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SENATE BILL NO. 1188

Offered January 10, 2007

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A BILL to amend and reenact § 2 of Chapter 596 of the Acts of Assembly of 2000 and to amend Chapter 596 by adding sections numbered 5 and 6, and to amend and reenact §§ 15.2-5101, 15.2-5109, 15.2-5111, 15.2-5114, 15.2-5121, 15.2-5136 and 15.2-5145 of the Code of Virginia, relating to the Southeastern Public Service Authority; water and waste authorities generally.

Patron—Blevins (By Request)

Referred to Committee on Local Government

Be it enacted by the General Assembly of Virginia:

1. That § 2 of Chapter 596 of the Acts of Assembly of 2000 is amended and reenacted and Chapter 596 is amended by adding sections numbered 5 and 6 and that §§ 15.2-5101, 15.2-5109, 15.2-5111, 15.2-5114, 15.2-5121, 15.2-5136 and 15.2-5145 of the Code of Virginia are amended and reenacted as follows:

§ 2. That any locality which is a member of the Southeastern Public Service Authority of Virginia may withdraw therefrom, whether or not there are any outstanding bonds of the Southeastern Public Service Authority of Virginia; provided, however, that all written obligations to the Southeastern Public Service Authority of Virginia incurred by a locality while the locality was a member shall remain in full force and effect following the locality's withdrawal the locality commits to repayment of its share of the outstanding bonds and other instruments of financial indebtedness as of the date of withdrawal. In no event shall a locality that withdraws from the Southeastern Public Service Authority of Virginia be obligated to continue depositing waste with, or paying waste disposal or management fees, rates, or charges to, the Southeastern Public Service Authority of Virginia for the same or comparable services.

§ 5. That the General Assembly shall appoint a special commission to investigate the operations and finances of the Southeastern Public Service Authority and make findings regarding the performance and financial stability of the Authority. The special commission shall also make recommendations for the betterment of the localities that are members of the Southeastern Public Service Authority. The special commission shall make recommendations to the General Assembly concerning the financial stability of the Southeastern Public Service Authority and recommendations concerning whether the General Assembly should dissolve the Southeastern Public Service Authority. If dissolution is recommended, the special commission shall prepare a plan of dissolution to address the sale of assets and the equal sharing of debt among the eight member localities.

§ 6. That the General Assembly shall appoint a special commission to investigate the acceptance of out-of-area waste by the Southeastern Public Service Authority of Virginia and make findings regarding whether it is in the best interest of the public. The special commission shall also make recommendations to the General Assembly as to whether or not the acceptance of out-of-area waste by the Southeastern Public Service Authority is in the best interest of the public. As used in this section, the term "out-of-area waste" means municipal solid waste, medical waste, and hazardous waste not originating in the Hampton Roads region.

§ 15.2-5101. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Authority" means an authority created under the provisions of § 15.2-5102 or Article 6 (§ 15.2-5152 et seq.) of this chapter or, if any such authority has been abolished, the entity succeeding to the principal functions thereof.

"Bonds" and "revenue bonds" include notes, bonds, bond anticipation notes, and other obligations of an authority for the payment of money.

"Cost," as applied to a stormwater control system or a water or waste system, includes the purchase price of the system or the cost of acquiring all of the capital stock of the corporation owning such system and the amount to be paid to discharge all of its obligations in order to vest title to the system or any part thereof in the authority; the cost of improvements; the cost of all land, properties, rights, easements, franchises and permits acquired; the cost of all labor, machinery and equipment; financing and credit enhancement charges; interest prior to and during construction and for one year after completion of construction; any deposit to any bond interest and principal reserve account, start-up costs and reserves and expenditures for operating capital; cost of engineering and legal services, plans, specifications, surveys, estimates of costs and revenues; other expenses necessary or incident to the determining of the feasibility or practicability of any such acquisition, improvement, or construction;

59 administrative expenses and such other expenses as may be necessary or incident to the financing
60 authorized in this chapter and to the acquisition, improvement, or construction of any such system and
61 the placing of the system in operation by the authority. Any obligation or expense incurred by an
62 authority in connection with any of the foregoing items of cost and any obligation or expense incurred
63 by the authority prior to the issuance of revenue bonds under the provisions of this chapter for
64 engineering studies, for estimates of cost and revenues, and for other technical or professional services
65 which may be utilized in the acquisition, improvement or construction of such system is a part of the
66 cost of such system.

67 "Cost of improvements" means the cost of constructing improvements and includes the cost of all
68 labor and material; the cost of all land, property, rights, easements, franchises, and permits acquired
69 which are deemed necessary for such construction; interest during any period of disuse during such
70 construction; the cost of all machinery and equipment; financing charges; cost of engineering and legal
71 expenses, plans, specifications; and such other expenses as may be necessary or incident to such
72 construction.

73 "Federal agency" means the United States of America or any department, agency, instrumentality, or
74 bureau thereof.

75 "Improvements" means such repairs, replacements, additions, extensions and betterments of and to a
76 stormwater control system or a water or waste system as an authority deems necessary to place or
77 maintain the system in proper condition for the safe, efficient and economical operation thereof or to
78 provide service in areas not currently receiving such service.

79 "*Municipal solid waste*" means household trash and garbage, excluding hazardous waste, asbestos
80 and other types of waste that are not expected to be generated by residential use.

81 "*Out-of-area waste*" means municipal solid waste, medical waste or hazardous waste originating
82 outside the region or area intended to be served by the authority.

83 "Owner" includes persons, federal agencies, and units of the Commonwealth having any title or
84 interest in any stormwater control system or a water or waste system, or the services or facilities to be
85 rendered thereby.

86 "Political subdivision" means a locality or any institution or commission of the Commonwealth of
87 Virginia.

88 "Refuse" means solid waste, including sludge and other discarded material, such as solid, liquid,
89 semi-solid or contained gaseous material resulting from industrial, commercial, mining, and agricultural
90 operations or from community activities or residences. "Refuse" does not include (i) solid and dissolved
91 materials in domestic sewage, (ii) solid or dissolved material in irrigation return flows or in industrial
92 discharges which are sources subject to a permit from the State Water Control Board, or (iii) source,
93 special nuclear, or by-product material as defined by the Federal Atomic Energy Act of 1954 (42 U.S.C.
94 § 20011, et seq.), as amended.

95 "Refuse collection and disposal system" means a system, plant or facility designed to collect,
96 manage, dispose of, or recover and use energy from refuse and the land, structures, vehicles and
97 equipment for use in connection therewith.

98 "Sewage" means the water-carried wastes created in and carried, or to be carried, away from
99 residences, hotels, schools, hospitals, industrial establishments, commercial establishments or any other
100 private or public buildings, together with such surface or ground water and household and industrial
101 wastes as may be present.

102 "Sewage disposal system" means any system, plant, disposal field, lagoon, pumping station,
103 constructed drainage ditch or surface water intercepting ditch, incinerator, area devoted to sanitary
104 landfills, or other works, installed for the purpose of treating, neutralizing, stabilizing or disposing of
105 sewage, industrial waste or other wastes.

106 "Sewer system" or "sewage system" means pipelines or conduits, pumping stations, and force mains,
107 and all other constructions, devices, and appliances appurtenant thereto, used for conducting sewage,
108 industrial wastes or other wastes to a plant of ultimate disposal.

109 "Stormwater control system" means a structural system of any type that is designed to manage the
110 runoff from land development projects or natural systems designated for such purposes, including,
111 without limitation, retention basins, ponds, wetlands, sewers, conduits, pipelines, pumping and ventilating
112 stations, and other plants, structures, and real and personal property used for support of the system.

113 "Unit" means any department, institution or commission of the Commonwealth; any public corporate
114 instrumentality thereof; any district; or any locality.

115 "Water or waste system" means any water system, sewer system, sewage disposal system, or refuse
116 collection and disposal system, or any combination of such systems. "Water system" means all plants,
117 systems, facilities or properties used or useful or having the present capacity for future use in connection
118 with the supply or distribution of water, or facilities incident thereto, and any integral part thereof,
119 including water supply systems, water distribution systems, dams and facilities for the generation or
120 transmission of hydroelectric power, reservoirs, wells, intakes, mains, laterals, pumping stations,

standpipes, filtration plants, purification plants, hydrants, meters, valves and equipment, appurtenances, and all properties, rights, easements and franchises relating thereto and deemed necessary or convenient by the authority for the operation thereof but not including dams or facilities for the generation or transmission of hydroelectric power that are not incident to plants, systems, facilities or properties used or useful or having the present capacity for future use in connection with the supply or distribution of water.

§ 15.2-5109. Dissolution of authority.

A. *By action of the authority.* Whenever the board of an authority determines that the purposes for which it was created have been completed or are impractical or impossible or that its functions have been taken over by one or more political subdivisions and that all its obligations have been paid or have been assumed by one or more of such political subdivisions or any authority created thereby or that cash or United States government securities have been deposited for their payment, it shall adopt and file with the governing body of each political subdivision which is a member of the authority a resolution declaring such facts. If all the governing bodies adopt resolutions concurring in such declaration and finding that the authority should be dissolved, they shall file appropriate articles of dissolution with the State Corporation Commission.

If any of the governing bodies refuse to adopt resolutions concurring in such declaration, then the authority may petition the circuit court for any locality which is a member of the authority to order one or more of such governing bodies to create a new authority. The circuit court may order the governing body of the political subdivision requesting dissolution of the existing authority to adopt an ordinance establishing a new authority to which the provisions of §§ 15.2-5102 through 15.2-5106 shall not apply. Thereafter, the court may order that the assets be divided among the authorities and, subject to the approval of any debt holder, require the assumption of a proportionate share of the obligations of the existing authority by the new authority.

B. *On petition of the membership.* One or more member localities may file a petition with a circuit court of competent jurisdiction to request the dissolution of any authority that is, or is in reasonable danger of becoming, financially insolvent. Upon an initial showing of actual or pending financial insolvency, the circuit court may order independent financial and forensic audits. In the event the circuit court determines the authority is in danger of becoming financially insolvent, the court may order a reorganization plan or dissolution with the equal distribution of assets and debt obligations among the member localities.

C. Notwithstanding the provisions of subdivision 1 of § 15.2-5114, an authority shall continue in existence and shall not be dissolved because the term for which it was created, including any extensions thereof, has expired, unless all of such authority's functions have been taken over and its obligations have been paid or have been assumed by one or more political subdivisions or by an authority created thereby, or cash or United States government securities have been deposited for their payment.

§ 15.2-5111. Specification of projects.

If they have specified the initial purpose or purposes of the authority and insofar as practicable, any project or projects to be undertaken by the authority, the governing bodies of any of the localities organizing an authority may, at any time by ordinance or resolution, after a public hearing, and with or without a referendum, specify further projects to be undertaken by the authority. No other projects shall be undertaken by the authority than those so specified. If the governing bodies of the localities organizing the authority fail to specify any project or projects to be undertaken, then the authority shall be deemed to have all the powers granted by this chapter. *Notwithstanding the foregoing, no authority shall be authorized to engage in the solicitation or acceptance of out-of-area waste unless (i) such action is expressly authorized in the authority's articles of incorporation; and (ii) each member of the authority votes in approval of the out-of-area waste proposal.*

§ 15.2-5114. Powers of authority.

Each authority is an instrumentality exercising public and essential governmental functions to provide for the public health and welfare, and each authority may:

1. Exist for a term of 50 years as a corporation, and for such further period or periods as may from time to time be provided by appropriate resolutions of the political subdivisions which are members of the authority; however, the term of an authority shall not be extended beyond a date 50 years from the date of the adoption of such resolutions;

2. Adopt, amend or repeal bylaws, rules and regulations, not inconsistent with this chapter or the general laws of the Commonwealth, for the regulation of its affairs and the conduct of its business and to carry into effect its powers and purposes;

3. Adopt an official seal and alter the same at pleasure;

4. Maintain an office at such place or places as it may designate;

5. Sue and be sued;

6. Acquire, purchase, lease as lessee, construct, reconstruct, improve, extend, operate and maintain

182 any stormwater control system or water or waste system or any combination of such systems within,
183 outside, or partly within and partly outside one or more of the localities which created the authority, or
184 which after February 27, 1962, joined such authority; acquire by gift, purchase or the exercise of the
185 right of eminent domain lands or rights in land or water rights in connection therewith, within, outside,
186 or partly within and partly outside one or more of the localities which created the authority, or which
187 after February 27, 1962, joined such authority; and sell, lease as lessor, transfer or dispose of all or any
188 part of any property, real, personal or mixed, or interest therein, acquired by it; however, in the exercise
189 of the right of eminent domain the provisions of § 25.1-102 shall apply. In addition, the authority in any
190 county or city to which §§ 15.2-1906 and 15.2-2146 are applicable shall have the same power of
191 eminent domain and shall follow the same procedure provided in §§ 15.2-1906 and 15.2-2146. No
192 property or any interest or estate owned by any political subdivision shall be acquired by an authority
193 by the exercise of the power of eminent domain without the consent of the governing body of such
194 political subdivision. Except as otherwise provided in this section, each authority is hereby vested with
195 the same authority to exercise the power of eminent domain as is vested in the Commonwealth
196 Transportation Commissioner. In acquiring personal property or any interest, right, or estate therein by
197 purchase, lease as lessee, or installment purchase contract, an authority may grant security interests in
198 such personal property or any interest, right, or estate therein;

199 7. Issue revenue bonds of the authority, such bonds to be payable solely from revenues to pay all or
200 a part of the cost of a stormwater control system or water or waste system;

201 8. Combine any stormwater control system or water or waste system as a single system for the
202 purpose of operation and financing;

203 9. Borrow at such rates of interest as authorized by the general law for authorities and as the
204 authority may determine and issue its notes, bonds or other obligations therefor. Any political
205 subdivision that is a member of an authority may lend, advance or give money to such authority;

206 10. Fix, charge and collect rates, fees and charges for the use of or for the services furnished by or
207 for the benefit from any system operated by the authority. Such rates, fees, rents and charges shall be
208 charged to and collected from any person contracting for the services or the *owner*, lessee or tenant who
209 uses or occupies any real estate which is served by or benefits from any such system. *An authority shall*
210 *have the authority to assess rates, fees, rents and charges directly against a property owner, lessee or*
211 *tenant for services rendered.* Water and sewer connection fees established by any authority shall be fair
212 and reasonable. Such fees shall be reviewed by the authority periodically and shall be adjusted, if
213 necessary, to assure that they continue to be fair and reasonable. *In no event shall an authority fix,*
214 *charge or collect rates, fees, rents or charges against the Commonwealth or its localities that exceed the*
215 *rates, fees, rents or charges assessed upon or collected from any other person, state or agency for the*
216 *same or comparable waste management services.* Nothing herein shall affect existing contracts with
217 bondholders that are in conflict with any of the foregoing provisions;

218 11. Enter into contracts with the federal government, the Commonwealth, the District of Columbia or
219 any adjoining state or any agency or instrumentality thereof, any unit or any person. Such contracts may
220 provide for or relate to the furnishing of services and facilities of any stormwater control system or
221 water or waste system of the authority or in connection with the services and facilities rendered by any
222 like system owned or controlled by the federal government, the Commonwealth, the District of
223 Columbia or any adjoining state or any agency or instrumentality thereof, any unit or any person, and
224 may include contracts providing for or relating to the right of an authority, created for such purpose, to
225 receive and use and dispose of all or any portion of the refuse generated or collected by or within the
226 jurisdiction or under the control of any one or more of them. In the implementation of any such
227 contract, an authority may exercise the powers set forth in §§ 15.2-927 and 15.2-928. *In no event shall*
228 *an authority enter into contracts to receive, use, transport or dispose of out-of-area waste, unless the*
229 *criteria set out in § 15.2-5111 are met.* The power granted authorities under this chapter to enter into
230 contracts with private entities includes the authority to enter into public-private partnerships for the
231 establishment and operation of water and sewage systems, including the authority to contract for, and
232 contract to provide, meter reading, billing and collections, leak detection, meter replacement and any
233 related customer service functions;

234 12. Contract with the federal government, the Commonwealth, the District of Columbia, any
235 adjoining state, any person, any locality or any public authority or unit thereof, on such terms as the
236 authority deems proper, for the construction, operation or use of any project which is located partly or
237 wholly outside the Commonwealth;

238 13. Enter upon, use, occupy, and dig up any street, road, highway or private or public lands in
239 connection with the acquisition, construction or improvement, maintenance or operation of a stormwater
240 control system or water or waste system, or streetlight system in a county having a population between
241 13,200 and 14,000 according to the 1990 United States Census, subject, however, to such reasonable
242 local police regulation as may be established by the governing body of any unit having jurisdiction;

243 14. Contract with any person, political subdivision, federal agency, or any public authority or unit, on

such terms as the authority deems proper, for the purpose of acting as a billing and collecting agent for sewer service or sewage disposal service fees, rents or charges imposed by any such body; and

15. Install, own and lease pipe or conduit for the purpose of carrying fiber optic cable, provided that such pipe or conduit and the rights-of-way in which they are contained are made available on a nondiscriminatory, first-come, first-served basis to retail providers of broadband and other telecommunications services unless the facilities have insufficient capacity for such access and additional capacity cannot reasonably be added to the facilities.

§ 15.2-5121. Operation of refuse collection systems; displacement of private companies.

A. No authority shall operate or contract for the operation of a refuse collection and disposal system for any political subdivision, or collect service charges therefor, unless the authority, and subsequently the locality's governing body find: (i) that privately owned and operated refuse collection and disposal services are not available on a voluntary basis by contract or otherwise, (ii) that the use of such privately owned services has substantially endangered the public health or has resulted in substantial public nuisance, (iii) that the privately owned refuse collection and disposal service is not able to perform the service in a reasonable and cost-efficient manner, or (iv) that operation by such authority or the contract for such operation, in spite of any potential anti-competitive effect, is important in order to provide for the development and/or operation of a regional system of refuse collection and disposal for two or more units.

B. Notwithstanding the provisions of subsection A, an authority formed under this chapter shall not operate or contract for the operation of a refuse collection and disposal system which displaces a private company engaged in the provision of refuse collection and disposal unless it provides the company with five years' notice of its decision to operate such a system. As an alternative to delaying displacement five years, the governing body or authority may pay a displaced company an amount equal to the company's preceding twelve months' gross receipts for the displaced service in the displacement area. Such five-year period shall lapse as to any private company being displaced when such company ceases to provide service within the displacement area.

C. For purposes of this section, "displace" or "displacement" means an authority's provision of a system which prohibits a private company from providing the same service and which it is providing at the time the decision that will result in the displacement is made. Displace or displacement does not mean: (i) competition between the public sector and private companies for individual contracts; (ii) situations in which an authority, at the end of a contract with a private company, does not renew the contract and either awards the contract to another private company or, following a competitive process conducted in accordance with the Virginia Public Procurement Act, decides for any reason to provide such service itself; (iii) situations in which action is taken against a private company because the company has acted in a manner threatening to the public health and safety or resulting in a substantial public nuisance; (iv) situations in which action is taken against a private company because the company has materially breached its contract with the political subdivision; (v) entering into a contract with a private company to provide refuse collection and disposal so long as such contract is not entered into pursuant to an ordinance which displaces or authorizes the displacement of another private company providing refuse collection and disposal; or (vi) situations in which a private company refuses to continue operations under the terms and conditions of its existing agreement during the five-year notice period.

D. An authority shall not make the findings required by subsection A or proceed to seek to operate a refuse collection and disposal system for any political subdivision that would displace a private company pursuant to subsection B until it has provided (i) public notice; (ii) a public hearing; and (iii) no less than forty-five days prior to the public hearing, written notice mailed first class to all private companies providing a refuse collection and disposal system in the political subdivision that can be identified through the political subdivision's records.

E. The requirements and restrictions of this section shall not apply in any political subdivision wherein refuse collection and disposal services are being operated or contracted for by any sanitary district located therein, as of July 1, 1983.

EE. Notwithstanding the provisions of this section, a political subdivision need not comply with the requirements of this section if:

1. The authority proposes to contract with the private sector for services or systems involving discarded or waste materials removed from the nonhazardous solid waste stream for recycling; or

2. The authority proposes to contract with the private sector for services or systems involving collection and disposal of nonhazardous solid waste and (i) the collected waste will be disposed of in a state-permitted waste management facility; (ii) the authority has a contract for services which shall be paid for through a supporting financial agreement approved by the participating locality's governing body; and (iii) such action will not displace a private company engaged in refuse collection and disposal. For purposes of this section, "recycling" means the process of separating a particular

305 nonhazardous waste material from the waste stream and processing it so that it may be used again as a
306 new material.

307 § 15.2-5136. Rates and charges.

308 A. The authority may fix and revise rates, fees and other charges (which shall include, but not be
309 limited to, a penalty not to exceed ten percent on delinquent accounts, and interest on the principal),
310 subject to the provisions of this section, for the use of and for the services furnished or to be furnished
311 by any storm water control system or water or waste system, or streetlight system in a county having a
312 population between 13,200 and 14,000 according to the 1990 United States Census, or facilities incident
313 thereto, owned, operated or maintained by the authority, or facilities incident thereto, for which the
314 authority has issued revenue bonds as authorized by this chapter. Such rates, fees and charges shall be
315 so fixed and revised as to provide funds, with other funds available for such purposes, sufficient at all
316 times (i) to pay the cost of maintaining, repairing and operating the system or systems, or facilities
317 incident thereto, for which such bonds were issued, including reserves for such purposes and for
318 replacement and depreciation and necessary extensions, (ii) to pay the principal of and the interest on
319 the revenue bonds as they become due and reserves therefor, and (iii) to provide a margin of safety for
320 making such payments. The authority shall charge and collect the rates, fees and charges so fixed or
321 revised.

322 B. The rates for water (including fire protection) and sewer service (including disposal) shall be
323 sufficient to cover the expenses necessary or properly attributable to furnishing the class of services for
324 which the charges are made. However, the authority may fix rates and charges for the services and
325 facilities of its water system sufficient to pay all or any part of the cost of operating and maintaining its
326 sewer system (including disposal) and all or any part of the principal of or the interest on the revenue
327 bonds issued for such sewer or sewage disposal system, and may pledge any surplus revenues of its
328 water system, subject to prior pledges thereof, for such purposes.

329 C. Rates, fees and charges for the services of a sewer or sewage disposal system shall be just and
330 equitable, and may be based upon:

- 331 1. The quantity of water used or the number and size of sewer connections;
- 332 2. The number and kind of plumbing fixtures in use in the premises connected with the sewer or
333 sewage disposal system;
- 334 3. The number or average number of persons residing or working in or otherwise connected with
335 such premises or the type or character of such premises;
- 336 4. Any other factor affecting the use of the facilities furnished; or
- 337 5. Any combination of the foregoing factors.

338 However, the authority may fix rates and charges for services of its sewer or sewage disposal system
339 sufficient to pay all or any part of the cost of operating and maintaining its water system, including
340 distribution and disposal, and all or any part of the principal of or the interest on the revenue bonds
341 issued for such water system, and to pledge any surplus revenues of its water system, subject to prior
342 pledges thereof, for such purposes.

343 D. Water and sewer connection fees established by any authority shall be fair and reasonable. Such
344 fees shall be reviewed by the authority periodically and shall be adjusted, if necessary, to assure that
345 they continue to be fair and reasonable. Nothing herein shall affect existing contracts with bondholders
346 which are in conflict with any of the foregoing provisions.

347 E. Rates, fees and charges for the service of a streetlight system shall be just and equitable, and may
348 be based upon:

- 349 1. The portion of such system used;
- 350 2. The number and size of premises benefiting therefrom;
- 351 3. The number or average number of persons residing or working in or otherwise connected with
352 such premises;
- 353 4. The type or character of such premises;
- 354 5. Any other factor affecting the use of the facilities furnished; or
- 355 6. Any combination of the foregoing factors.

356 However, the authority may fix rates and charges for the service of its streetlight system sufficient to
357 pay all or any part of the cost of operating and maintaining such system.

358 F. The authority may also fix rates and charges for the services and facilities of a water system or a
359 refuse collection and disposal system sufficient to pay all or any part of the cost of operating and
360 maintaining facilities incident thereto for the generation or transmission of power and all or any part of
361 the principal of or interest upon the revenue bonds issued for any such facilities incident thereto, and to
362 pledge any surplus revenues from any such system, subject to prior pledges thereof, for such purposes.
363 Charges for services to premises, including services to manufacturing and industrial plants, obtaining all
364 or a part of their water supply from sources other than a public water system may be determined by
365 gauging or metering or in any other manner approved by the authority. *In no event shall an authority*
366 *fix, charge or collect rates, fees, rents or charges against the Commonwealth or its localities that exceed*

the rates, fees, rents or charges assessed upon or collected from any other person, state or agency for the same or comparable waste management services.

G. No sewer, sewage disposal or storm water control rates, fees or charges shall be fixed under subsections A through F until after a public hearing at which all of the users of such facilities; the owners, tenants or occupants of property served or to be served thereby; and all others interested have had an opportunity to be heard concerning the proposed rates, fees and charges. After the adoption by the authority of a resolution setting forth the preliminary schedule or schedules fixing and classifying such rates, fees and charges, notice of a public hearing, setting forth the proposed schedule or schedules of rates, fees and charges, shall be given by two publications, at least six days apart, in a newspaper having a general circulation in the area to be served by such systems at least sixty days before the date fixed in such notice for the hearing. The hearing may be adjourned from time to time. A copy of the notice shall be mailed to the governing bodies of all localities in which such systems or any part thereof is located. After the hearing the preliminary schedule or schedules, either as originally adopted or as amended, shall be adopted and put into effect.

H. No refuse collection and disposal rates, fees or charges shall be fixed under subsections A through F until after a public hearing at which all of the users of such facilities; the owners, tenants or occupants of property served or to be served thereby; and all others interested have had an opportunity to be heard concerning the proposed rates, fees and charges. *No authority shall fix, charge or collect rates, fees, rents or charges against the Commonwealth or its localities that exceed the rates, fees, rents or charges assessed upon or collected from any other person, state or agency for the same or comparable waste management services.* After the adoption by the authority of a resolution setting forth the preliminary schedule or schedules fixing and classifying such rates, fees and charges, notice of a public hearing, setting forth the proposed schedule or schedules of rates, fees and charges, shall be given by a single publication in a newspaper having a general circulation in the area to be served by such systems at least fifteen days before the date fixed in such notice for the hearing. The hearing may be adjourned from time to time. A copy of the notice shall be mailed to the governing bodies of all localities in which such systems or any part thereof is located. After the hearing the preliminary schedule or schedules, either as originally adopted or as amended, may be adopted and put into effect.

I. A copy of the schedule or schedules of the final rates, fees and charges fixed in accordance with subsection G or H shall be kept on file in the office of the clerk or secretary of the governing body of each locality in which such systems or any part thereof is located, and shall be open to inspection by all interested parties. The rates, fees or charges so fixed for any class of users or property served shall be extended to cover any additional properties thereafter served which fall within the same class, without the necessity of a hearing or notice. Any increase in any rates, fees or charges under this section shall be made in the manner provided in subsection G. Any other change or revision of the rates, fees or charges may be made in the same manner as the rates, fees or charges were originally established as provided in subsection G or H.

§ 15.2-5145. Financial report; authority budget; audit.

Any locality may, by resolution, require an authority to:

1. Submit to it an annual financial statement in a form prescribed by the Auditor of Public Accounts; or

2. Have an audit conducted for any fiscal year according to generally accepted auditing and accounting standards or according to the audit specifications and audit program prescribed by the Auditor of Public Accounts; or

3. Have a forensic audit conducted for any fiscal year to determine whether the authority is operating in accordance with the best interest of its member localities. In any such case, the locality requesting the audit may select the auditor, provided the locality assumes responsibility for the costs.