



BOND ADMINISTRATION

DEPARTMENT OF PUBLIC UTILITIES

Process Overview

The Department of Public Utilities (DPU) requires the posting of a performance surety for the majority of all proposed public water and sanitary sewer infrastructure. In the case of residential subdivisions located within the County, the bond will be held by the Planning Department in the required overall public improvement bond. However, in the case of commercial and industrial site plans or projects within the Town of Ashland, DPU will hold a performance bond for the construction of the required public utilities.

Commercial and industrial site plan projects that require a Utility Service Agreement (USA) with DPU, whether in the Town of Ashland or the County, will also need to post a Performance Surety. The amount of the performance surety is equivalent to 100% of the estimated public water and/or sanitary sewer construction cost and must be posted prior to the issuance of the Utility Construction Permit. The term of the surety will extend until Tentative Acceptance is granted, whereby the surety amount may be reduced to 20% of the original amount.

??? QUESTIONS ???

Applicants should contact the assigned DPU Utility Agent to assist them with the appropriate surety requirements for their project

☎ Call: 804-365-6019 ☎



Prior to Final Acceptance of the project, a Defect Surety must be obtained. The Defect Surety guarantees the accepted public water and/or sanitary sewer against defective materials or workmanship for a period of one year. At the time the Defect Surety is obtained, the conditions of the Performance Surety must have been satisfied.

There are three forms of surety: bond, letter of credit, and cash. The following are the standard forms which are used when posting the various types of sureties during the construction or warranty period:

Construction Performance Surety:

- Construction Performance Bond and Agreement, Form 1417
- Utility Construction Letter of Credit, Form 1404
- Cash Bond Agreement, Form 1412

Defect Surety:

- Defect Bond Agreement, Form 1409
- Utility Letter of Credit – One Year Defect Bond, Form 1403
- Cash Defect Bond, Form 1409A

Guidance in completing these documents may be obtained using Form 1432, Instructions for Surety Documents, or from a DPU Utility Agent.

