. Pump station transfers shall include the force main, and all appurtenances from the station to the HRSD point of connection to the HRSD interceptor.

COMMISSION ADOPTED POLICY
Facility Transfer



Adopted: September 30, 2019	Revised: N/A	Page 5 of 5
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4.1.7 Collection Rates

HRSD will charge all connected users for services rendered in accordance with current rates and policies.

- A. Entire Collection System – HRSD will charge customers served by the transferred facilities the rates published in the HRSD Rate Schedule.
- B. Partial Collection System – HRSD will work with the public or private entity to recover costs for the operation and maintenance of the transferred facilities.

4.2 Transfer of HRSD Facilities

In certain circumstances, it may be in the best interest of HRSD, localities, private owners, and the Commonwealth for HRSD to transfer ownership of HRSD owned sanitary sewer facilities. These instances will be evaluated and negotiated on a case by case basis.

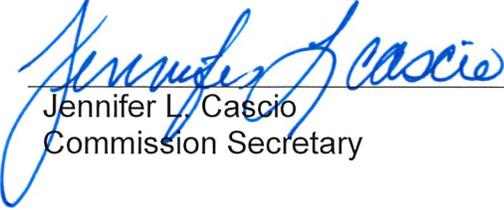
5.0 Responsibility and Authority

The Planning and Analysis Division of the Engineering Department and the Operations Department shall review and approve all facility transfers prior to recommending Commission consideration. All facility transfers must be presented to the Commission for approval.

The Planning and Analysis Division of the Engineering Department shall be responsible for regular reviews and updates to this policy.

This policy supersedes any previous policy or portion of policy related to transfer of facilities.

Approved:  9/30/19
Frederick N. Elofson, CPA
Commission Chair Date

Attest:  9/30/19
Jennifer L. Cascio
Commission Secretary Date