

EASTSIDE UTILITY DISTRICT

WATERLINE CONSTRUCTION AND WATER SERVICE POLICY

This Waterline Construction and Water Service Policy (the "Policy") is adopted by the Eastside Utility District to assist developers and property owners in planning the construction of new or changes to existing commercial, industrial or residential facilities which will require water service and to assist prospective customers of the District in understanding how to obtain water service from the District for property which previously has not had water service. This Policy is subject to change without prior notice. The Policy which is currently effective will be on file at the office of the Eastside Utility District. Developers and owners must inquire about any Policy updates before taking any action.

1. Definitions. For this Policy, the following terms hold the respective meanings mentioned:

(a) "Application for Special Connection" means the District's standard form of application for connection of private waterlines to the District's waterlines for fire protection purposes. No Application for Special Connection shall be effective until accepted by the District as evidenced by the execution of the Application by the District.

(b) "Developer" means any individual person, partnership, corporation or other entity that plans to change the use of undeveloped property or to change the

water service requirements of previously developed property for residential, commercial, industrial, recreational or any other use.

(c) "Development" means the property to be developed or changed by the Developer.

(d) "District" means the Eastside Utility District.

(e) "District Specifications" means the specifications which have been adopted by the District for the construction and installation of waterlines and which are on file in the office of the District.

"TDEC" means the Tennessee Department of Environment and Conservation.

(g) "Owner" means any individual person, partnership, corporation or other entity that is the owner of property to be developed or changed or for which new water service is to be supplied, if other than the Developer.

(h) "Prospective Customer" means a possible future customer of the District who may buy or lease property in a Development and apply for water service from the District.

(i) "Service Line Laterals" means waterlines that connect the water distribution lines with the point of delivery to the customer. This specifically pertains to the part of the line before the meter or the tapping valve in the situation of private waterlines that fall under the Application for Special Connection.

2. Ownership of Waterlines. The District will become the owner of all waterlines tapped into District mains which are constructed by the Developer or

Owner on the public right of way, including Service Line Laterals, up to the meter or the tapping valve for private waterlines covered by the Application for Special Connection. At its option, the District will also become the owner of waterlines constructed on private property up to the meter on such lines (or the tapping valve for fire service lines) if the Owner grants the District an easement in accordance with the requirements of Section 7 of this Policy. Such ownership shall be acquired pursuant to the terms and conditions of the Waterline Ownership Agreement which the Developer or Owner will execute and deliver to the District as required by Section 12 of this Policy.

3. Review and Approval of Preliminary Plans. The Developer or owner will submit to the District for review and approval preliminary plans for all waterlines which may eventually become the property of the District or that will be the subject for an Application for Special Connection as provided in this Policy. Such preliminary plans shall be submitted to the District for review and approval after such plans have received any required approval by the Chattanooga-Hamilton County Regional Planning Commission and the fire department having jurisdiction. The District shall approve such preliminary plans upon its determination that the District has the ability to supply the required water and that such plans show satisfactory waterline locations, points of connection to District water mains and pipe size and compliance with District Specifications.

4. Design Information. If the District determines that it can supply the water requirements, within fifteen (15) days after receipt of preliminary plans

for waterlines, the District shall give the Developer or Owner design information as to measurements of pressure and flow rates taken by the District at points in the District's water distribution system which are close to the proposed point of connection of the new waterlines to the existing District water main as shown in the preliminary plans submitted to the District.

5. Governmental Approvals. After the District has approved the preliminary plans submitted to it, the Developer or Owner shall submit final plans for waterline construction for review and approval to TDEC and all other governmental agencies or departments which must review or approve such plans. The Developer or Owner shall submit to the District two copies of the final plans as approved by TDEC, the fire department having jurisdiction and any other government agencies or departments prior to beginning construction of the waterlines. The Developer or Owner shall also furnish to the District a copy of the letter approving the plans from TDEC and any other agencies or departments required to approve the plans.

6. Specifications for Construction. All construction must meet District Specifications and all federal, state and local ordinances, laws and regulations. The District Specification is on file with TDEC and can be referred to when plans are submitted to TDEC for approval.

7. Locations of Waterlines. Installation of waterlines along public roads shall be on the shoulder of the roadway, outside of the pavement, or as directed by the proper authority with the approval of the District. Waterlines installed in

new subdivisions shall be located three feet behind the curb line in a separate ditch from all the utilities with at least a five-foot clearance from any other parallel utility line or cable. To the extent practical, waterlines shall be located on the public right of way which will parallel the roadways in the Development. If the District should determine in its sole discretion that it is not practical to locate the waterlines on the right of way, the Developer or the Owner will provide the District with a perpetual easement which will extend five(5) feet on either side of the waterline, for a total of ten(10) feet for waterlines up to 12 inches in size. Sizes exceeding 12 inches will require a minimum of fifteen(15) feet or larger. The easement documents should adhere to the District's acceptable format and are duly executed, delivered, and recorded. The Developer or the Owner must provide satisfactory evidence to the District, confirming the proper completion of the dedication of the public right of way.

8. Responsibility for Costs.

(a) When District mains extend to the Development, it is the responsibility of the developer to bear all the expenses associated with the construction and installation of waterlines within or as part of the Development. These expenses include the installation of valves, fire hydrants, Service Line Laterals, and the necessary engineering permits, inspections, tests, easements, and construction costs. This also encompasses all other costs related to planning, construction, and installation of waterlines.

(b) The District will furnish copper pipe and brass fittings for Service Line Laterals. All other pipes, fittings, valves, hydrants and other

materials and incidentals necessary for the construction and installation of the waterlines shall be furnished by the Developer or the Owner. If, to accommodate the District's plans for future expansion, the District requires the Developer or Owner to install pipe which is both larger than the minimum pipe size requirements of the District Specifications and larger than reasonably necessary to meet the Developer's or Owner's requirements, the District will pay the additional cost of the larger pipe.

9. Inspection of Construction.

(a) The District holds the right to inspect the construction and installations of all waterlines before the District assumes ownership as provided in this Policy. After the plans for the construction and installation of waterlines have been reviewed and approved by TDEC, the Developer or the Owner is required to give adequate notice to the District prior to construction. The District shall agree upon any concerns during construction and installation. The Developer or the Owner shall provide the District with adequate notice regarding the schedule and progress of the construction and installation. The District should be granted access to the construction site whenever requested, at their convenience. The District will not bear any responsibility or accept the ownership of waterlines or permit a waterline tap that has not been inspected as per the Policy.

(b) The Developer or Owner shall do all things necessary to arrange and permit inspection of the installation and construction of the

waterlines by TDEC and all other governmental agencies and departments which have the right to inspect such installation and construction.

10. Tapping of Existing District Water Mains.

(a) The District will permit the waterlines which the Developer or the Owner has constructed and installed to be tied into the existing water main of the District and water to be turned into such waterlines after:

(1) the District has given it final approval of the installation and construction of the waterlines and all necessary approvals of TDEC of any other governmental agencies or departments have been received,

(2) the Developer or the owner has excavated and cleaned the existing main at the location at which the tapping saddle will be installed,

(3) the Developer or the Owner has installed the tapping saddle, tapping valve and pressure tested necessary components for the tap,

(4) the Developer or Owner has fulfilled payment of the tap charge, as per the prevailing rates at the time,

(5) the Developer or the Owner has executed and delivered to the District the Waterline Ownership Agreement prescribed in Section 12 below, and the Developer or the Owner has delivered to the District all necessary easement and dedication documents and agreements.

(b) The Developer shall install the tapping saddle and valve and the District will implement tapping of the water main.

11. Warranty.

(a) In the Waterline Ownership Agreement prescribed in Section 12 below, the Developer or the Owner shall warrant that the waterlines constructed and installed by it shall be free from defects in materials and workmanship and shall agree to repair any such defects in workmanship and materials for a period of one year from the date that the District permits the waterlines to be tied into the District's main and turns water into the waterlines, and that the tests required by the District Specifications have been performed to the satisfaction of the District.

(b) Upon the request of the District, the Developer or the Owner shall furnish the District a performance bond issued by a company acceptable to the District in an amount and containing terms acceptable to the District to secure the obligations of the Developer or the Owner under its warranty of the construction and installation of the waterlines. At its discretion, the District may require such a bond if the General Manager of the District determines that the financial condition or past performance of the Developer or the Owner makes such a bond necessary or desirable for the protection of the District. With the consent of the District, the Developer or the Owner may furnish security other than a bond which shall be in form and substance acceptable to the District.

12. Waterline Ownership Agreement. Prior to the time that the District

permits the waterlines which are constructed and installed by the Developer or the Owner to be tied into the District's main and turns water into the waterlines, the Developer or the Owner shall execute and deliver to the District a Waterline Ownership Agreement. The Waterline Ownership Agreement shall contain the warranty of the Developer, or the Owner described in Section 11 above. The Waterline Ownership Agreement shall also transfer to the District ownership of the waterlines constructed and installed by the Developer or the Owner up to and including any meters installed or to be installed for water service to customers who have executed or will execute water service contracts with the District as provided in Section 14 below. Responsibility for the waterlines on the customer side of the meter shall be with the customer. The Waterline Ownership Agreement shall contain such other terms and conditions as the District shall reasonably require.

13. Cross-Connections. Any Prospective Customer who will have a plumbing, process water and /or fire protection system that could mix the potable water furnished by the District with water from another source or may permit contact of potable water with a contamination source in such a way that there could be a backflow of contaminated water into the District water distribution system shall be subject to the requirements of the District's Cross-Connection Control Plan. Copies of the Cross-Connection Control Plan are on file at the office of the District and are available for review by any such Prospective Customer. Any such Prospective Customer who proposes to install

such plumbing, process water and/or fire protection system shall coordinate the installation with the District and install such protective devices or modify the proposed installation as the District shall require. The District shall not be obligated to furnish water service to any such Prospective Customer until all the requirements imposed by the District with regard to such proposed installation, including the requirements contained in the Cross-Connection Control Plan, shall have been met.

14. Requests for New Water Service.

(a) Before the District shall furnish water service to property for which water service has not previously been furnished by the District, the Prospective Customer shall (i) execute and deliver a water service contract in form and substance acceptable to the District, (ii) pay all fees associated with a meter request to the District pursuant to the schedule of connection maintained by the District at the time the payment is made, and (iii) complete any application required by the District.

(b) After the requirements of Subsection 14(a) have been met, the District will install a meter that will remain the property of the District of the size requested by the Prospective Customer. It shall be the responsibility of the Prospective Customer, with the exception of Prospective Customers applying for water service for single family residences, to perform the necessary calculations and studies to determine the proper service line and meter size for its water needs. Such calculations shall be furnished to the District for review. The calculations should be based on the information provided by the District pursuant to Section 4 above. The District makes no warranties or representations that the meter size requested by the Prospective Customer will

be adequate for the Prospective Customer's water requirements.

(c) Meter installations will be at the scheduling convenience of the District; generally, however, they will be scheduled in the order of application and when materials necessary for the installation are available. In the case of groups of meters which are to be installed in the same location and which are intended to serve different customers, such as multi-resident or multi-office developments with separate meters for each occupant, the Developer or the Owner will coordinate with the District the turning on of water to each unit so that the District can verify that its meter numbers correctly correspond to the unit served.

15. Change of Ownership of Property. When property is to be sold to a new Owner, it shall be the responsibility of the present Owner to notify the District at least three days in advance of the date on which the present Owner seeks to cease its responsibility for payment for water use to cease (the "cut Off Date"). Cut Off Dates shall not fall on a weekend day or a holiday observed by the District, but shall fall only on normal business days of the District. Prior to the Cut Off Date, the new prospective Owner shall execute and deliver to the District a water service contract effective as of the Cut Off Date. In the event that the prospective new Owner does not execute and deliver a water service contract to the District on or before the Cut Off Date, the District, at its discretion, may cut off water flow to the meter or remove the meter. Resumption of water service will be at the District's convenience and discretion.

16. Change of Tenants. In the case of rental property where each unit has a separate water meter, and each tenant is responsible for payment of the water service it receives, the Owner will notify the District when it becomes aware that a tenant is going to vacate the leased premises in order to protect the District in the event that the tenant does not notify the District. When a tenant vacates the leased premises, the District will cut off water flow to the meter or remove the meter until a new tenant applies for water service, or, at the option of the Owner, the Owner may sign an agreement with the District accepting responsibility for payment for water use during the period between tenants and releasing the District from any liability in connection with water service during such interim period. If the Owner makes this election, the District will not cut off water flow to the meter or remove the meter, but will read the meter when notified of a tenant departure and again when a new tenant takes possession and will bill the Owner for any water usage in the interim.

17. Fire Service.

(a) Application for Special Connection and such Owner will be charged a monthly fee for private fire hydrants and sprinkler connections based on the system capacity cost to supply the prospective water demand of these fixtures.

(b) Upon execution of an Application for Special Connection, the District will install or permit the Developer to install to the District's specifications fire mains to private hydrants and sprinkler connections at the

expense of the requesting party. Fire sprinkler water service shall have a bypass leak detection meter to determine any unauthorized water use. Private hydrants and sprinkler systems can be used only for testing after proper notification to the District and for firefighting needs; any other use is unauthorized and could result in suspension of service by the District.

(C) Upon the request of the District customer, the District will evaluate the accessibility of the requested location for a fire hydrant. If deemed accessible, a contractor approved by the District will install the fire hydrant on the public right of way at locations within the District subject to District approval and inspection. Such hydrants will be public hydrants and shall be installed by an approved contractor subject to the following conditions and such other conditions as the District may hereafter impose:

(1) Water mains must be available to the hydrant of sufficient size to supply fire service water flow of at least 500 gallons per minute and such water mains shall be six-inch diameter or larger in size.

(2) The fire department having jurisdiction shall be consulted as to location of the hydrants.

(3) The customer requesting the hydrants shall pay all expenses for materials and installation.

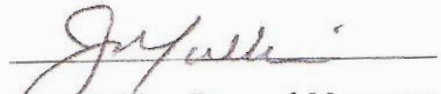
18. Pressure Regulators. Due to the topography in the geographic area served by the District, there are locations where static pressures at service line meters will exceed 60 psi. In such cases, it is advised that customers install a


pressure regulator where their service line enters their premises to protect appliances and customer service lines that are not constructed to withstand such high pressure.

EXHIBIT

PERMITTED ENCUMBRANCES

July 11, 2024


Jay Mullin, General Manager


Paul Parker, Chairman

7-11-24
Date of Adoption