



High Knob Utilities, Inc.

17 Windy Way ♦ Front Royal VA 22630 ♦ 540-635-6131

Fax: (540) 635-6635 ♦ E-mail: hkoffice@hkoai.com

Website: <http://www.hkui.org>

Residential Water Service Agreement

This water service agreement is between the undersigned (“Customer”) and High Knob Utilities, Inc. (“HKUI”), a Virginia corporation operating as a non-profit profit, state-regulated utility serving residents of High Knob Subdivision in Warren County, Virginia. Water quality and system operations are subject to oversight and regulation by the Virginia Department of Health and business operations are subject to the regulation of the Virginia State Corporation Commission. General operations are overseen by a five member Board of Directors consisting of volunteer residents from the High Knob community.

Upon execution of this agreement, HKUI agrees to provide residential water service to the Customer at the premises described below, subject to the terms and conditions of this agreement.

Customer Name: _____

Street Address of Service Premises: _____

High Knob Block and Lot Number: _____

Billing Address: _____

E-mail address: _____

Telephone Number(s): _____

By signing below, the Customer agrees to adhere to and abide by all HKUI policies and regulations. These policies and regulations are available online at <http://www.hkui.org> or by request at the HKUI office. The Customer certifies that he or she is entitled to lawful possession of the premises described above. If the applicant declines to sign this water agreement, HKUI is under no obligation to provide water service to the applicant, and if water service is currently in effect, HKUI may terminate said service.

Contact Information

High Knob Utilities, Inc.
17 Windy Way
Front Royal VA 22630

Ph: 540-635-6131

Fax: 540-635-6635

Phone line is staffed 24 hours for emergencies.

Office hours: Monday through Friday 9 am – 3 pm.

Email: hkoffice@hkoai.com Website: <http://www.hkui.org>

Water Rates: The minimum charge per quarter is \$102.50. The Capital Recovery Fee per quarter is \$12.50. In addition, usage is billed at \$0.00776 per gallon for 1-13,500 gallons, at \$0.00959 per gallon for 13,501-20,000 gallons, and at \$0.01197 per gallon for 20,001 gallons and over. All new service connections are \$2,500.00. Rates have been approved by Virginia State Corporation Commission.

Water system details are as follows:

Water Provider: High Knob Utilities Inc, a wholly owned subsidiary of High Knob Owners' Association Inc (HKOAI), is the water provider for High Knob. HKUI is a state regulated public utility company with a prescribed service area limited to the High Knob Subdivision.

Water System Operator: Telephone (540) 635-6131 for emergencies, to report problems, or for billing questions.

Sources of Water: Seven wells and four springs. All water is chlorinated and tested regularly.

Water Distribution System: Sixteen miles of pipes, multiple storage reservoirs, various pumps and meters. The system was started in 1951 and has been periodically expanded to keep pace with development.

Water System Condition: During 2005, a significant system upgrade was completed, based on the recommendations of a 2001 engineering study. These upgrades were reviewed and approved by the Virginia Department of Health. Storage capacity has been significantly increased, nearly seven miles of water mains were replaced, system equipment is now under wireless computer control and monitoring, backup power is available at critical facilities, and overall system reliability has been greatly enhanced. Other improvements are ongoing.

Rainfall Variations: In rare instances, drought conditions may temporarily decrease water production. In these instances, HKUI may impose water restrictions as necessary to provide basic water service to all customers. During these periods of restricted use, residents may be required to limit water use or to refrain from water-intensive uses such as lawn watering, car washing, and filling swimming pools.

Funding for Capital Improvements: For new construction; builders and/or owners will be assessed a \$2,500.00 fee for water system capital improvements. This fee must be paid prior to the issuance of a building permit.

Customer (Sign)

(Print)

Date

For HKUI (Sign)

(Print)

Date