

WATER & WASTEWATER AUTHORITY OF WILSON COUNTY, TENNESSEE

RULES, REGULATIONS AND PROCEDURES

PERTAINING TO

WATER FACILITIES CONSTRUCTION

01. The Water and Wastewater Authority of Wilson County, Tennessee (hereinafter referred to as the “Authority”) adopts the provisions contained herein to establish the rules, regulations, procedures and conditions by which the Authority will accept ownership of water facilities constructed within its water service area and agree to operate and manage such facilities in the future.

02. The term “regulations” as used herein is defined to include all provisions contained herein.

03. The term “water facilities” as used herein is defined to include all items including but not limited to lines, pipes, meters, pumps, materials and equipment, all contractual rights and all real property interests including but not limited to fee simple title, easements and restrictive covenants, which are, or are intended to be, utilized in the provision of a potable water supply for public consumption and use.

04. The term “Owner” as used herein is defined to include all owners of real property which the Owner seeks to be served by water facilities constructed pursuant to these regulations. The term also includes representatives of an Owner authorized to act on behalf of an Owner.

05. The term “development” as used herein is defined to be the total designed project proposed by Owner which the Owner seeks to be served by water facilities to be dedicated to and operated, maintained and managed by the Authority.

06. Owner shall file with the Authority a completed Owner's Application for Water Service with such documents and attachments as may be requested in the Application. Owner shall pay an Owner's Application fee in the amount of \$250.00. The Application fee amount will be applied to the subsequent Development Fee payment at such time the Development Fee is paid. If the development is abandoned or the Owner fails to execute a Contract For Water Facilities Construction within one year from the date of payment of the Owner's Application fee, the Owner's Application For Water Service shall lapse. Owner's Application Fee shall not be refunded.

07. The Authority's engineer shall review the Owner's Application For Water Service and determine the apparent availability of water supply to serve the development and any facilities which may be required either on the site of the development or off the site of the development. Depending upon the project size, complexity, required timeline or other such criteria as may be determined in the sole discretion of the Authority, the Authority shall determine under which of the following cases the project will proceed.

Case 1) The Authority's engineer shall prepare a preliminary opinion of the cost of construction for the required water facilities. The Authority will then provide a Letter of Availability to the Owner that outlines the apparent availability of water supply to serve the development and any facilities which may be required either on the site of the development or off the site of the development, or

Case 2) After consultation with the Authority's engineer, the Owner's engineer shall submit a preliminary opinion of costs to the Authority's engineer for review and approval. The Authority will then provide a Letter of Availability to the Owner that outlines the apparent

availability of water supply to serve the development and any facilities which may be required either on the site of the development or off the site of the development.

08. The Owner shall pay to the Authority as a Development Fee an amount equal to the following:

Case 1) For water facility plans to be prepared by the Authority's engineer, twelve percent (12%) of the preliminary opinion of cost of construction or \$5,000.00, whichever is the greater amount. However, the Owner of an existing occupied home to be served shall be exempt from the \$5,000.00 minimum Development Fee. Of the amount received from the Owner, twenty percent (20%) shall be paid to the Authority's attorney for legal services and eighty percent (80%) shall be paid to the general fund of the Authority for engineering, inspection, field services and management and staff expenses.

Case 2) For water facility plans to be prepared by the Owner's engineer, six percent (6%) of the approved preliminary opinion of cost of construction or \$2,500.00, whichever is the greater amount. Of the amount received from the Owner, forty percent (40%) shall be paid to the Authority's attorney for legal services and sixty percent (60%) shall be paid to the general fund of the Authority for engineering review, inspection, field services and management and staff expenses.

Case 1 or Case 2. At such time the Development Fee is paid, the Owner shall file with the Authority a property deed by which the Owner received title to the real property proposed to be the site of the development. The Owner shall also pay all State fees, including the Plans Review Fee as may be assessed by Tennessee Department of Environment and Conservation (TDEC).

09. For Case 1) The Authority's engineer shall then prepare, in consultation with the Owner, the design plans and specifications for the construction of the proposed water facilities

for the development and shall submit the said plans to the Tennessee Department of Environment and Conservation (TDEC) Division of Water Resources – Drinking Water Unit, for approval.

For Case 2) The Owner’s engineer shall prepare and submit design plans (and specifications if so required) for the construction of the proposed water facilities for review and approval by the Authority’s engineer. Upon obtaining approval of the Authority’s engineer, Owner’s engineer shall submit the said plans to the Tennessee Department of Environment and Conservation (TDEC) Division of Water Resources-Drinking Water Unit, for approval.

10. Upon the Authority’s approval of design plans, the Authority’s attorney shall prepare for execution by both parties a Contract For Water Facilities Construction setting out the terms and conditions by which the Authority will accept the water facilities shown on the proposed plans. The Contract For Water Facilities Construction shall include by reference the regulations contained herein and such additional terms as may be required by the management of the Authority.

11. After receiving the Authority’s approval of the said plans, which may also be subject to TDEC approval, a closing meeting shall be set for the execution of the Contract For Water Facilities Construction and finalization of any remaining items. These items include, but are not limited to, the payment of tap fees for each tap connection shown on either the design plans or on a plat of the development property proposed to be approved by the Authority, execution of any ancillary documents required by the Authority’s management, and delivery of satisfactory “Surety” in the form of: a surety bond by an acceptable insurance company, in a form acceptable to the authority; an irrevocable letter of credit, in a form acceptable to the Authority and issued by a bank acceptable to the Authority; or a cash deposit with the Authority. The Owner shall execute or furnish easements and such other documents and items as are determined by the

management of the Authority to be necessary or desirable and in forms satisfactory to the Authority.

12. The Surety furnished by Owner or his chosen contractor shall insure the full performance by the Owner and the Owner's chosen contractor of all provisions of the Contract For Water Facilities Construction and these regulations in the construction and maintenance of the water facilities. Owner and his chosen contractor shall warrant the water facilities constructed against all defects arising from the construction of the water facilities, or otherwise, for one (1) year after the issuance of the Letter of Acceptance. The Surety shall also include the period of the Owner's warranty of the water facilities and the payment of all labor and materials provided during warranty period of the water facilities. During the warranty period the Authority may reduce the required Surety by up to ninety percent (90%) of the original amount.

13. In the event the Surety expires or is due to expire prior to the acceptance of the water facilities or the termination of the warranty period, Owner or Owner's chosen contractor shall furnish to the Authority a renewed Surety at least fifteen (15) days prior to the expiration date. The failure to comply with this provision shall constitute grounds for the Authority to immediately draw upon the Surety for up to the full amount of such Surety. Renewed Surety shall be effective for an additional year or until the termination of the warranty period.

14. If the development is abandoned or if the Owner fails to complete substantial construction of the development within one (1) year after the Contract For Water Facilities Construction is executed, said contract shall lapse at the option of the Authority. Management is authorized to refund to the Owner such portion of the Development Fee as management determines to have been unearned by the devotion of Authority resources to the development.

The decision of management is declared to be an appealable action subject to the Grievance Policy of the Authority.

15. Tap fees for the development shall be paid at the time of the closing meeting and before the Contract For Water Facilities Construction is executed with the Authority. Any additional cost incurred to the authority arising out of the Owner's property, the Contract for Water Facilities Construction or the Owners' obligations under the same, shall be paid by Owner to the Authority at the time of the closing.

16. A customer's deposit and connection charge shall be payable by the customer at the time the customer executes a Water Service Contract for water service at the customer's parcel and shall be in such amounts and at such rates as are in effect at the time of such execution. Upon payment of the customer deposit and connection charge, the Authority shall furnish and schedule installation of a water meter to serve the parcel. Meters sized two-inch (2") or larger shall be furnished and installed by the Owner if shown on the design plans. If not shown on the design plans or if the Owner did not actually furnish, install and maintain the meter, the customer shall be responsible for such expenses.

17. The Authority is not responsible for any water facilities located beyond the meter box connection point. The property owner is responsible for installation, ownership and maintenance of any water service line(s) or appurtenances beyond the connection point on the property owner's side of the meter box.

18. Unless otherwise modified by separate agreement with the Authority, the Owner shall be solely responsible for obtaining any required easements and all additional permits and approvals which may be required by other governmental agencies or departments for the proposed construction and Owner shall bear all costs associated therewith.

19. The Owner shall be solely responsible for the construction of the proposed water facilities as shown or described on the design plans or in the specifications or which is necessary for the satisfactory use of the water facilities and shall bear all costs associated therewith.

20. The Authority reserves the right to reject the Owner's choice of the contractor for the project based upon the amount and type of the contractor's experience, previous performance on similar projects, equipment inventory, financial stability or other suitable criteria deemed appropriate, all in the sole discretion of the Authority.

21. After execution of a Contract For Water Facilities Construction and the completion of any other conditions, a Preconstruction Meeting will be scheduled which will be held at the Authority's office. The Owner (or his designated representative) and the contractor chosen by the Owner to be responsible for construction of the water facilities must be in attendance. Items to be presented by the Owner or contractor at this meeting shall include the following: evidence of obtaining applicable regulatory permits, a valid Tennessee contractor's license for the type of construction proposed, valid certificates of public liability and property insurance sufficient to completely indemnify the Authority from any and all claims in connection with and arising from the contractor's actions or failure to act, and acceptable evidence showing the contractor's compliance with worker's compensation insurance and unemployment compensation requirements. After completion of the Preconstruction Meeting and upon the Authority's satisfaction of the resolution of all remaining issues or concerns, the Authority shall establish a designated date for the start of construction. Any water facility construction, including delivery of material, initiated prior to the completion of the Preconstruction Meeting and designated construction start date will be subject to rejection in the sole discretion of the Authority.

22. Owner shall provide reasonable access to the development at all times for Authority personnel to enter for the purpose of observation of construction and materials and equipment inspection and testing. Any unsatisfactory work or materials, as the Authority shall solely determine, shall be corrected or replaced by the Owner to comply with the specifications of the Authority. A failure to follow specifications or otherwise properly install the water facilities, in the sole opinion of the Authority, shall be cause for the issuance of a stop work order by management of the Authority. Upon the issuance of a stop work order, the Owner and contractor shall immediately cease all work on the development and the Owner and contractor shall then attempt to resolve all grounds for the issuance of the stop work order to the satisfaction of the Authority. In the event the parties are unable to fully resolve all pending issues to the satisfaction of the Authority, the Authority may remove the contractor from the construction site and engage a different contractor to complete the development in accordance with the design plans and specification and may draw upon the Surety to pay such expenses as it may incur, including its reasonable attorney fees and costs.

23. The Authority shall have the right to inspect and to observe the construction and installation of the water facilities at any and all times during the installation and construction. The inspection or observation shall not be for the purpose of insuring the safety of individuals at the work site or of any third persons damaged as a result of the actions of the Owner or contractor and shall in no way create an obligation for the Authority to inspect or observe.

24. The Owner shall notify the Authority of the completion of all work and, if such work is acceptable to the Authority, the Authority will issue a Letter of Acceptance establishing the beginning date of water service usage availability and the maintenance and warranty period. If

the Authority determines that such work is not acceptable, the Authority will give notice in writing of remaining work items or rejection of unsatisfactory work items needing correction.

25. Upon issuance of the Letter of Acceptance, all components of the water facility, including but not limited to land, easements, contractual rights, tanks, pipes, valves and pumps shall be conveyed to, and accepted by, the Authority without further action by the Owner or the Authority. The Authority shall retain the right to require the Owner and contractor to fully perform all obligations of the Owner and contractor for the warranty period. The Owner guarantees that the Authority's ownership of all real and personal property constituting a part of the water facility shall be free and clear of all claims or encumbrances.

26. The Authority shall have the right to extend the water facilities in this development to serve other developments.

27. A failure to complete the construction of water facilities in a timely and acceptable manner and/or failure to comply with the conditions of these regulations or the conditions and requirements of the executed Contract for Water Facilities Construction shall, at the sole discretion of the Authority, result in the Authority refusing to accept any part or all of the constructed facilities and/or proceeding to remedy the situation by drawing upon the Surety filed by the Owner and any other legal means available to the Authority.

28. Authority management is authorized to execute contracts with provisions different from these approved regulations when the specific attributes of a project and good business practices so require.

29. The requirements and provisions of these Regulations shall replace and supersede any and all conflicting rules, regulations, procedures and policies relating to the construction of water facilities, including the previously adopted Subdivision Policy relating to water projects. Owner

agrees to be bound by the rules and regulations of the Authority as the same now exist and as they may be hereafter amended, modified or promulgated.

30. The requirements and provisions of these Regulations shall become effective on the 1st day of March, 2024.