CSBWUD DEVELOPERS POLICY

CSBWUD

1010 Hinton Rd Bethpage TN 37022

Castalian Springs Bethpage
Water Utility District

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RATES AND CHARGES POLICY

POLICY ADMINISTRATORS

This policy is administered by the Board of Commissioners and District Manager of the Castalian Springs Bethpage Water Utility District (hereinafter referred to as the "District").

STATEMENT OF UNDERSTANDING

In order for the District to serve the public and to comply with the rules and regulations of the Environmental Protection Agency and the Tennessee Department of Environment and Conservation and other state and federal regulations, the District must establish rates, fees, and charges to produce revenue sufficient to meet all its obligations. The Board of Commissioners must set rates, fees, and charges to produce sufficient revenues to pay for operating expenses and to amortize the bonded indebtedness of the District. The determination of costs that are not established in this policy shall be made by the District on a case-by-case basis.

The District is run for the benefit of all present and future customers, and while no customer shall intentionally be treated unfairly, no customer shall be treated in a way that compromises the interests of others.

LIMITATIONS

The District is subject to various city, county, state, federal, or other governmental agency requirements and has no discretion to provide service in a manner which would violate such regulations or requirements.

OMISSIONS

In the absence of specific rules or policies, the disposition of situations involving rates and charges for water customers shall be made by the Board of Commissioners and District Manager in accordance with its usual and customary practices.

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Post Connection Demand Based Revenue Recovery Policy

After water service is established for any customer within the District's service area, actual water usage for each customer will be monitored from that point forward. If the actual daily water usage for the property exceeds the average daily usage for existing similar District customers with the same meter size, the customer shall be subject to paying additional capacity fees (and any other applicable fees) based upon their actual daily water usage.

Similarly, when the water demand of an existing property increases due to a re-development or change in use, regardless of whether a new connection must be made to the District's water system, the property owner shall pay all applicable fees based upon the increased water demand.

In either case, the additional fees will include payment for capacity fees, in accordance with the provisions stated below. Additionally, other fees may be applicable, such as water tap fees and water meter fees, if new equipment must be installed, subject to the determination of the District. When determining the fees owed, the District shall take into consideration the initial fees that were paid at the time the connection was originally established.

The capacity fee (as set forth in the Rates & Charges Policy) is based upon the District's estimated demand requirements for the property at the time of the initial service request. Daily flow for any development other than single family residential services will be established by the District's Water Use Guide. The established daily flow for the service requested will be divided by 200 gallons per day (the average daily demand for a single-family residential unit in the District's System) to obtain the number of Single-Family Unit equivalents (SFUs) for the service requested. For uses not covered by the District's Water Use Guide, the District will estimate the daily flow based upon water flow guides for the same or similar uses recognized and accepted by the District and their Consulting Engineer. While establishing demand requirements for the property, the District takes into consideration any current or long-term water system improvements that may be required and the long-term water pumping and storage needs.

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SUBDIVISIONS AND DEVELOPMENT POLICY

POLICY ADMINISTRATORS

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STATEMENT OF UNDERSTANDING

In order for the District to serve the public and to comply with the rules and regulations of the Environmental Protection Agency and the Tennessee Department of Environment and Conservation and other state and federal regulations, the District must establish rates, fees, and charges to produce revenue sufficient to meet all its obligations. The Board of Commissioners must set rates, fees, and charges to produce sufficient revenues to pay for operating expenses and to amortize the bonded indebtedness of the District. The District will require that the Developers who seek to profit from the residential or commercial construction pay their fair share of such costs. Should the costs of construction be unusual or other unusual circumstances exist, the District may modify or add to these procedures. The determination of unusual circumstances will be made by the District on a case-by-case basis.

The District is run for the benefit of all present and future customers, and while no customer shall intentionally be treated unfairly, no customer shall be treated in a way that compromises the interests of others.

LIMITATIONS

The District is subject to various city, county, state, federal, or other governmental agency requirements and has no discretion to provide service in a manner which would violate such regulations or requirements.

RECORD KEEPING

All records regarding Subdivisions and Developments shall be kept indefinitely.

OMISSIONS

In the absence of specific rules or policies, the disposition of situations involving service shall be made by the Board of Commissioners and District Manager in accordance with its usual and customary practices.

DEFINITIONS

1. Subdivision – The division of a tract or parcel of land into three (3) or more lots/tracts, sites, or other divisions for the purpose, whether immediate or future, of sale or building development, and includes re-subdivision and when appropriate to the context, relates to the process of re-subdividing or to the land or area subdivided.

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2. Commercial Development – A tract of land developed for use in the promotion of a business or business product that is a source of revenue or income to the customer or others using the premises.

3. Developer – A person, group of people, or company that is responsible for developing a tract or parcel of land into a subdivision or commercial development. The developer may or may not be the landowner of said tract or parcel of land.

4. Landowner – A person, group of people, or company that owns a tract or parcel of land. A land owner can develop up to two (2) lots during any 12-month period without falling under the requirements of the CSBWUD Developers Policy. However, should a land owner develop more than two (2) lots/tracts during any 12-month period that are on the same initial property, and/or on the same approved plat, the subject land owner shall be considered a Developer. Thus the CSBWUD Developers Policy shall apply and be retroactive for the previous two (2) lots/tracts and all additional lots/tracts above two (2). The trigger point for initiating the 12-month period shall be the date that initial platt/concept plan was signed by the District.

5. Residential Service – Water service provided for domestic or irrigation purposes in a residential area and is not considered a commercial service.

6. Commercial Service – Water service provided to a customer for use in the promotion of a business or business product that is a source of revenue or income to the customer or others using the premise.

WAIVER OF POLICY COMPLIANCE

For cases where a landowner subdivides his/her land along an existing public road which is currently being served by the Castalian Springs-Bethpage Water Utility District, the District Manager shall have the option to waive some or all policy requirements for the proposed residential subdivision if the parcel of land is being subdivided into less than or equal to 5 separate lots/tracts. This waiver is predicated on the District Manager being uniquely qualified to make an accurate assessment of available system capacity and operating pressures. By being uniquely qualified as an expert in the District's water system operations, the District Manager can choose to forego the hydraulic review that would normally be conducted on subdivisions by the District's Engineer of Record. Consequently, the District Manager will issue the Letter of Availability (LOA) to the Developer or Landowner for these special cases. Exhibit 1 is an example of a typical LOA that would be provided by the District Manager.

If the landowner who is subdividing his/her land is granted a waiver of policy compliance, this waiver does not signify nor is it an indication that a water tap will be sold. If at any time it is determined there is not adequate water capacity or operating pressures to serve the landowner, new landowners, or additional customers along any existing line, the District can deny water service until such satisfactory system operating conditions are available.

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POLICY REQUIREMENTS

This Policy outlines the procedures and fees that a developer must adhere to in order to obtain water service for any subdivision or commercial development (collectively referred to hereafter as the "development"). Adherence to this policy is required for developments along an existing public road that is currently being served by the District (exceptions as noted in Waiver of Policy Compliance) and for developments that require the construction of new or upgraded water system improvements for provision of water service; subsequently these improvements being dedicated to the District. All water line improvements shall extend the full length of the development along an existing public road and/or new road within the development. Should the costs of water system improvement construction be unusual or other unusual circumstances exist, the District may modify or add to these procedures as appropriate.

1. Application for Water Service

   A. The developer or its representative must obtain a "Subdivisions and Development Application for Water Service" from the District's office or website. Refer to Exhibit 2.

   B. The developer must return the completed "Development Application for Water Service" to the District with the application service fee, as set forth in the District's Schedule of Rates and Charges. The developer must also submit to the District a preliminary site layout plan in .pdf format, that at a minimum includes but is not limited to roads, property boundaries, lots/tracts, buildings, rights-of-way, utilities, key map, and any other necessary information for review and determination of service availability. Site layout shall be provided at a scale not less than 1" = 100'. Each plan shall show the number of units (single family, duplex, etc.) to be served in the development. If a planned development includes a fire sprinkler system, the developer shall submit as part of its plan the total sprinkler system and the number and location of sprinkler heads.

   C. The developer must notify the District immediately of any changes in the data submitted with the application. Failure to do so may result in an application re-submittal including a new application service fee and new LOA review fee if an LOA has already been provided prior to the District being notified of the changes.

2. Letter of Availability (LOA)

   A. Upon receiving the completed "Development Application for Water Service" from the developer, the District will submit the completed application to the District's Engineer of Record. The District's Engineer of Record will then provide the District Manager with the estimated cost to review the development and issue a LOA. The Engineer's review will include a preliminary

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determination of the on-site and off-site water system improvements necessary to meet the water demand requested by the developer. The Engineer will not begin the review process until the District has received payment from the developer for all costs associated with the LOA. In addition to the Engineer's cost for the LOA, the District shall assess an LOA Administrative Fee which shall help offset administrative & clerical costs incurred by the District during the LOA review process. This fee shall be 15% of the Engineer's cost for the LOA.

B. Upon completion of the LOA, the District will then issue the LOA to the developer for use in the appropriate planning commission review process.

C. The LOA shall be valid for 120 days. Unless the developer enters into a Water Services Contract with the District and pays all applicable fees within 120 days of receiving the LOA, the LOA will cease to be valid. The developer may request that the District renew its LOA. Upon the request of a renewed LOA, the District's Engineer of Record will provide the District with a cost of LOA renewal. The Engineer will not begin the review & renewal process until the District has received payment from the developer for the cost associated with the LOA renewal.

3. Plans & Specifications for Water System Improvements

A. When the developer is ready to proceed with the design of the water system improvements, the developer will pay the Engineer Design Fee as set forth in the District's Schedule of Rates and Charges. Upon the District receiving payment of this fee, the District's Engineer will prepare the plans and specifications for construction of the water system improvements and submit them to TDEC for approval.

B. The Developer will not receive a TDEC approved set of plans and specifications until a Water Services Contract has been executed and all fees have been paid. Construction cannot begin until the developer receives a set of TDEC approved set of plans and specifications.

C. The District will issue a TDEC approved set of plans and specifications to the Developer at the pre-construction meeting. The District may choose to withhold issuance of TDEC plans and specifications until shop drawings have been reviewed and approved by the District. In this instance, the District or the District's Engineer of Record would provide the developer with a review set of plans and specifications so the developer can accurately assemble shop drawings.

D. The Developer has the option to utilize their own engineer to prepare plans, specifications, and permits

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- Plans and specifications (including hydraulic calculations) will be submitted to the District's Engineer of Record for review(s) and District approval prior to submission of plans and specifications to TDEC. Review(s) of the plans and specifications (including hydraulic calculations) by the District's Engineer of Record will be billed to the District on an hourly basis. District will bill Developer to recoup engineering review fees for the plans and specifications. District Engineer shall have thirty (30) days to complete initial review and each subsequent review of the plans and specifications.
- Upon TDEC approval of plans and specifications, shop drawings will be submitted to the District's Engineer of Record for review(s) and District approval. Review(s) of shop drawings by the District's Engineer of Record will be billed to the District on an hourly basis. District will bill Developer to recoup cost for the engineering review of shop drawings. District Engineer shall have fifteen (15) days to complete initial review and each subsequent review of shop drawings.
- The District's Engineer of Record shall not begin the review of plans and specifications until and executed Water Services Contract is in place between the Developer and District.
- Pre-construction meeting shall not be scheduled until the Developer has paid all fees to the District associated with the engineering review of plans, specifications, and shop drawings.
- Pre-construction meeting shall not be scheduled until the Developer has obtained and provided copies to the District of all required permits. The District's Engineer shall verify that the Developer has obtained the required permits.

4. Water Services Contract

A. Within 120 days of the Developer receiving the LOA, a Water Services Contract (refer to Exhibit 3) must be executed between the District and the Developer and all associated fees paid before the Developer can begin construction of the water system improvements. At the discretion of the District, the District may elect to extend contract execution beyond 120 days if the Developer has already paid the Engineer Design Fee for plans and specifications related to the water system improvements. In such cases, the Water Services Contract must be executed and all associated fees paid within 30 days of TDEC approval of the plans and specifications. No final plats will be signed by the District until a Water Services Contract is complete.

B. The District will not create a Water Services Contract until the Developer makes a request in writing to the District Manager. Upon receiving this request, the District Manager will consult with the District's Attorney and both will collectively create the Water Services Contract. Any legal fees incurred by the District throughout this process shall be paid by the Developer. The District may choose that the associated legal fees be paid prior to releasing the Contract to the

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Developer for review or the District can incorporate those fees into the Contract upon the date of execution by both parties. All Contract fees must be paid on or before the date of execution by both parties.

C. Water Service Contracts cannot be assigned to any successor in interest of the developer without the express written consent of the District.

D. Developers who subdivide property located on an existing water line are not required to complete a Water Services Contract if no water system improvements are required. The Developer must return the completed Application for Water Service to the District with the application fee and then obtain an LOA in accordance with the LOA requirements. The District will not sign a final plat for the development until the Developer pays the Capacity Fees, Tap Fees, and any additional tap installation costs, such as for lateral line footage and contractor services, as set forth in the District's Rates and Charges Policy. The party applying for water service to a particular lot/connection shall pay the meter fee upon the execution of the Application for Water Service for such connection.

5. Construction Phase

A. Installation Costs: The Developer will pay all of the costs for the installation, connection, and inspection of all on-site and off-site water lines, pumping stations, storage tanks, and other improvements (the water system improvements) required by the District to serve a development. The District reserves the right to modify this requirement in accordance with Section 7 of this policy. Variances will be considered on a case-by-case basis by the District.

B. Installation of Improvements: The developer must install all on-site and off-site water system improvements as required by the District in order to provide the water service requested for the development. These improvements shall not decrease the current level of water service to existing customers or impede the District's long-term plan for water service in the general service area. The District may elect to contract itself for the installation of any water system improvements required for the development. If the District makes such election, the developer shall pay the contract price for the installation of the water system improvements before construction of the water system improvements will begin. To the fullest extent permitted by law, the developer and its successors and assigns will protect, indemnify, hold harmless, and defend the District, all District employees, and professional services providers from all claims, demands, suits, loss, costs, and expenses, including attorney fees and court costs, and from any damages that may be asserted, claimed, or recovered, arising out of or in any way connected or associated with the Water Service Contract for the development or the construction of the water system improvements.

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C. Commencement of Construction: The construction of water system improvements for the development cannot commence until the following items are completed.
   i) Water Service Contract between District and Developer has been executed and fees paid;
   ii) The District has received a TDEC approved set of plans & specifications;
   iii) All permits and licenses as required by law for the construction of the water system improvements have been obtained;
   iv) All easements related to the water system improvements have been recorded at the governing county's register's office and a copy of the signed and recorded easement documents are in the possession of the District;
   v) Shop Drawings have been reviewed & approved by the District;
   vi) A pre-construction meeting has been held between the Developer and the District.

D. Notification of Construction: The District shall be notified at least forty-eight (48) hours before any construction is set to begin. Thereafter, the Developer shall notify the District of every day during which construction will be in progress in order for the District's project representative to be on the job site during construction.

E. On-Site Observations and Site Safety: All water system improvement construction will be subject to on-site observation during and upon the completion of construction by an authorized representative of the District. On-site observation may consist of full-time observation or part-time observation at the sole discretion of the District. The presence or absence of the on-site observer during construction does not relieve the Developer from adherence to approved plans and specifications. Materials and workmanship found in non-compliance with the requirements of approved plans and specifications must be immediately brought into conformity with the approved plans and specifications. Safety and OSHA compliance are solely and wholly the responsibility of the Contractor performing the work. Neither the District nor its employees or its Engineer may dictate means or methods of construction; therefore, the Contractor has sole responsibility for jobsite safety. Neither the District, its employees, its Engineer nor their agents or assigns, shall be responsible for the Contractor's failure to secure the safety of the site or for their compliance with the appropriate rules and regulations that govern jobsite safety. The Contractor MUST acknowledge during the pre-construction meeting that they clearly understood that neither the District, its employees, its Engineer, nor their agents or assigns, have ANY responsibility for job-site safety

F. Final Inspection: Upon completion of the construction of the water system improvements for the development, an authorized representative of the District shall make a final inspection to determine the acceptability of the work. Before this final inspection can be made, the Developer or the Developer's Representative that is responsible for the project shall notify the District

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Manager in writing that the work has been completed in accordance with approved plans and specifications.

G. As-Built Plans: After the final inspection but prior to final acceptance of the water system improvements, as-built plans must be completed by the Developer and reviewed/approved by the District Manager. The as-built plans shall be drawn at a scale of one inch equals 50 feet, and indicate the location and size of all water mains, gate valves and boxes, fire hydrant assemblies, air release assemblies, blow-off assemblies, water main plugs or caps, and meter assemblies. The location of all of the above items must be referenced off of two (2) permanent points such as power poles, right-of-way markers, concrete monuments, iron pins at property corners, drainage culverts, and building corners. The above water system improvements shall be shown in relationship to the edge of all paved surfaces and all other utilities located within 15 feet of either side of the water system improvements. All utility easements shall be shown in relationship to the water system improvements. If the actual construction differs from the recorded plat of the development, the Developer will prepare and record in the governing county's register's office a revised plat showing the actual construction with the design features stated above clearly shown. Water service may be delayed by the District Manager until this requirement has been met.

H. Final Acceptance: After the water system improvements pass the District's final inspection and the District has received an approved copy of as-built plans, the District will accept ownership of the water system improvements. The date of final acceptance shall be the date that the Developer has fulfilled all conditions necessary for final acceptance, including passing a final inspection, submittal of as-built drawings, payment of all fees due, and placing the water system improvements into service. The District will notify the Developer in writing of the date of its acceptance.

6. Post-Construction Phase

A. Conveyance of Water System Improvements: Upon final acceptance of the water system improvements, the water system improvement assets will immediately become the property of the District without the execution of any deed or other instrument conveying the water system improvements to the District. The Developer will convey the water system improvements to the District free and clear of any encumbrances and any claims of ownership by any other person. If the water system improvements are encumbered upon final acceptance by the District, the Developer is responsible for removing any encumbrance at its own expense. Upon request by District, the Developer will execute a deed of conveyance (Refer to Exhibit 4) or other instrument requested by the District in order to provide evidence of the District's title to the water system improvements. The District retains the right to extend the water lines of the development at any time.

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B. Warranty: The Developer shall guarantee all work on the water system improvements constructed for a period of one year from the date of final acceptance. Upon receiving notice of any deficiencies in the construction of the water system improvements during the warranty period, the Developer will immediately correct any deficiencies in the work. If the Developer fails to timely correct any deficiency, the District will correct such deficiency, and the Developer will reimburse the District for these costs of correction immediately upon receiving an invoice from the District for the costs of correction.

C. Performance Bond: Upon final acceptance of the water system improvements, the Developer will post a performance bond with the District in the amount of one hundred twenty percent (120%) of the estimated construction costs for the water system improvements. This bond will be for the benefit of the District and will remain in effect through the required one-year warranty period which immediately proceeds final acceptance by the District of the water system improvements. The performance bond will be secured by a surety as specifically approved by the District. The form and content of both the bond and the security must be approved by the District.

7. Cost Recovery

A. Cost Recovery of On-Site Water System Improvements: On-Site water system improvements refer to those improvements within the property boundaries of the development. When the District requires a Developer to oversize a water line, pump station, water storage tank or other water system improvement within the development to meet a future need for water service outside the development, the District will consider paying the additional material costs and any incremental increase in labor costs for the oversizing of the water system improvements. The District's Engineer shall determine the amount of the additional material costs and the amount of any incremental increase in labor costs for the oversizing. The costs eligible for recovery shall be stated in the Water Service Contract and shall be based upon the District Engineers cost estimate of the prevailing market costs for the construction of the off-site water system improvements by the District. Implementation of this cost recovery option shall be at the sole discretion of the District.

B. Cost Recovery of Off-Site Water System Improvements: A Developer shall receive no consideration of cost recovery for off-site water system improvements installed for the sole benefit of the development. After consultation with the District's Engineer, the District shall determine whether an off-site water system improvement is installed for the sole benefit of the development. If the District determines that the off-site improvements may benefit other proposed or anticipated developments, then the District may, solely at the District's discretion, agree to a pro-rata cost sharing with the Developer for the costs of the off-site improvements.

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The terms and conditions of the pro-rata cost sharing would be set forth in a separate Water System Improvements Contract (refer to Exhibit 5), which are subject to change based upon the off-site water system improvements required for a particular service area. Note, the Water System Improvements Contract is separate and distinct from the Water Services Contract. A Water Services Contract is directly related to the development that is requesting water service.

i) When the Developer installs off-site water system improvements which serve or benefit future water customers outside of the development and the District determines that the Developer is not eligible for pro-rata cost sharing, the Developer may, at the District's sole discretion, be eligible to recover a portion of the cost of the off-site water system improvements by a credit against the Tap fees owed for the development under this rule.

(a) The cost recovery to the Developer, via a credit against Tap fees, must be approved by the District and shall be determined by District's Engineer who shall compare the water demand of the customers to be served within the development with the water demand of future customers located outside the development that could be served by the off-site water system improvements. The total cost for the off-site water system improvements shall be allocated on a pro-rata basis between the future water demand from customers located inside and outside the development at full buildout. The developer may, then be eligible to recover the pro-rata cost of the off-site water system improvements which will serve or benefit future water customers outside of the development via a reduction in the cost for Tap Fees. If the costs eligible for recovery under this rule exceed the capacity fees for the development, the Developer shall not be entitled to any additional credit against Tap fees.

8. Development Fees

A. Fees associated with Subdivisions and Developments shall be as set forth in the Rates and Charges Policy.

B. No credits will be given against any fees paid for the development except as set forth in Section 7 of this policy.

C. No Developer shall have any right to recover any fees paid to the District or any right to recover any part of the costs and expenses associated with any construction.

D. Once service connections are installed, fees become non-refundable.

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9. Easements

A. A minimum exclusive easement of twenty (20) feet in width must be conveyed to the District for water main construction within the proposed development. Exclusive easement widths for off-site water system improvements will be conveyed as required by the District. All water system improvements will be located within easements on private property and not in public rights-of-way, unless specifically approved by the District Manager.

B. If the District Manager approves water system improvement construction within public rights-of-way, the District shall obtain consent from the political entity having authority over such rights-of-way for such construction.

C. The Developer is responsible for creating easement descriptions, easement exhibits, and acquiring all easements for on-site water system improvement construction prior to the commencement of water system improvement construction. Unless otherwise directed by the District Manager, the Developer is responsible for the same in regards to off-site improvements.

D. The Developer will pay all of the expenses of obtaining, preparing, and recording easements needed for the construction of the water system improvements for the development, including, but without limitation, the consideration paid to any property owner. If a Developer is unable to obtain any easement needed from a third party, the Developer may request the District to acquire the easement and to exercise its power of eminent domain to acquire the easement if necessary. If the District must exercise its power of eminent domain to acquire an easement, the Developer will pay all District expenses incurred in the condemnation, including surveying costs, appraiser fees, engineering fees, attorney's fees, other expert fees, the compensation paid, damage awards, and any other expenses. The Developer will pay these expenses upon the receipt of an invoice from the District for these expenses as they are incurred. If the Developer does not pay these expenses within 30 days, District approval and provision of service may be revoked and all related work ceased.

E. The easement grant must be on such terms and in such form and content as approved by the District.

F. All easements shall be shown on all final subdivision plats before the plat will be approved by the District.

10. Real Property Acquisition

A. If real property must be acquired for the installation of a water storage tank, pumping station, access roads, or other water system improvement for the development, the expenses of obtaining,

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preparing and recording the real property will be paid by the Developer, including, but without limitation, the consideration paid to any property owner. If a Developer is unable to obtain any real property needed from a third party, the developer may request the District to acquire the property and to exercise its power of eminent domain to acquire the real property if necessary. If the District must exercise its power of eminent domain to acquire real property, the Developer will pay all District expenses incurred in the condemnation, including surveying costs, appraiser fees, engineering fees, attorney's fees, other expert fees, the compensation paid, damage awards and any other expenses. The developer will pay these expenses upon the receipt of an invoice from the District for these expenses as they are incurred. If the Developer does not pay these expenses within 30 days, District approval and provision of service may be revoked and all related work ceased.

11. Cul-De-Sacs

A. Cul-de-sacs are prohibited in any development, unless in the determination of the District it is not feasible for the water line extension be tied into a proposed or existing water line (i.e., loop the water line). If a cul-de-sac is permitted, it must be placed at the ends of the development where the proposed road and water line may be extended at a future date, unless otherwise approved by the District. A minimum cul-de-sac maintenance fee of $3,000.00 per cul-de-sac will be charged to the Developer. This fee is nonrefundable, even if the cul-de-sac is eliminated, and the water line is extended and tied into a proposed or existing water line at a future date. This fee will be included in the Water Service Contract and must be paid, along with all other fees, when the contract is executed.

12. Hydrants

A. When sufficient hydraulic capacity is available within the proposed development, as determined by the District's Engineer, hydrants are required to be installed. The location and number of hydrants shall be determined by the District Manager and the District's Engineer.

B. A one-time hydrant fee of $2,000.00 for each hydrant installed shall be paid to the District by the Developer. This one-time fee for each hydrant will be included in the Water Service Contract and must be paid, along with all other fees, when the contract is executed.

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13. Meters and Service Connections

A. The Developer shall pay all water meter fees in accordance with the Rates and Charges Policy. The District shall furnish and install all residential (3/4-inch and 1-inch) water meters after the Developer has paid the associated meter fees.
B. The Developer is responsible for installing all line setters, meter boxes, and service line within a proposed residential subdivision that requires new water main construction.

C. For service connections on existing water lines, the Developer is responsible for paying the meter fees and cost of service line installation in accordance with the Rates and Charges Policy. After all fees have been paid to the District, the District will make a service connection to the existing water main and install the service line, line setter, meter box, and meter.

D. Commercial water meters 2-inch and larger shall be installed by the District and the Developer shall pre-pay the estimated expense prior to ordering materials and installing the meter.

E. Each family residence and residential unit in a duplex or other multi-family dwelling will be served with a separate water meter, except where prior arrangements have been made with the District for apartment complexes or other types of multi-family dwellings. Each commercial unit or business will be separately metered unless otherwise authorized by the District Manager.

Adoption Date: Month, Day, Year

Revised Date: Month, Day, Year or N/A

Effective Date: Month, Day, Year

Castalian Springs Bethpage
Water Utility District

1010 Hinton Road
Bethpage, TN 37022
Phone: 615-841-3724
Fax: 615-841-3794
www.csbwater.com

Definition of Charges

GENERAL CHARGES

Single Family Residential Application Fee for Water Service

A non-refundable service fee associated with the required application for water service that every customer must complete and submit to the District.

Single Family Residential (Rental) Application Fee for Water Service

A non-refundable service fee associated with the required application for water service that every customer must complete and submit to the District.

Customer Charge

The monthly customer charge is a fixed cost associated with providing service to each customer regardless of how much water is consumed. Customer charges are based on the size of water meter purchased and installed for each respective customer.

Water Rate

The amount each customer is charged per 1,000 gallons of water consumed through each respective water meter. This charge is in addition to the monthly customer charge.

Meter Fee

An established fee for purchasing and installing a new water meter. A water meter measures the amount of water consumed for each respective customer.

Capacity Fee

The capacity fee is based upon the District's estimated demand requirements for the property at the time of the initial service request. Daily flow (gpd) for any development other than single family residential services will be established by the District's Water Use Guide. The established daily flow for the service requested will be divided by 200 gpd (the average daily demand for a single-family residential unit (SFU) in the District's System) to obtain the number of SFUs for the service requested. For uses not covered by the District's Water Use Guide, the District will estimate the daily flow based upon water flow guides for the same or similar uses recognized and accepted by the District and their Consulting Engineer. Total capacity fee is calculated based upon the total number of SFU equivalents.

Tap Fee

This fee is charged by the District for the privilege of having water service available to the customer. Tap fees are based upon the total number of SFU equivalents established by the District for the service requested.

Service Line Installation Fee

This fee is charged by the District to install 3/4" or 1" service line from the water main to the water meter for single-family residential units. Service lines that require crossing a

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road shall be completed by a District approved Contractor and the District shall add 15% to the cost for road crossings in order to off-set costs associated with general administrative and clerical tasks related to provision of service to the single-family residential unit.

Transfer Fee

This fee is assessed when property ownership associated with a water service connection changes to a new property owner.

Late Fee

If a water bill is not paid by the due date, a late fee shall be applied to the account on the following business day after the established due date.

Reconnect Fee

If accounts with a balance of $___ or more remain unpaid for 13 consecutive days after the established due date, then on the 14th day a reconnect fee may be charged to the account.

Returned Payment Fee

The customer will be charged a returned payment fee for all invalid payments received by the District.

Service Call Fee

A charge may be placed on the customer's account for service calls requested by the customer if the reason for the service call is determined to be the responsibility of the customer. The District is responsible for water system assets up to the point of the customer's water meter. The customer is responsible for service line, connections, materials, and equipment on the private side of the water meter.

Convenience Fee

In accordance with TCA 9-1-108 (c) (3), the District sets and collects a credit card and/or debit card processing fee in an amount that is equal to the amount that is paid by the District to the third-party processor for processing payments.

Meter Relocation Fee

Customers will be charged a meter relocation fee when the customer makes a request to relocate water metering equipment.

Meter Testing Fee

Customers will be charged a meter testing fee when the customer makes a request to have a Certified Accuracy Test performed on the water meter.

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Backflow Testing Fee

Customers will be charged a fee for testing backflow devices. These tests are required in order to ensure correct operation and accuracy of the device.

SUBDIVISION & DEVELOPMENT CHARGES

Subdivision and Development Application Fee for Water Service

A non-refundable service fee associated with the required application for water service that every developer must complete and submit to the District.

Letter of Availability Fee

All subdivisions and developments require a letter of availability for service. The cost for an LOA varies and shall be determined by the District's Engineer estimated cost to review the subdivision or development and issue an LOA to the District. The District shall add 15% to the Engineer's estimated cost to help off-set administrative tasks associated with the LOA request. The District shall establish the cost for LOA's that do not require input from the District's Engineer.

Subdivision and Development Design Fee

Engineer design for subdivisions and developments may be completed by the District's Engineer, or completed by the developer's engineer. If the developer chooses to use their own engineer for design, then the District's engineer shall review, revise as required, and approve the developer's engineer's drawings, specifications and hydraulics calculations prior to submittal to TDEC for review and approval. All Cost associated with the District's engineers review of drawings, hydraulic calculations, and specifications both prior to and after submittal to TDEC including assistance in addressing TDEC comments shall be paid in full to the District prior to a pre-construction meeting being scheduled. If design is performed by the District's engineer, the cost for the design included in the Water Service Contract shall be determined by the District's Engineer estimated cost to design the water system improvements. The cost estimate required to determine the Administrative and Inspection Fees included in the Water Service Contract shall be performed by the District's engineer for all projects.

Cul-De-Sac Fee

Cul-de-sacs in new subdivisions or developments are generally prohibited unless otherwise determined by the District Manager. If a cul-de-sac is permitted, a cul-de-sac maintenance fee will be charged per each cul-de-sac. The cul-de-sac fee is established to help off-set future costs related to dead-end water main flushing and testing.

Fire Hydrant Fee

This fee is specifically associated with the number of fire hydrants required to serve a new subdivision, development, or re-development and is intended to help off-set the

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long-term maintenance and repair costs associated with the fire hydrant. The fee shall be calculated per each fire hydrant installed.

TDEC Review Fee

For subdivision and development design, the plans and specifications must be approved by TDEC, Division of Water. The Developer is responsible for paying this fee.

Administrative Fee

For subdivisions and developments, the Developer shall pay an administrative fee to the District that is equal to 4% of the estimated construction costs for the water system improvements. This fee is set forth in order to off-set costs associated with general administrative and clerical tasks related to provision of service to the subdivision or development.

Resident Project Observer (RPO) Fee

For subdivisions and developments, the Developer shall pay a RPO fee to the District that is equal to 4% of the estimated construction costs for the water system improvements. This fee is set forth in order to off-set costs associated with on-site observation of water system improvements related to provision of service to the subdivision or development.

Legal Fee

For subdivisions and developments, the District will submit one or more invoices to the Developer for the legal fees incurred by the District, which must be paid within 15 days of receipt of the invoice.

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SUBDIVISIONS & DEVELOPMENTS

APPLICATION FOR WATER SERVICE

This application shall be submitted to the Castalian Springs Bethpage Water Utility District (CSBUD) office for initial hydraulic review. Supplemental information may be requested to aid in the assessment of your request. The information exchanged between the CSBUD and the applicant throughout this application process shall not be interpreted or implied as a guarantee of serviceability. **A non-refundable service fee of $100 is due upon submittal of this application.** All relevant fees will be identified to the Applicant by the CSBUD after initial review of the Application for Water Service. Charges and Fees related to additional water service information that may be required as part of the governing County Planning Commission review process shall be in addition to the $100 application fee. This may include, but is not limited to, letter of availability, fire flow test, hydraulic modeling review, and engineering evaluation for off-site improvements.

Relevant Definitions:

1. Residential Service – Water service provided for domestic or irrigation purposes in a residential area and is not considered a commercial service.

2. Commercial Service – Water service provided to a customer for use in the promotion of a business or business product that is a source of revenue or income to the customer or others using the premises.

3. Subdivision – The division of a tract or parcel of land into three (3) or more lots/tracts, sites, or other divisions for the purpose, whether immediate or future, of sale or building development, and includes re-subdivision and when appropriate to the context, relates to the process of re-subdividing or to the land or area subdivided.

Provide the following information:

1. Provide a Preliminary Site Layout in .PDF format (and CAD if available) that, at a minimum reflects site layout including but not limited to roads, lots, buildings, rights-of-way, utilities, key map, etc. Site Layout shall be provide at a Scale not less than 1"= 100'.

2. Select the type of water service you are requesting:
   a. ☐ Residential Service
   b. ☐ Commercial Service

3. Are you requesting water service for a residential subdivision (parcel divided into 3 or more lots or tracts)?
   a. ☐ Yes ⟶ Record # of Lots to be Served _____, Subd. Phase_____, Total Phases_____.
   b. ☐ No, my request is related to commercial service or a residential multi-unit complex.

   NOTE: If you selected "b." for Item No. 3 then answer Item No. 4. Otherwise, skip Item No. 4.

4. If you are requesting commercial service or for residential multi-unit complex then complete the following:
   a. Provide Number of Buildings to be Constructed _____.
   b. Provide Type of Buildings to be Constructed _____.
   c. Provide Use of Buildings to be Constructed _____.
   d. Multi-unit Complex (# of Units) _____.

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5. Total Water Demand Requirements (Provide all that apply):
   a. Commercial _____ gpd.
   b. Fire Sprinkler _____ gpd.
   c. Irrigation _____ gpd.
   d. Residential (assume 200 gpd per metered customer) _____ gpd.

6. Site Information for Proposed Water Service Location: Primary Contact ☐ Yes ☐ No
   a. Site Owner Name _____.
   b. Site Address _____.
   c. Site Owner Telephone No. _____.
   d. Site Owner Email Address _____.
   e. Geographic Coordinates: _____°_____'_____" N _____°_____'_____" W
   f. Residential Subdivision Name (if applicable) _____.
   g. Commercial Development Name (if applicable) _____.

7. Developer Information (If applicable): Primary Contact ☐ Yes ☐No
   a. Company Name _____.
   b. Representative/Contact Name _____.
   c. Address _____.
   d. Telephone No. _____.
   e. Email Address _____.

8. Developer's Engineer Information (If applicable): Primary Contact ☐ Yes ☐No
   a. Company Name _____.
   b. Representative/Contact Name _____.
   c. Address _____.
   d. Telephone No. _____.
   e. Email Address _____.

9. Application is being submitted by:
   a. ☐ Site Owner
   b. ☐ Developer
   c. ☐ Developer's Engineer
   d. ☐ Other

   If you selected "Other", provide the following contact information: Primary Contact ☐ Yes ☐No

   a. Name _____.
   b. Relationship to Site Owner/Applicant _____.
   c. Address _____.
   d. Telephone No. _____.
   e. Email Address _____.

Upon receipt of completed application and service fee, the initial hydraulic evaluation process will begin. I further understand that there will be no agreement on the part of the District to provide water service or approval of construction of water line extensions or upgrades until a contract has been approved and executed between the District and the Applicant. Said contract will provide the amounts, schedule of payment of fees and consultant costs for design and permitting of all on-site and off-site improvements, if any. The Contract will be a basis for the condition of services including provisions pertaining to easements and general conditions.

Note: Failure to provide complete and accurate information for the questions listed above can result in delay or rejection of the Application for Water Service.

Applicant or Applicant's Representative:
Print Name _____
Signature _____ **Date** _____

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Schedule of Rates and Charges

GENERAL CHARGES	FEE AMOUNT
Application Fee (SFU Owner)	$50.00
Application Fee (SFU Rental)	$100.00
After Hours Service Call (if the issue is on customer side)	$100.00
Water Rates (0 - 2,500 gal.)	$39.11
Water Rates (Over 2,500 gal.) per 1,000 gal.	$8.39($0.00839pergallon)
Meter Fee (3/4")	TBD
Meter Fee (1")	TBD
Meter Fee (2" or larger) includes meter, appurtenances, installation	At Cost plus 15%
Capacity Fee (applies to 3 or more lots to be developed)	$2000.00
New 3/4-inch Tap Fee	$3000.00
New 1-inch Tap Fee	$4000.00
New 2-inch Tap Fee	$5000.00
Service Line Installation Fee (3/4")	At Cost Plus 15%
Service Line Installation Fee (1")	At Cost Plus 15%
All Service Line Installation Fee Requiring Road Crossing	At Cost plus 15%
Transfer Fee	$50.00
Late Fee	TBD
Reconnect Fee	$50.00
Returned Payment Fee	$30.00
Service Call Fee	TBD
Convenience Fee	TBD
Meter Relocation Fee	TBD
Meter Testing Fee	$50.00
Backflow Testing Fee	$40.00
Tampering Fee	$200.00
SUBDIVISION & DEVELOPMENT CHARGES	**FEE AMOUNT**
Application Fee (Subd. & Develop.)	$100.00
Letter of Availability Fee	At Cost
Design Fee	At Cost
Cul-de-sac Fee (per each cul-de-sac)	$3,000.00
Fire Hydrant Fee (per each hydrant)	$2,000.00
TDEC Review Fee	At Cost
Administrative Fee	4% of Const. Est.
Resident Project Observer Fee	4% of Const. Est.
Legal Fee	At Cost

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This instrument prepared by:
Enter CSBUD Attorney
Attorney Address
City, State, Zip Code

WATER SERVICE CONTRACT

This CONTRACT is made on the ___ day of _____, 20___, by and between the Castalian Springs/Bethpage Water Utility District, hereinafter referred to as "the District," and_____, hereinafter referred to as "the Developer."

W I T N E S S E T H:

Whereas, the Developer owns real property within Sumner County, Tennessee, designated as Map ____, Parcel____, that the Developer plans to subdivide for a residential subdivision presently known as _____ Subdivision ("the Subdivision");

Whereas, the Subdivision will have ___ residential lots;

Whereas, the Developer has requested that the District make a commitment to provide water service to the Subdivision;

Whereas, the Developer is willing to bear the expense necessary to improve and extend the District's water distribution system, as required by the District to properly serve this Subdivision and provide for future water use in the area; and

Whereas, the District is willing and able to serve the Subdivision upon the terms, provisions, and conditions set forth in this Contract;

Now, Therefore, for and in consideration of the mutual covenants of the parties and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. The District agrees to provide water service to ___ residential lots in the

Subdivision. The District's obligation to provide water service includes the obligation to provide water for normal domestic use and fire-flow in accordance with the current requirements of the _____ but does not include an obligation to meet an unlimited demand of water for irrigation purposes when such demand exceeds the District's ability to provide water.

2. At its own expense, the Developer will furnish, install, lay, and construct all water mains, valves, fittings, pipes, appurtenances, and other water system improvements, as designed by the District's Engineer, for water service within the Subdivision boundary (hereinafter, "water system improvements"), including all labor and material. The construction and installation of the water system improvements will be in strict accordance with the plans, specifications, and requirements approved by the District, its Engineer, and the Tennessee Department of Environment and Conservation ("TDEC") and will be subject to inspection and approval by the District. All water system improvements will be located as approved by the District. Said water system improvements are distinct and separate from the off-site water system improvements described in the separate Water System Improvements Contract. Provision of water service to the Subdivision boundary prior to the completion of all off-site water system improvements shall be considered temporary. The level of service provided to the Subdivision boundary cannot be guaranteed until all known off-site water system improvements have been complete and placed in operation.

3. Prior to issuance of a TDEC approved set of plans and specifications from the District to the Developer and prior to the commencement of construction, the Developer will submit shop drawings to the District for review and schedule a pre-construction meeting. Upon completion of the pre-construction meeting and completion of all other requirements set forth in the District's Subdivision and Development Policy, the Developer will notify the District at least

forty-eight (48) hours before any work is commenced and will notify the District of each day during which the water system improvements will be constructed so that the District's Resident Project Observer (RPO) may be present to observe the construction to ensure that the District-approved plans and specifications are met. The RPO will review the actual construction in progress at the construction site. No portion of a water line or other water system improvement will be covered or back filled until the District's RPO approves the construction. If any part of the water system improvements is back filled or covered before the District observes and approves the construction, the Developer must bear all expenses necessary for uncovering the water system improvements to permit the District to observe the construction.

4. With respect to the Subdivision, the Developer agrees to pay the following:

(a) The Developer has paid the District the $0.00 application fee for the Development.

(b) The Developer has paid the District the $0.00engineering fee for the Letter of Availability.

(c) The Developer shall pay the District $____for its design fees prior to the commencement of design. If the District incurs any additional design fees, the District will submit invoice(s) to the Developer for those additional amounts. Those additional amounts must be paid within 15 days.

(d) The Developer shall pay $____ for TDEC review and approval of the construction plans and specifications related to water system improvements for the Development.

(e) Upon the execution of this Contract, the Developer will pay the District the administrative fee of $____, which is an amount equal to four percent (4%) of the estimated construction costs for the water system improvements for the Subdivision, which is set forth in

order to off-set costs associated with general administrative and clerical tasks related to provision of service to the Subdivision.

(f) Upon the execution of this Contract, the Developer will pay the District the resident project observer fee of $____, which is an amount equal to four percent (4%) of the estimated construction costs for the water system improvements for the Subdivision, which is set forth to off-set costs associated with on-site observation of water system improvements and/or meter installation for the Subdivision.

(g) Upon the execution of this Contract, the Developer will pay the District the capacity fee of 0x$2,000.00=$____, which is an amount equal to $2,000.00 per residential lot or Single Family Unit Equivalent (SFU) for ___of the residential lots in the Subdivision.

(h) Upon the execution of this Contract, the Developer/Builder will pay the District tap fees as needed, which is an amount equal to $3000.00 per residential lot or SFU for 0 of the residential lots in the Subdivision.

(j) Upon the execution of this Contract, the Developer will pay the District cul-de-sac fees of 0 x$3000.00=$____, which is an amount equal to $3,000.00 per cul-de-sac located in the Subdivision. The cul-de-sac fees help off-set future costs related to dead-end water main flushing and testing.

(k) Upon the execution of this Contract, the Developer will pay the District hydrant fees of 0x$2000.00=$____, which is an amount equal to $2,000.00 per hydrant located in the Subdivision. The hydrant fees help off-set future costs related to repair and maintenance of the hydrants.

(l) Upon the execution of this Contract, the Developer will pay the District a meter cost of $TBDx0 =$ ___, which is an amount equal to $TBD per 0 lots located in the Subdivision.

(m) The total amount due from the Developer to the District upon the execution of this Contract is $ ____.

(n) The District will submit one or more invoices to the Developer for the legal fees for the Development, which must be paid within 15 days of receipt of the invoice by the Developer.

(o) If the Developer changes the boundaries of any lot in the Subdivision, requiring one or more service taps to be abandoned or relocated, the Developer shall pay to the District any applicable fees for the abandonment or relocation of such tap(s).

5. The District will not sign the final plat for the Subdivision until the water system improvements have been constructed, inspected, and accepted for use by the District, and the Developer posts a performance bond with the District in the amount of $ ____, which is approximately one hundred and twenty percent (120%) of the estimated construction costs ($ _____) for the water system improvements. This bond will be for the benefit of the District and will remain in effect through the required one-year warranty period which immediately proceeds final acceptance by the District of the water system improvements. The performance bond will be secured by a surety as specifically approved by the District. The form and content of both the bond and the security must be approved by the District.

6. The Developer will obtain at its own cost and expense all the licenses and permits necessary for the construction of the water system improvements.

7. The Developer will convey to the District any easements on the Developer's

property required by the District for the construction, operation, and maintenance of the District's water system for this Subdivision and for any future water system improvements for the District's service area. The Developer will pay all of the expenses of preparing, obtaining, and recording easements from third parties required by the District for the construction of the water system improvements for the Subdivision, including but not limited to the consideration paid to the property owners. The form and content of such easements must be approved by the District. If the District must institute eminent domain proceedings to acquire easements from third parties in which water system improvements are to be installed, the Developer will reimburse the District on demand for all costs the District incurs, including, but not limited to, deposits in court, damage awards, attorney fees, court costs, and appraisal, surveying, and engineering expenses.

8. The Developer shall warrant the construction of the water system improvements for one year after the District accepts the water system improvements. The Developer will timely repair the water system improvements during the warranty period as determined by the District. If the Developer fails to timely repair the water system improvements, the District may elect, in its sole discretion, to make the needed repairs, and the Developer will reimburse the District on demand for all costs the District incurs to make the repairs. If the Developer fails to reimburse the District for all costs the District incurs to make the repairs within 30 days of the District's invoice to the Developer for the required repairs, then the District shall execute the Developer's performance bond to recover those costs.

9. Upon installation, testing, disinfection, approval, and acceptance for use by the District, all water system improvements leading from the District's system to the discharge side of each meter, including without limitation mains, equipment, facilities, instrumentalities, lateral

lines, meter boxes, and connections, will become the District's property without the necessity of a formal conveyance from the Developer to the District. The Developer warrants that title to the water system improvements will be free and unencumbered. Upon demand by the District, the Developer will execute, acknowledge, and deliver a deed or other instrument formally conveying title to the water system improvements to the District.

10. The parties recognize that there may be failures of pressure or supply, due to line breaks, power failure, flood, or other causes. While the District will endeavor to satisfactorily serve the Subdivision in the same manner as it serves other areas and customers, it cannot and does not warrant or guarantee that there will be at all times adequate water or adequate pressure. The parties agree that the District will not be responsible or liable for any failures to supply water or to supply water at a reasonable pressure.

11. The District is under no obligation to furnish water service to the __ residential lots in the Subdivision until the Developer has fully and satisfactorily performed this Contract.

12. The District only agrees with the Developer, not any other party, to provide water service to the Subdivision under the terms of this Contract. This Contract is not assignable to or for the benefit of any other person or entity without the District's prior written consent.

13. If the Developer fails to construct the water system improvements in accordance with the terms of this Contract, the District may, in its sole discretion, elect to accept all or a portion of the water system improvements constructed. If the District chooses to accept any portion of all of the water system improvements, the District will become the sole owner of a portion or all of the water system improvements upon giving the Developer written notice of the District's acceptance without the necessity of any further writing, contract, or deed. The District's election to accept any portion or all of the water system improvements hereunder will

not be construed as an assumption of any obligation the Developer or a third party may have in connection with the water system improvements.

14. The amounts paid to the District under Section 4 of this Contract are not refundable.

15. The Developer will require any contractor that constructs the water system improvements to furnish the Developer with bonds covering the faithful performance of work on the water system improvements and the payment of obligations arising there from.

16. The Developer will give a copy of this Contract to any lender providing financing for the Subdivision.

17. To the fullest extent permitted by law, the Developer and its successors and assigns will protect, indemnify, hold harmless, and defend the District, the members of the District's Board, the District's employees, and the District's professional service providers from all claims, demands, suits, proceedings, loss, costs, and expenses, including attorney fees and court costs, and from any damages that may be asserted, claimed, or recovered, arising out of or in any way connected or associated with this Contract or the construction of the water system improvements for the Subdivision.

18. If the Developer breaches any provision of this Contract and the District institutes legal action to enforce this Contract or to recover damages caused by such breach, the Developer will pay all the expenses of such legal action, including the District's court costs and attorney fees.

19. No third party obtains any benefits or rights to water service under this Contract, and no connection will be made to any residence or other customer site until a proper application for water service has been made in accordance with the District's Rules and Regulations.

20. The District's Subdivision and Development Policy is incorporated in this Contract. In the event of a conflict between that Policy and this Contract, the terms of this Contract will control. The Developer will comply with any water restrictions imposed by the District for its customers pursuant to its Rules and Regulations.

21. The invalidity or unenforceability of any provision of this Contract will not affect the validity or enforceability of the remaining provisions.

22. This Contract constitutes the entire agreement of the parties related to the subject matter herein. This Contract may be modified or amended only by an instrument in writing executed by all parties hereto.

23. Any and all notices permitted or required under this Contract will be deemed given if hand-delivered or mailed by United States registered or certified mail, postage prepaid, return receipt requested, to the following addresses:

Developer	Enter Name Enter Street Address Enter City, State, Zip Code
The District	Castalian Springs/Bethpage Water Utility District 1010 Hinton Road Bethpage, TN 37022

24. This Contract is governed by the laws of Tennessee without regard to choice of law principles, and any dispute or legal action arising out of or related to this Contract must be filed in the courts of _____ County, Tennessee.

In Witness Whereof, the parties have entered into this Contract as of the day and date first above written.

CASTALIAN SPRINGS/BETHPAGE WATER UTILITY DISTRICT

By: _____
Enter Name, District Manager

DEVELOPMENT

By: _____
Enter Name, Title

State of Tennessee)
)
County of _____)

Before me, a Notary Public in and for the County and State aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the District Manager of the Castalian Springs/Bethpage Water Utility District, a public utility, and that he executed the foregoing instrument for the purpose therein contained by signing on behalf of the utility as the District Manager.

Witness my hand and official seal on this the _____ day of _____, 20___.

_____
NOTARY PUBLIC

My Commission Expires: _____

State of Tennessee)
)
County of _____)

Before me, a Notary Public in and for the County and State aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that he/she executed the foregoing instrument for the purpose therein contained.

Witness my hand and official seal on this the _____ day of _____, 20___.

_____
NOTARY PUBLIC

My Commission Expires: _____

WATER SYSTEM IMPROVEMENTS CONTRACT

This CONTRACT is made on the _____ day of _____, 20__, by and between the **Castalian Springs/Bethpage Water Utility District**, hereinafter referred to as "the District," and _____, a Tennessee limited liability company, hereinafter referred to as "the Developer."

W I T N E S S E T H :

Whereas, the Developer intends to develop property within or near the City of _____, designated as _____ County tax map ____, parcel ____, for a Residential Subdivision ("the Development"); and

Whereas, in order for the District to provide water service to the Development, new off-site water line extensions and other improvements to the District's water system are required;

Now, therefore, for and in consideration of the mutual covenants of the parties, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1. The parties anticipate one or more phases of construction for the off-site water system improvements to serve the Development. These off-site water system improvements are expected to meet the water demand of the planned Development and of the potentially developable acreage within the District's water service zone that will serve the Development ("the _____ Service Zone").

2. In Phase I, the District will hire one or more contractors to construct a Water System Improvement Project consisting of the installation of approximately _____ Linear Feet of __-inch Ductile Iron Water Line; and appurtenances to the foregoing (collectively, "the Phase I Improvements"). The location of the Phase 1 Improvements is shown on Exhibit 1

hereto.

3. The Phase I Improvements are expected to meet the water demand of approximately _____ new residential equivalent units and/or _____ potentially developable acres within the _____ Service Zone. Upon approval of the Preliminary Plat by the appropriate Planning Commission, and the execution of this Agreement, the Developer will pay _____ (which equates to _____% of the current total estimated project cost of $_____) to the District for the construction of the Phase I improvements. The District will use these funds for surveying, design, permits, easements, and other documents as may be required.

4. Upon the Developer's securing all necessary approvals and authorizations to begin construction of the proposed Development, and upon the District receiving payment from the Developer of all Capacity Fees, Water Tap Fees, and other related charges (under separate contract), and upon securing all necessary reviews, approvals and related property acquisitions, the District will initiate the bidding and construction phase of the Phase I Improvements. In the event that the total project costs associated with the Phase I Improvements exceed the estimated budget of _____, the Developer shall be responsible for paying _____% of the costs above the estimated budget immediately upon receiving an invoice from the District.

5. The District will have no obligation to begin construction of the Phase I improvements until the Developer makes the _____ payment required by Section 3 and provides the additional payments required by Section 4.

6. Before the District will provide water service to the Development, the Developer may be required to make water system improvements within the Development and pay the District the appropriate fees. The parties may execute a separate contract for on-site water system improvements for the Development at a future date.

7. The Developer will convey to the District any easements on its property required by the District for the construction, operation, and maintenance of the Phase I Improvements. If the District must institute eminent domain proceedings to acquire easements from third parties in which the Phase I Improvements are to be installed, the Developer will reimburse the District on demand, all costs it incurs including, but not limited to, deposits in court, damage awards, attorney fees, court costs, and appraisal, surveying, and engineering expenses; provided, that the Developer's obligation to reimburse the District for eminent domain costs will only begin when the District's total cost for appraisals and easement acquisition for the Phase I improvements exceeds $25,000.00, as determined solely by the District.

8. Upon acceptance for use by the District, the Phase I Improvements will become the District's property without the necessity of a formal conveyance from any party to the District. The Developer will not claim any ownership or security interest in the Phase I Improvements.

9. To the fullest extent permitted by law, the Developer and its successors and assigns agree to protect, indemnify, hold harmless, and defend the District, the members of the District's Board, the District's employees, and the District's professional service providers from all claims, demands, suits or loss, costs, and expenses, including reasonable attorney fees and court costs, and from any damages which may be asserted, claimed, or recovered, arising out of or in any way connected or associated with this Contract or the construction of the Phase 1 Improvements.

10. If the Developer breaches any provision of this Contract and the District institutes legal action to enforce this Contract or to recover damages caused by such breach, the Developer agrees to pay all the expenses of such legal action, including the District's court costs and

attorney fees.

11. The invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of the remaining provisions. This Contract is valid and enforceable, whether or not Future Phases of Improvements to the water system improvements are constructed, lots in the Development are sold, or water service is initiated to the Development.

12. This Contract shall constitute the entire agreement of the parties. This Contract may be modified or amended only by an instrument in writing executed by all parties hereto.

13. This Contract is governed by the laws of Tennessee, and any dispute or legal action arising out of or related to this Contract must be filed in the courts of _____ County, Tennessee.

In Witness Whereof, the parties have entered into this Contract as of the day and date first above written.

CASTALIAN SPRINGS/BETHPAGE WATER UTILITY DISTRICT

By: _____
Enter Name, District Manager

DEVELOPMENT

_____

By: _____

Name: _____

Its: _____

State of Tennessee)
)
County of _____)

Before me, a Notary Public in and for the County and State aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the District Manager of the Castalian Springs/Bethpage Water Utility District, and that he executed the foregoing instrument for the purpose therein contained, by signing on behalf of the utility as the District Manager.

Witness my hand and official seal on this the _____ day of _____, 20__.

_____
NOTARY PUBLIC

My Commission Expires: _____

State of Tennessee)
)
County of _____)

Before me, a Notary Public in and for the County and State aforesaid, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself/herself to be the _____ of _____, a Tennessee Limited Liability Company, and that he/she executed the foregoing instrument for the purpose therein contained by signing on behalf of _____ as the _____.

Witness my hand and official seal on this the _____ day of _____, 20__.

_____
NOTARY PUBLIC

My Commission Expires: _____

Castalian Springs Bethpage
Water Utility District

1010 Hinton Road
Bethpage, TN 37022
Phone: 615-841-3724
Fax: 615-841-3794
www.csbwater.com

Month, Day, Year

Name
Address
City, State, Zip Code

Re: Letter of Availability
_____ Road
City, State

Dear _____:

The District has reviewed your request to provide water service for two (2) proposed residential lots along _____ Road in _____, TN. Currently, the District owns, operates, and maintains an existing water line along _____ Road that is capable of serving both of the proposed lots.

Based on existing pressure zone boundaries and hydraulic modeling data, current operating pressures at the point of connection to the District range between __ psi – __ psi. Minimum fire-flow requirements, which are dictated by the State, cannot be met for the two (2) proposed lots.

The District is capable of providing residential domestic water service for the two (2) proposed lots. If you choose to proceed with obtaining water service for the proposed lots, it is recommended that you contact our office to discuss the necessary steps required to facilitate your request.

Please call me if you have questions or require additional information.

Sincerely,

_____, District Manager

Enclosures: Copy of Application Request

cc: District Office File

DEED OF CONVENYANCE OF
WATER SYSTEM IMPROVMENTS

PREPARED BY
CASTALIAN SPRINGS/BETHPAGE UTILITY DISTRICT
BETHPAGE, TENNESSEE

THIS DEED OF CONVEYANCE OF WATER SYSTEM IMPROVEMENTS is made this _day of _____ , 20 , by and between **CASTALIAN SPRINGS/BETHPAGE WATER UTILITY DISTRICT** of Sumner County, Tennessee, a Quasi-Government corporation, hereinafter called the "District", and _____, hereinafter called the "Developer". (Name/Names)

WITNESSETH:

Whereas, the District has established and is operating a transmission and distribution system serving the rural areas of Sumner County and portion of Trousdale County, within the Developer has planned and constructed a development presently known as _____ (Subdivision) as shown on Plat of Record in Plat Cabinet _____ , Envelope _____ , Register's Office of (Sumner)(Trousdale) County, Tennessee, hereinafter known as the "Development", which Development is the real estate in Deed Book _____ , Page _____ , Register's Office of (Sumner)(Trousdale) County, Tennessee.

Whereas, the water system improvements for this Development have been completed in accordance with the District's approved water system plans and specifications, and

Whereas, the District has accepted the water system improvements for use within their water system, and

Whereas, the Owner hereby warrants all water system improvements, both on-site and off-site, if applicable, against all defects in materials and workmanship for a period of one (1) year from the date of acceptance thereof in writing by the District, and concurrence by the Board of Commissioners of the Castalian Springs/Bethpage Water Utility District.

Whereas, the Owner hereby warrants that the water system improvements are paid for in full and that no liens or encumbrances remain in regard to the water system improvements, and

Whereas, the Owner covenants and agrees to hold the District and its agents harmless from the claim of any person, firm or corporation, and to defend any action at law or equity brought, and to protect the District and its agents against any judgments rendered arising from the installation of the water system improvements for this Development, whether the same be on private or public property, and

Whereas, the owner agrees to execute, acknowledge and deliver to the District any and all easements upon the lands of Owner that may be necessary or appropriate as determined by the District for the operation and maintenance of the Districts' water system, or portion thereof, whether such is for the Development or others, and

Whereas, the Owner understands and agrees that no third party shall obtain any benefits or right to the water system within or off-site of this Development with respect to water tapping privileges until all necessary arrangements have been made in accordance with the District's Rules and Regulation and Policies.

Now, therefore be it resolved that _____, Owner of
(Names/Names)
_____ , does hereby convey to the Castalian Springs/Bethpage
(Subdivision)
Water Utility District the total water system improvements for _____,
both on-site and off-site. (Subdivision)

In witness whereof, the parties have entered into this conveyance agreement as of this day and date first above written.

CASTALIAN SPRINGS/BETHPAGE WATER UTILITY DISTRICT

_____ _____
President Secretary

STATE OF TENNESSEE
COUNTY OF SUMNER/TROUSDALE

Personally appeared before me, the undersigned authority in and for said State and County, _____ , the within named bargainor(s) with whom I am personally acquainted, and who acknowledged before me that they executed the foregoing instrument for the purpose contained therein and who further acknowledged that they are the President and Secretary of the Castalian Springs/Bethpage Water Utility District, and are authorized by the District to execute this instrument on its behalf.

Witness my hand and seal, at office, on this the _____of_____ , 20 __

Notary Public

My commission expires _____ .

DEVELOPER

By:_____ By: _____

Title: _____ Title:_____

STATE OF TENNESSEE
COUNTY OF SUMNER/TROUSDALE

Personally appeared before me, the undersigned authority in and for said State and County, _____ , the within named bargainor(s) with whom I am personally acquainted, and who acknowledged before me that he/she/they executed the foregoing instrument for the purpose contained therein.

Witness my hand and seal, at office, on this the _____of_____ , 20 ___

_____
Notary Public

My commission expires _____.

Castalian Springs Bethpage Water Utility District

Bethpage, TN 37022
Phone: 615-841-3724
Fax: 615-841-3794
www.csbwater.com

CASTALIAN SPRINGS/BETHPAGE WATER UTILITY DISTRICT

WATER USE GUIDE

TYPE OF CONSUMER	UNIT	GALLONS PER DAY
Airport	Per employee	10
	Plus per passenger	3
Bar – No Food Service	Per seat	100
Bar – with Food Service	Per seat	150
Barber Shop	Per chair	100
Beauty Shop	Per chair	125
Bowling Alley	Per employee	10
	Per Lane (bar only)	75
	Per Lane (bar and food)	125
Car/Motorcycle/ATV Dealership	Per day	1000
Car Wash	Per car wash or bay	650
	Per employee	10
Church – Assembly Hall	Per seat	3
	With food service, per seat	5
	With child care ADD per child (capacity)	5
Child Care	Per child & employee (capacity)	10
Coffee Shop	Per seat	15
County Club	Per person (capacity)	40
Civic Club	Per person (capacity)	3
Dance Club	Per person (capacity)	3
Dentist Office	Per chair	500
Doctors Office/Medical Office/ Physician's Office	Per exam room	200
Drug Store	Per employee	40
	With food service ADD per seat	

| TYPE OF CONSUMER | UNIT | GALLONS PER DAY |

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Factory	Per employee	25
	With cafeteria ADD per seat	7
	With showers ADD per person	10
Hospital (in-patient)	Per bed	300
Hotel – Motel	Per room	150
	With suite ADD per suite	150
	With kitchenette ADD per room	150
	With restaurant ADD per seat	80
	With swimming pool ADD per room	10
	With bar ADD per seat	10
	With banquet room or meeting room ADD per seat	5
Laundry	Per machine	250
Meat Market	Per square foot	5
Mobile Home Park	Per home	350
Nursing Home	Per bed	120
	Plus per employee	20
Offices	Per square foot	0.2
Park	Per toilet	150
	With showers ADD per shower	100
	With swimming pools ADD per swimmer and employee	10
Prison	Per person (capacity)	90
Residential (Single Family and Apartments)	1 bedroom	250
	2 bedrooms	350
	3 bedrooms	475
	4 bedrooms	600
	5 bedrooms	725
	Additional bedrooms ADD per bedroom	125
	With swimming pool ADD per apartment unity or per person	10
	With clubhouse ADD per apartment unit or per person	10

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TYPE OF CONSUMER	UNIT	GALLONS PER DAY
Restaurant – Dishes & utensils washed on premise	Per seat	100
	Plus per employee	20
	With bar ADD per seat	10
	With banquet room or meeting room ADD per seat	5
Restaurant – Disposable dishes & utensils	Per seat	80
	Plus per employee	20
School	Per person	15
	With cafeteria ADD per seat	7
	With showers ADD per person	10
	With boarding ADD per person	75
Service Stations	Per employee	25
	ADD per pump	500
	ADD per car wash or bay	650
Shopping Center (Department or Retail Store)	Per square foot	0.15
	ADD per employee	25
	With food bar ADD per seat	50
Theater/Arena	Per seat	3
	With food service per seat	10
	ADD per employee	10
	*Drive-in Theater per car space	5
Veterinary or Animal Hospital	Per run or cage	10
	Per employee	20
Warehouse	Per square foot	0.02

Multiply the GALLONS PER DAY (GPD) on the Water Use Guide by the UNIT of Measurement on the Water Use Guide, then divide this figure by 200 to calculate the Single-Family Unit (SFU) Equivalent.

1 SFU = 200 gpd

SFU Equivalent = [(total # of units) x (gpd per unit)] ÷ 200 gpd/SFU