

HUNTSVILLE UTILITY DISTRICT

Developers & Subdivision Policy

ADOPTION DATE: November 1, 1999
EFFECTIVE DATE: November 1, 1999

BACKGROUND AND PURPOSE

In order for the Utility to serve the public and to comply with the regulations of the environmental protection agency and the Tennessee department of the environment and conservation and other state and federal regulations, the Utility must establish rates, fees and charges to produce revenue sufficient to meet all its obligations. The Utility's governing board must set rates, fees, and charges to produce sufficient revenues to pay for operating expenses and to amortize the bond indebtedness of the Utility. The Utility will require that developers who seek to profit from residential or commercial construction pay their fair share of such costs. Should the cost of construction be unusual or other unusual circumstances exist, the Utility may modify or add to these procedures. The determination of unusual circumstances will be made by the Utility on a case-by-case basis.

The Utility 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 interest of other current and future customers.

LIMITATIONS

The Utility 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 DURATION

All records regarding subdivisions and developers contracts shall be kept indefinitely.

OMISSIONS

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

POLICY

- The cost and expenses incidental to the installation, connection, and inspection of Utility service facilities for residential subdivisions and commercial developments shall be borne by the Developer. In addition, the Developer shall indemnify the Utility from any loss or damage that may directly or indirectly result from the installation of utility lines and other facilities by the Developer for a period of one year after Utility acceptance of the facilities.
- A Developer seeking to obtain service from the Utility will submit to the Utility a preliminary plat, which shall include the number, size and estimated cost of each unit and any other information that will assist the Utility in making a determination of availability of service. Each plat shall show the number of units and size (single family, duplex, etc.) to be served in the developments. The Developer or his assignee will be responsible for obtaining all easements.
- Upon receipt of the documents required by Paragraph 2 herein, and the determination that the development is to be pursued, the Utility may select to submit the documents to its engineer for the preparation of plans and specifications or may select to accept plans and specifications submitted by the Developer for review and approval by the Utility's engineer.
- In the event a planned development includes a fire protection system, the Developer shall submit total fire protection plans including the number and location of sprinkler heads and hydrants.
- The Utility may confer with its attorney during any of these procedures. Upon the Utility's approval of the plans, specifications and other necessary information, the same will be referred to the Utility's attorney for the drafting of a contract between the Utility and Developer.
- Before any work is begun on any project, the appropriate contract shall have been signed by the Utility and the Developer. The Developer shall notify the Utility of the proposed starting date of construction and all progress thereon shall be reported weekly to the Utility.
- The Developer shall obtain all permits (building, plumbing, electrical, etc.) to serve these facilities and shall comply with the requirements of all other governmental agencies having jurisdiction. When the plan calls for the installation of mains under the streets to be opened and dedicated within the development, the Developer shall execute a Deed of Dedication to the Utility of _____-foot easements within which such lines are to be installed or shall execute a deed conveying in fee simple the property within which such lines are to be installed.

The Deeds are to be executed before trenching for the installation of such lines. The Deeds shall describe the easements and property of reference in the book and page of the recorded plat.

The Utility's policies regarding the requirement of easements are as follows:

- All system improvements including storage tanks, access roads, booster or pumping stations and other facilities shall be constructed on easements approved by the Utility or on property conveyed in fee simple to the Utility.
- All easements shall be obtained by the Developer or his agent.
- All easements shall be shown on a final subdivision plat before the plat will be approved by the Utility.
- Any easements that are required outside a proposed development shall be obtained by the Developer or his agent prior to the initiation of system construction, except those covered in (e) below.
- If a line within a public right-of-way must be extended to bring service to a new development, the Utility may make application to obtain the necessary permission to use such public right-of-way from the state, county, or other governmental authority having jurisdiction over the particular right-of-way.

The DEVELOPER will pay the UTILITY for plans and review fees related to water and wastewater plans. After the UTILITY'S engineer has either prepared the plans and specifications or reviewed and approved the DEVELOPER'S plans and specifications, or the UTILITY has accepted said plans and specifications, the UTILITY will send the plans and review fee to the Tennessee Department of Environment and Conservation for approval.

The Utility will approve the final plat provided:

- all system improvements have been constructed and the plat constitutes an "as-built" condition; or
- the Developer gives the Utility a bond or letter of credit for 100% of the construction costs of proposed improvements as estimated by the Utility or the Utility's engineer. The Utility shall hold the bond until all improvements are constructed in full adherence to the plan or until a corrected and amended plat is recorded noting all differences from the original plan.

- No service shall be initiated within a plated subdivision or development of any kind until either of the above are completed to the satisfaction of the Utility. The Utility, in writing, may waive the bond for contracts under \$25,000.

Prior to the execution of a contract for over \$25,000, the Utility shall require the Developer to post a bond with corporate surety authorized to do business in the State of Tennessee or obtain an irrevocable letter of credit issued by a national bank or a bank authorized to do business in the State of Tennessee for the costs to construct the system improvements to serve the development. The Utility's manager may authorize reduction of the bond or letter of credit on the basis of certification by the Utility's engineer as to percentage of completion of the project as designed by such engineer, with the bond to be reduced to 50% after the project shall be certified as 65% complete, reduced to 25% upon certification that the construction is 90% complete and to 10% upon certification that the construction is 100% complete, subject only to acceptance by the Utility.

No utility lines or other facilities shall be covered prior to inspection and approval by the Utility.

Where private lines are permitted by the Utility and are not to be dedicated to the Utility, the Utility's engineer shall check and approve these lines.

Prior to the execution of the contract, the Developer must pay all fees and charges currently established by the Utility for the Developer which may include but are not limited to the following:

- All tap fees;
- Connection fees;
- Storage fees;
- A security deposit or non-refundable service charge;
- Plan review fees;
- Other: _____

Upon execution of the contract, the Developer will make a non-refundable payment to the Utility of _____% of the estimated costs of utility construction covered under this contract for engineering, inspection, legal, and administrative expenses.

The Developer will be permitted to connect to the Utility's existing lines provided the lines extended to and throughout the development shall become the property of the Utility free and clear of the claims of any persons or entities, except as provided otherwise herein.

The contract entered between the parties shall operate as a conveyance of the facilities when the same are installed and accepted without the necessity of any further writing, contract or deed; however, the Utility may also require a deed of exchange thereof.

The Board should select one of the following options:

- All meter settings, meters and services will be installed and purchased by the Utility, and the Developer shall be charged in accordance with the Utility's current fee structure.
- All meter settings, meters and services will be installed and purchased by the Developer.
- All meter settings and services will be installed and purchased by the Developer. The Developer will furnish a Utility approved meter for installation by the Utility.

Each family residence or duplex shall be served with a separate meter of a minimum size specified by the Utility.

Apartment complexes or other types of dwelling or businesses shall be served by a meter of a size approved by the Utility.

All water services will be installed in a manner to comply with the Utility's cross connection program.