



City of Friendsville  
Utility Policy

# Policies

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# Policy 1 Account Collection

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Accounts cut-off for non-payment or discontinued accounts shall be subject to this policy.

1. Within thirty (30) days after an account has been discontinued or cut off for non-payment, Friendsville Waterworks and Sewer hereafter referred as the "Utility" shall institute its collection procedure. That procedure shall include the following:
  - If payment is not received by the Utility within:
  - Seven (7) business days, after discontinuance of service
  - by the next billing cycle, the Manager shall place the account in one of the following categories for collection:
  - The Utility shall turn the account over to an outside agent or agency for collection;
  - The Utility determines that collection is not feasible and writes off the account.
2. At the next regular meeting of the Governing Board, the Manager will report:
  - The accounts which he has categorized since the last Board meeting, noting the method of collection that is being pursued for each account.
  - This report shall include the status of any previously reported accounts that have been collected.
  - The Manger shall report any accounts that are to be written off to the Board.
3. The Board shall approve or disapprove any determination that an account shall be written off. Until payment has been made, no further service at this service address will be rendered to the person(s) whose name appears on the account or to person(s) who received service from this account.
4. In the event a complaint has been filed in accordance with the established Complaint Procedure contesting the propriety of the charges on such account, then collection of such account may not be pursued until the Governing Board has taken final action on the complaint.
5. Any person(s) on whose account collection procedures have been instituted who has made full restitution to the Utility and/or its agents will not be refused service. However, the person(s) may be required to pay an additional special deposit or service charge before service is provided, in accordance with the Utility's policy.
6. Any fees or additional costs to the Utility for collection of an account shall be borne by the person(s) whose name(s) appears on the account.
7. The Utility may report accounts covered under this policy that have not made restitution to a credit reporting agency.

**RECORD KEEPING DURATION** All records regarding account collection shall be kept for a period of six (6) years.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

## **Policy 2 Adjustments to Bills**

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1. The need to adjust a utility bill may be evident by a Customer complaint of excessive billing or evidence of leakage on the Customer side of the meter being defined as the back side of the meter yoke.
2. It is the Customer's responsibility to keep his plumbing system in good working order.
3. The Utility will first determine that the meter was properly read. If an investigation of the meter and meter records establishes that the meter was misread or that there was a failure of utility equipment, an adjustment will be issued using an estimated reading based on an average of the past twelve (12) months' billings for this period. There will be no penalty assessed in the event the adjustment procedure delays payment past the penalty date.
4. If an investigation of the meter and meter record establishes that the meter was properly read and that there was no failure of utility equipment, the bill will remain valid and payable.
5. Any Customer questioning the accuracy of his meter may pay the utility bill in question and a meter testing deposit of \$35.00 for residential, commercial and industrial meters. The Utility will remove the meter and test the accuracy.
6. If the meter proves to be accurate within guidelines established for used meters by the American Water Works Association (AWWA), it is deemed to be accurate. If the meter tests accurate, the Customer forfeits the meter testing deposit. If the meter does not meet AWWA accuracy standards, the Utility shall refund the meter testing deposit to the Customer and repair or replace the meter.
7. If an adjustment of the Customer's bill is warranted, the amount of the bill will be determined based on an average of the billing period for the last six (6) months billing
8. Adjustments on water bills will NOT be made on the following:
  - Routine dripping faucets, leaking commodes, or any type of faulty customer plumbing;
  - Premises left or abandoned without reasonable care for the plumbing system;
  - More than one occurrence per calendar year;
  - Filling of swimming pools; and (e) Watering of lawns or gardens.
9. The Utility shall not be obligated to adjust of any bills not contested within ninety (90) days from the billing date.
10. The Utility shall be under no obligation to extend the discount or due date or the time for paying any bills because the Customer disputes the amount of the bill.

11. All billing adjustments pertaining to water leaks must be handled thru Servline by contacting their customer service department at 1-866-421-3815. All customers requesting an adjustment due to a billing error must complete a Request for Adjustment form and present it to the Utility.
12. The Manager or his designee shall file with the Board at its regular monthly meetings all completed Request for Adjustment forms and these shall be reviewed by the Board and made part of the minutes

**RECORD KEEPING DURATION**

All records of billing adjustments shall be kept for a minimum of ten (10) years.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

## Policy 3 Advertising

1. It is the policy of the Utility that all advertising must promote the Utility and the products and or services that the Utility provides. No advertisement will be made that does not meet the above criterion. Samples of some types of advertisements allowed and not allowed are part of this Policy.
2. It is the policy of the Utility to advertise the following:
  - Customer services
  - Products that the Utility provides
  - Special promotions
  - Quality of the services provided to the Customer
  - Cost or comparison of cost for the service the Utility provides
3. All advertising will be directed to the following:
  - Present Customers
  - Potential Customers
4. No advertisements will be directed to Customers or potential Customers outside of areas that the Utility now services or has the potential or desire to service.
5. The Utility may use the follow methods of advertising:
  - Newspapers
  - Television
  - Radio
  - Internet
  - Magazines
  - Billboards
  - School and other community programs, annuals, calendars, etc.
  - Memberships of civic organizations

### RECORD KEEPING DURATION

All records regarding advertising payments shall be kept a minimum of five (5) years.

**DOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

Samples

<p style="text-align: center;"><b>NO</b></p> <p style="text-align: center;">Compliments of City of Friendsville Waterworks</p>	<p style="text-align: center;"><b>YES</b></p> <p style="text-align: center;">Compliments of City of Friendsville Waterworks Our water meets all federal and state standards</p>
<p style="text-align: center;">City of Friendsville Waterworks 213 West College Ave Friendsville, TN 37737</p>	<p style="text-align: center;">City of Friendsville Waterworks 213 West College Ave Friendsville, TN 37737 Phone:865-995-0243 For 24-hour Emergency Service, Call 865-995-0243</p>
<p style="text-align: center;">Sponsored by  City of Friendsville Waterworks</p>	<p style="text-align: center;">Sponsored by City of Friendsville Waterworks Providing quality and inexpensive Water to Friendsville</p>
<p style="text-align: center;">City of Friendsville Waterworks 213 West College Ave Friendsville, TN 37737</p>	<p style="text-align: center;">City of Friendsville Waterworks 213 West College Ave Friendsville, TN 37737 Providing its Customers with Dependable, Water, Wastewater, For information call 865-995-0243</p>

## **Policy 4 Alternate Payment Method**

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1. The Utility will accept bank drafts from the following bank(s): All banks
2. The Customer must complete and sign a preauthorization form (*see attached*) and attach a voided check from the bank that the draft will be drawn.
3. The Utility will mail an invoice to the Customer with the message "*Paid by Bank Draft*" **or other such wording printed** on the invoice on the date of its regular billing. This will give the Customer time to examine the invoice before it is deducted from their account.
4. The Customer's draft will be presented to the bank for payment on the date the Net Amount is due.
5. If funds are not available in the Customer's account at the time the draft is presented, and the draft is returned unpaid, the Utility will:
  - Notify the Customer by mail, phone, and/or tag at door that the draft was returned unpaid;
  - Upon return of the unpaid draft, an additional charge of \$30 (Thirty Dollars) will be added to the Customer's account and;
  - The Customer account will be subject to forfeiture of the discount and/or the adding of any penalties due and subject to the Utility's cut-off policy.
6. Any Customers whose draft is returned unpaid more than **two (2) times** will be removed from the Automatic Payment Method.
7. Customers who wish to return to the regular payment options may do so at any time by writing and/or calling the Utility and requesting to be removed from the Automatic Payment Method. Upon receipt of this request, the Customer will be removed at the next available billing cycle.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_



## Payment by Credit Card

1. The Utility will accept credit or debit cards on the following companies:
  - Master Card
  - Visa
  - American Express
  - Discover Debit Card
  
2. The Utility will accept credit or debit cards presented in the following manner:
  - Presented in person, the Utility will check the following:
    - ✓ Proof of identification;
    - ✓ Expiration date of the card;
    - ✓ Compare the signature on card to sales draft signature.
  
  - By internet:
    - ✓ Verify expiration date of the card;
    - ✓ Verify the number on rear of card;
    - ✓ Verify cardholder billing address.
  
3. The Utility will accept credit or debit card for all services.

### Processing fees requirements:

**TCA 9-1-108 (3) Requires a utility district or municipal entity to “set and collect a processing fee in an amount that is equal to the amount paid to the third-party processor for processing the payment. However, the processing fee shall not be set in an amount that exceeds five percent (5%) of the amount of the payment collected by credit card or debit card. Such processing fee may be waived by approval of the Governing Body”.**

The Utility shall:

- Charge a processing fee of three (3) %  
*Not to exceed what the Utility pays for processing.*
4. The Utility shall use electronic authorization terminals approved by their credit card provider (i.e. NEVER borrow someone else’s terminal to accept a credit card payment and never allow another business to use the Utility’s credit card terminal for processing).
  
  5. The Utility shall not make any cash advances or cash returns on cards presented.

6. If a card is rejected by the processing company at the time it is presented, the Utility will require payment by another method (cash, check or another card).
7. If a payment by credit card is not honored by the credit card company issuing the card, or if a payment by a debit card is not honored by the entity on which the funds are drawn, the Utility will collect a service charge from the person presenting the card. The amount of the service charge shall be the same amount as the fee charged for a returned check drawn on an account with insufficient funds (This section does not apply if an electronic device is used to conduct the transaction, the card and cardholder are present, and the person who takes the card learns of the declination of the credit card or debit card at the time the transaction is processed).
8. If for any reason, a Charge Back is received by the Utility, the Charge Back shall be treated as non-payment of the Customer's account and will be subject to forfeiture of the discount and/or the adding of any penalties and other fees due and subject to the Utility's cut-off policy (*"Charge Backs" occur when a Customer disputes the charges on their card and the Customer's credit card company charges back the charge to the utility's credit company*).

**RECORD KEEPING DURATION**

All records regarding alternate payments shall be kept for a minimum of five (5) years.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

## Policy 5 *Bad Debt Write-Off*

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The Utility will actively pursue the collection of delinquent accounts, regularly review the status of delinquent accounts, and write-off amounts determined to be uncollectible. Utility accounts which have been delinquent for more than ninety-seven (97) days shall be turned over for collection to a collection agency.

Delinquent accounts should be written off during the fiscal year the account is determined to be uncollectible.

A delinquent account will be considered uncollectible after the appropriate collection procedures have been followed and if it meets one or more of the following criteria:

- The debt is disputed, and the Utility has insufficient documentation to pursue collection efforts;
- The cost of further collection efforts will exceed the estimated recovery amount;
- The amount is under \$20 and remains unpaid after one year;
- The account remains unpaid after the applicable period for commencement of a recovery action (statute of limitations);
- The delinquent account holder cannot be located, or the debtor's assets cannot be located;
- The delinquent account holder has no assets, or no assets can be found;
- The delinquent account holder has died and there is no known estate or guarantor;
- The delinquent account holder is a company which is no longer in business;
- The debt is discharged through legal action (bankruptcy or court judgment);

At least annually, the Office Manager will prepare a list of the delinquent accounts which meet the criteria for designation as an uncollectible account for approval by the Board of Commissioners. The list must include name, account number, and account balance of the uncollectible accounts being written off. The Board of Commissioners shall approve the list of delinquent accounts as uncollectible, and the uncollectible accounts shall be written off.

If a delinquent account has been turned over for collection or has been written off as uncollectible, the delinquent account holder will not be allowed to sign up for new service by the Utility at any location until all delinquent accounts in the name of the account holder and all collection costs for the delinquent accounts have been paid.

ADOPTION DATE: \_\_\_\_\_ EFFECTIVE DATE: \_\_\_\_\_

## Policy 6 *Billing & Payment*

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1. Utility bills for residences will be rendered monthly. Commercial and industrial Customers may be billed monthly or more frequently, at the discretion of the Governing Board.
2. Utility bills shall include a "net" amount with a payment due date, after which date the "gross" amount shall apply.
3. Should the date for payment of a bill fall on a weekend or holiday, the bill may be paid on the following business day at the net amount.
4. When a Customer does not pay a bill by the final payment date for the gross amount of the bill, service shall be discontinued in accordance with the Utility's Discontinuance of Service Policy. The Customer's bill or final notice of service termination for nonpayment shall advise the Customer that any dispute concerning the bill must be reported to the Utility within seven (7) days to avoid discontinuance of service.
5. Utility bills are recognized as a routine bill owed by the Customer. The Customer's failure to receive a bill does not change in any way the Customer's obligation to pay the amount due in a timely manner.
6. The following bill payment method/locations are acceptable:

Mail — Payment will be posted according to the day it was received;  
Drop-off box — Payment posted on business day that box is opened;  
Utility's Internet Site — Payment posted on business day entered

7. When a Customer receives a bill and considers the bill to be incorrect, the Customer may request a review of the bill. To request a review, the Customer must contact any clerical employee of the Water Department in person or by telephone within seven (7) days before the scheduled cut-off/disconnect date. In the event the dispute cannot be resolved by telephone, the Customer must make an appointment to meet with Office Manager and Water Manager who is authorized to make bill adjustments within three (3) days of the due date of the bill. The Customer's service will not be discontinued for failure to pay a disputed bill until after the Customer has the opportunity to meet with the Office Manager and Water Manager. The Customer may request that the disputed bill be reviewed by the Governing Board of the Water Department by serving written notice to the Water Manager of the Customer's desire to appear before the Board.

### RECORD KEEPING DURATION

All records regarding Customer billing shall be kept for a minimum of five (5) years.

ADOPTION DATE: \_\_\_\_\_ EFFECTIVEDATE: \_\_\_\_\_

## **Policy 7 Conflict of Interest Statement**

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### **For Officers, Commissioners, Committee Members, & Staff Members**

No member of the **City of Friendsville Water Department** Board of Commissioners, or any of its Committees shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with the **Friendsville Water Department**. Everyone shall disclose to the **Friendsville Water Department** any personal interest which he or she may have in any matter pending before the **Friendsville Water Department** and shall refrain from participation in any decision on such matter. Any member of the Board, any Committee member, or staff member of a Utility shall identify his or her affiliation with such agency or agencies; further, in connection with any committee or board action specifically directed to that agency, he/she shall not participate in the decision affecting that agency and the decision must be made and/or ratified by the full board. Currently, I am a Board member, a Committee member, or an employee of the following organizations:

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Now this is to certify that I, except as described below, am not now nor at any time during the past year have been:

1. A participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party; doing business with the Utility which has resulted or could result in personal benefit to me.
2. A recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with the Utility.

Any exceptions to 1 or 2 above are stated below with a full description of the transactions and of the interest, whether direct or indirect, which I have (or have had during the past year) in the persons or organizations having transactions with the Utility.

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Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## **Policy 8 Customer Contract**

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It is the policy of the Water Department to require that the Applicant seeking service be the responsible party residing at the service address.

Anyone seeking service who is acting on the Applicant's behalf may be required by the Water Department to provide the Applicant's written verification as well as Applicant's identification papers, as required below.

Whenever an application is made for service and the Water Department has knowledge of a dispute as to the ownership of the right of occupancy at the service address, and one or more of the claimants attempts to prevent such service being furnished, the Utility reserves the right to adopt either one of the following two courses:

- Treat the Applicant in actual possession of the premises at the service address as being entitled to such service, notwithstanding the rights or claims of other persons.

**Written verification from a medical doctor is required before meter can be labeled as non-cut-off. The water bill is still required to be paid in full, but notification will be made prior to disconnect.**

The meters will be read between the **27th** and **29th** of each month. Bills will be mailed to customers by the 5th of each month. Bills can be paid without penalty until the 18th of each month. After the **18th**, a **10%** penalty will be added to the bill. Accounts not paid in full will be shut off ten days after due date on **28th** of each month and a fee of **\$75.00** will be charged for reconnection.

**All Applicants requesting the installation of a new tap or the activation of an existing tap, not previously activated, shall be required to pay the Utility's appropriate tap fee based on the size tap required.**

In consideration of payment by the Customer of certain fees detailed in the "Schedule of Rates and Charges", the Utility agrees to furnish service to the service address listed herein, and the Customer agrees to purchase services from the Utility, subject to the terms and conditions herein set forth.

1. The obligations of this contract shall be binding upon the executors, administrators, and estate of the original parties, provided that no application, service agreement or service contract may be assigned or transferred without the written consent of the Utility.
2. It is agreed that if Customer sells, subdivides, or leases the property herein described, Customer will notify the Utility in order that it may execute a new contract with the successor Customer.
3. It is understood and agreed that every condition of this contract is of the essence of the contract, and if breached, the Utility may cut off one or all of its services to the service address and may not be reconnected except by order of the Utility, after the payment of all rates and charges have been made by the Customer.

4. Services provided by the Utility shall be supplied only to the Applicant at the address named in this contract. Customer **shall not connect any other dwelling or property to his service.**
5. The meter and related appurtenances serving the Customer's service address shall remain the property of the Utility.
6. The Utility or its agents reserve the right to make inspections of the service installation within the Customer's premises upon reasonable notice and at reasonable time. The Utility assumes no liability operation or maintenance of the Customer's plumbing.
7. The Customer agrees to keep the property at the service address accessible and free from impediments included but not limited to not to be fenced-in, clear of trees, bushes, shrubs, structures, vehicles and equipment to Utility access, maintenance, and meter reading. Upon notification from the Utility, the Customer agrees to remove any impediments to Utility access. If such impediments are not removed within such reasonable time as requested by the Utility, service will be disconnected. Service shall be reinstated after any impediments are removed and all bills, reconnection fees and other such fees are paid by the Customer.
8. The Utility shall have the right to restrict, control or discontinue service at any time during emergencies or repairs. The Utility shall not be liable for failure to furnish service for any reason beyond its control or for any loss, injury or damage to persons, plumbing or property resulting from such service curtailment or discontinuance.
9. The Utility makes no guarantees, expressed or implied, as to service quality, quantity, pressure, consistency, or continuity.
10. The Utility shall, at its discretion, specify how and what uses may be made of service provided to Customer. If the Customer fails to comply with the uses so specified, service shall be discontinued.
11. All pressure regulators, valves, service lines, backflow preventers and other devices located on the Customer's side of the meter are the responsibility of the Customer. No pump may be installed on potable water lines without the written permission of the Utility.
12. Customer agrees not to allow any cross-connection between Utility service and a private well or spring or any other connection, either inside or outside of any building, in such manner that a flow of water from such connection may potentially be introduced into Utility service lines.
13. All requests for disconnection of service should be made either in writing or in person if possible. The utility will accept telephone requests for discontinuance if caller can give adequate identification. The Utility will make every effort to respond within a reasonable time

14. If the Applicant fails to connect to the system when service is available, and a tap is made, the Customer will pay the minimum bill, not to be less than one (1) year.
15. The Customer shall be responsible for installing and maintaining a pressure regulator device and cutoff valve on their line.
16. If the Utility discontinues service for non-payment or any other reason and the service is turned on without authority of the Utility, the Utility shall charge a reconnection fee and penalty charge according to its Rates and Fees Schedule.
17. The Customer agrees that in the event any utility property is damaged, destroyed or tampered with by the fault of the Customer, it shall be repaired or replaced at the Customer's expense and shall be subject to the fees and charges set forth in the Utility's "Theft & Tampering policy".
18. The Utility shall have the right to estimate or prorate any bill when conditions beyond the control of the Utility prevent the normal billing procedure.
19. If the Customer after signing this Contract does not take the service for any reason, the Customer shall reimburse the Utility for any expenses incurred.
20. The receipt by the Utility of the application for service of the prospective Customer, regardless of whether accompanied by payment of fees, shall not obligate the Utility to render such service. If the service cannot be supplied in accordance with the Utility's policies, rules, regulations, and general practice or those of any state or federal agency with oversight regarding service, the liability of the Utility to the Applicant for such service shall be limited to the return of any fees paid to the Utility by such Applicant.
21. Customer agrees that this document is only an Application for service and shall not be effective as a Contract until approved by an official of the Utility. If the service in the opinion of the Utility cannot be supplied, the liability of the Utility to the Customer shall be limited to the return of any fees, less any project development costs as incurred by the Utility.
22. As a condition of service, the property owner shall provide at no cost a suitable place for the installation of the meter and related equipment and give an easement to the Utility for said location. If for any reason a customer wishes to have their meter relocated (any time after the initial installation) the Customer must pay all cost incurred for the relocation. If the Utility at any time determined that the Customer has altered the area where the meter was initially installed, and this area is no longer a suitable location as determined by the Utility the customer must pay all costs incurred by the Utility to relocate the meter.



23. The Utility bills for services is billed monthly, and statements are mailed in bulk at the US Post office. The Utility cannot guarantee the delivery of its bills. Failure to receive a statement does not relieve the Customer of the responsibility of paying of the bill.
24. If the Utility damages any underground facilities the Customer cannot locate, the Customer will be responsible for all repairs.

THIS AGREEMENT entered by and between

\_\_\_\_\_ and **Friendsville WaterWorks**,  
a Municipal Utility established and existing under the laws of the State of Tennessee,  
hereinafter referred to as the "Utility," and the Applicant, hereinafter referred to as  
"Customer":

**Applicant**

Name:		
Service address:		
City:	State:	ZIP Code:
Date of Birth:	SSN:	Driver's License #:
Cell phone:	Home/Work Phone:	Email:
Service Applied For:	<input type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Both, Water & Sewer	

**Co-applicant Information**

Name:		
Date of Birth:	SSN:	Driver's License #:
Cell phone:	Home/Work Phone:	Email:

**Billing Address**

Street address:		
City:	State:	ZIP Code:

**Agreement**

By my signature, I obligate myself to obey all rules and regulations of the Utility and pay for all Utility service at the service address in accordance with the prevailing rate schedule set by the Governing Board. In the event of non-payment or unauthorized partial payment, I agree that the Utility may terminate service and that all unpaid bills are immediately payable by me, including all costs of collection and attorney's fees. It is further understood that the Utility has the right and shall continue to have the right to make, amend and enforce any policies, regulations or by-laws that may be necessary or proper regarding any Utility matter. The Customer agrees to abide by such policies, regulations, or by-laws.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **Policy 9 *Customer Fees, Rates, and Charges***

### ***Charges for New Service***

1. Any Customer or potential Customer desiring utility service from Friendsville Water Department hereafter referred to as "Utility" shall fill out a **CUSTOMER APPLICATION/CONTRACT FORM**.
  - All Fees and Charges set forth in this Policy are found in the Utilities Rates and Fees Schedule.
2. A tapping privilege fee is a charge made when utility service is initially run from the main line to the Customer's property line. The ownership of the tap is conveyed along with the property.
3. A residential or commercial/industrial tap shall entitle a Customer to utility service to one and only one dwelling or business. If a second residential dwelling or business is to receive service on the same or neighboring tract, a second tap must be obtained.
4. If any Customer fails to disconnect any additional dwellings during the allotted time period, the Customer's service shall be disconnected for violation of the rules and regulations of this Utility at the convenience of the Utility.

### ***Temporary or Seasonal Charges***

1. Customers requiring temporary service shall pay all costs of connecting and disconnecting service, in addition to the regular charge for water used, provided such temporary service can be feasibly provided at the discretion of the Utility. No application fee shall be assessed to a property owner who resumes responsibility for service formerly in the name of a tenant.
2. The Customer shall pay all costs for the discontinuance and reinstatement of service for temporary repairs and for any other purposes for the Customer's exclusive benefit.
3. If a Customer wishes their service would be temporarily turned off, he must contact the Utility in person or in writing. Depending on the duration of the cut-off, the Utility will valve off or remove the meter, at its discretion. If the meter is not removed, a minimum bill shall be issued as normal. In either case, there is a small service fee for both the cut-off and the reinstatement of service (see Schedule of Rates and Charges).
4. As long as the account is active, a minimum bill will be assessed at each billing period (the minimum bill reflects each Customer's share of the overhead to operate the system). By keeping the account active, the Customer can demand service at any time and therefore must share in the costs.

**Miscellaneous Charges**

1. If full payment of a bill is not received in the Utility office by the close of business on the date noted on the bill, the Customer must pay the late penalty shown on the bill.
2. Any Customer questioning the accuracy of his or her meter may pay the utility bill in question plus a meter testing deposit of \$30 (Thirty) for residential meters, commercial and industrial meters.

The Utility will remove the meter and test the meter on site or have a recognized meter testing company test the meter on-site. The Utility will pay all costs associated with the testing of the meter.

If the meter proves to be accurate within guidelines established for used meters by the American Water Works Association (AWWA), it is deemed to be accurate. If the meter tests accurate, the Customer forfeits the meter testing deposit. If the meter does not meet AWWA accuracy standards, the Utility shall refund the meter testing deposit to the Customer and repair or replace the meter.

- Any Customer who questions the accuracy of the meter reading may request the Utility to re-read the meter. The Utility will re-read the meter and if the meter is read correctly, a fee will be accessed to the Customer. If read incorrectly, the account will be adjusted, and no fee shall be accessed.
- Customers may also request a meter profile, which outlines the water usage on an hourly basis may pay the utility \$30 (Thirty) for residential meters, commercial and industrial meters.

If a Customer check is returned to the Utility by a financial institution for any reason, the maximum fee set by TCA 47-29-102 will be added to the amount due.

**RECORD KEEPING DURATION**

All records of fees shall be kept for a minimum of ten (10) years.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

<b>Connect Fees</b>
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<b>Non- Refundable Connection Fee</b>	\$ 50.00
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<b>Tap Fees</b>
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¾" Short Tap Fee	\$1,500.00
1" Long Tap Fee	\$2,500.00

<b>Miscellaneous Fees</b>
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Cut-Off Fee (non-payment)	\$ 75.00
Returned Check Fee	\$ 30.00
Backflow Tests	\$ 45.00
Late Fee on Water Bills (penalty)	10% of water

<b>Water Rates</b>
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**Water Rate ¾" meter**

\$28.99 for 0-2000 gal (minimum bill)  
 \$8.85 per 1000 gal above minimum

**1" Meter**

\$39.99 for 0-2000 gal (minimum bill)  
 \$8.85 per 1000 gal above minimum

**2" Meter**

\$46.61 for 0-2000 gal (minimum bill)  
 \$ 8.85 per 1000 gal above minimum

**4" Meter**

\$93.27 for 0-2000 gal (minimum bill)  
 \$8.85 per 1000 gal above minimum

**6" Meter**

\$139.87 for 0-2000 gal (minimum bill)  
 \$8.85 per 1000 gal above minimum

## **Policy 10** *Customer Non-Discrimination*

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### **POLICY**

In providing its services to all persons within the service area who can feasibly and legally be served, the Utility will not discriminate against any individual on the basis of his or her race, color, national origin, physical disability, religion, age or sex.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

## **Policy 11 *Discontinuance of Service***

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### OMISSIONS

In the absence of specific rules or policies, the disposition of matters related to discontinuance of service shall be made by the Governing Board in accordance with its usual and customary practices.

### **Fees and Charges for Disconnection of Service are found in the Utilities Rates and Fees Schedule**

#### 1. Reasons for Discontinuance of Service:

- Nonpayment of bill or other charges;
- Partial payment of bill or other charges;
- Failure to comply with utility rules, regulations, or policies.
- Any threat to public health on the Customer's premises which may endanger other Customers.
- Tampering with utility equipment or stealing service.
- In the event that a customer has allowed more than one service on one tap

### **Cut-off Procedure**

1. If a customer fails to acknowledge and/or pay their Utility bill, a letter will be sent to the customer notifying them that they are subject to a discontinuance of service and the date discontinuance will occur. The letter shall serve as a second notice, the first being the original utility bill. The letter shall also explain their right to a meeting with the Water Manager, Mayor, or board of Commissioners, if they dispute the current charges.
2. If a customer does not make payments of outstanding charges or notify the utility of a billing dispute or make acceptable arrangements by the last date of termination, the utility shall process with disconnection of service.
3. If warranted, a customer may elect to establish a payment plan. All Payment plans shall be limited to six (6) months and will be allowed only on amounts one hundred fifty dollars (\$150) and above. Plans will contain current months charges plus a portion of the previous months remaining balances. This portion shall be enough to bring the account balance to zero by the end of the term specified. In the event the current payment plan is not honored, bill paid by the due date each month, a letter shall be sent to the customer notifying them that they are subject to a discontinuance of service and the date discontinuance will occur. All plans shall be recorded on a deferred payment plan sheet and accounted for in the proper software associated with billing.
4. Any customer who has filed an insurance claim with Servline shall not be subject to discontinuance of service.
5. If a customer has service disconnected, they must pay all outstanding charges plus a reconnection fee of \$75.00 in order to have water service restored.

6. Service will be reinstated only during regular working hours, Monday through Friday, except in case of an emergency.
7. Discontinuance of service by the utility will not release the customer from liability for payment of service already received, or from liability from payments that there after becomes due under the minimum bill provisions of the customer's contract.
8. Friendsville Waterworks will not be liable for any loss or damage resulting from the discontinuance of service.
9. A landlord shall not use the discontinuance of service to his or her property to force a tenant or occupant to surrender possession of the property. The landlord shall use appropriate legal means for that purpose.
10. The customer(s) whose name appears on the application for service is (are) the customer(s) responsible for payment of all charges. That customer is also responsible for any rules or policy violations that occur regarding the utility service to that property. Personal participation by the customer in any such violation shall not be necessary to impose personal responsibility on the customer.
11. In the event any customer fails to pay any utility fee or charge, the customer shall pay a cost of collection including court costs and reasonable attorney's fees incurred by the utility in collecting such sums.
12. The Utility shall have the right to refuse to render service to an applicant or to any member of an applicant's household who is living at the same address whenever such person(s) is (are) delinquent on any payment to the utility or had his or her service discontinued because of a violation of the regulations or policies of the Utility.
13. The Utility shall not disconnect the service to any customer on a life support system or dialysis machine in accordance with this policy. It is the responsibility of the Customer to notify the Utility if service discontinuance would be life threatening. After notification, the Utility will flag the Customer's account and meter as an "Emergency Medical Service" to ensure that the service is not cut off by Utility personnel or others in accordance with this Policy. If an emergency medical service Customer cannot pay a bill or other charge, it shall be the Customer's responsibility to find a social service agency or charitable group to assist the Customer to prevent the eventual discontinuance of service for nonpayment.
14. The Customer in whose name the service is furnished may request termination of service by mail or in person at the office of the Utility. No telephone requests for cut-offs will be honored.



15. Each Customer needs to give a minimum of seven (7) days 'notice to the Utility of service termination. The Customer will be responsible for all charges which accrue to the end of the seven (7) day period including the minimum charge. Where Utility service is being furnished to an occupant of premises under a contract not in the occupant's name, the Utility reserves the right to impose the following conditions on the right of the Customer to discontinue service under such a contract:
16. When a Customer receives a bill and considers the bill to be incorrect, the Customer may request a review of the bill. To request a review, the Customer must contact any clerical employee of the Water Department in person or by telephone within seven (7) days before the scheduled cut-off/disconnect date. In the event the dispute cannot be resolved by telephone, the Customer must make an appointment to meet with Office Manager and Water Manager who is authorized to make bill adjustments within three (3) days of the due date of the bill. The Customer's service will not be discontinued for failure to pay a disputed bill until after the Customer has the opportunity to meet with the Office Manager and Water Manager. The Customer may request that the disputed bill be reviewed by the Governing Board of the Water Department by serving written notice to the Water Manager of the Customer's desire to appear before the Board.
17. Written notice of the Customer's desire for such service to be continued may be required.
18. The Utility shall have the right to continue such service for a period not to exceed two (2) business days after receipt of such written notice, during which time the Customer will be responsible to the Utility for all charges for such service.

*ADOPTION DATE:* \_\_\_\_\_ *EFFECTIVE DATE:* \_\_\_\_\_

## **Policy 12 Eminent Domain**

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### **INTRODUCTION**

This Introduction has been attached to the Policy to assist the Utility in the implementation of the Policy. It is not actually a part of the Policy. Any requests for a copy of this Policy by a Customer should not include a copy of this Introduction.

### **BACKGROUND AND PURPOSE**

Utility districts, counties and municipalities with the power to provide utility services have the power to condemn property needed to provide utility services. This power to condemn property is called the Power of Eminent Domain.

When a Utility must acquire an easement, personal property, or real property to provide service to its Customers, condemnation should be a last resort to acquire such property. Tennessee law provides more than one procedure which can be followed to condemn an easement or a piece of property. **After the Utility determines that a condemnation petition must be filed, the Utility should consult with its attorney about the best procedure to follow in each individual case.**

### **RECORD RETENTION**

When an easement or piece of real property is acquired by condemnation, the Utility shall make a certified copy of the order condemning the easement or property as a permanent record. The condemnation order is the instrument which vests the Utility with the easement or property condemned and should be placed with the Utility's other deeds and easements.

### **OTHER**

Attached to this Introduction is a sample letter which the Utility may use as a guideline to encourage property owners to convey an easement or piece of property before filing a condemnation petition.

### **POLICY**

1. Normally, the Water Manager will determine that the Utility must acquire an easement or property.
2. Unless the Water Manager has already been given specific authority to negotiate for the acquisition of the easement or property, the General Manager should advise the Utility's Governing Board of the need for the easement or property.
3. The Board should give the Water Manager or some other designee the power to negotiate for the acquisition of the easement or property setting forth the purchase price and other parameters which the General Manager or its designee shall use to negotiate for the acquisition.

4. If possible, the Water Manager or the Board's designee shall communicate personally with the property owner to describe the Utility's need for the easement or property.
5. The Water Manager or the Board's designee should have the written easement or contract to purchase the real property ready to present to the property owner for execution before the first communication with the property owner.
6. The Water Manager or the Board's designee shall negotiate for the easement or property within the parameters set by the Board.
7. In the event the Water Manager or the Board's designee successfully negotiates the acquisition of an easement, the Water Manager or the Board's designee shall have the property owner sign the easement. In the event the Water Manager or the Board's designee successfully negotiates the purchase of property, the Water Manager shall have the owner execute the agreement and shall deliver to the Board the original contract for its execution.
8. The Board may delegate to one of its members, the Water Manager, or other designee the power to execute any instruments to convey the property to the Utility.
9. In the event the Water Manager or the Board's designee is not able to negotiate for the easement or property within the parameters set by the Board, the Water Manager or the Board's designee shall report to the Board on the progress of the negotiations.
10. The Board may establish new parameters for the acquisition of the easement or property and permit the Water Manager or its designee to negotiate within these new parameters or determine that the easement or property be condemned.
11. Before the condemnation petition is filed, the Water Manager or the Board's designee shall write the property owner to advise him or her that the easement or property must be condemned and to encourage the property owner to accept the Utility's final offer to avoid the expense of litigation.
12. In the event the Board determines that the easement or property should be condemned, the Board shall pass a resolution authorizing the condemnation.
13. The Board, the Water Manager, or the Board's designee shall contact the Utility's attorney and advise him or her to file the condemnation petition and shall provide the attorney all the information needed to file the petition.
14. When time is of the essence and circumstances do not permit the Utility to follow these procedures to condemn an easement or piece of property, the Utility should consult its attorney to determine the appropriate course of action when expedited procedures are necessary.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_



Date: \_\_\_\_\_

Property Owner \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Re: Condemnation of Easement [or Property] Dear Property Owner:

I have previously communicated with you regarding the Utility's need to acquire an easement [or Real Property] from you. The Board of Commissioners has authorized me to make a final offer of \$\_\_\_\_\_ to acquire this easement [or Property] from you.

In the event you decide not to accept this final offer, the Utility will have no alternative except to file a petition to condemn the easement across your property [or the Property]. Under Tennessee law, the Utility has the power to condemn the easement [or Property] and the only question in dispute would be the value of the easement [or Property] being taken. The filing of the condemnation petition will require both you and the Utility to hire legal counsel to file the petition and defend the petition. In addition, both parties will be required to hire expert appraisers to support their valuation of the property. Therefore, litigation of the taking of the easement [or Property] will be expensive for both parties and seems unnecessary.

I would appreciate your consideration of this final offer and request that you sign the enclosed easement [or contract], have it notarized and returned to me. If I can answer further questions, please do not hesitate to contact me.

Sincerely yours,

David Amanns  
Water Manager

## **Policy 13** *Fire Hydrant Use -Filling Swimming Pools*

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### **INTRODUCTION**

This Introduction has been attached to the Policy to assist the Utility in the implementation of the Policy. It is not actually a part of the Policy. Any requests for a copy of this Policy by a customer should not include a copy of this Introduction.

### **BACKGROUND AND PURPOSE**

A common fundraiser used by Volunteer Fire Departments is filling swimming pools. The purpose of this Policy is to provide a procedure by which the Utility can control the taking of water from the system, protect the system from damage, and collect for water used to fill swimming pools.

### **RECORD KEEPING DURATION**

All records regarding hydrant use for the filling of swimming pools and billing for water used should be kept for three (3) years.

### **OMISSIONS**

In the absence of specific rules or policies, the disposition of matters related to customer billing shall be made by the Governing Board in accordance with its usual and customary practices.

### **Water for the filling of pools by Fire Dept. Policy and Procedures**

Person(s) wishing to have pool filled by the Fire Department from a Utility fire hydrant shall:

1. Contact the Utility District with the request in person.
2. Furnish the Utility with the following information:
  - Pool shape (round, oval, etc.;
  - Length and width of pool;
  - Depth of water or the amount of estimated water to be added to pool.
3. Before the Fire Department fills the pool, the Utility may measure the pool and determine the amount of water needed to fill the pool or accept the customer's estimate of how much water is needed to fill the pool.
4. The Customer will pay the Utility normal billing rates plus tax, in advance of filling the pool.
5. Before the Fire Department fills a pool, it will notify the Utility of the location of the pool and the date and time scheduled to fill the pool.

6. The Utility will direct the Fire Department to the fire hydrant to be used for the filling.
7. The Fire Department will report monthly to the Utility the amount of water used to fill each pool during the month.
8. The Fire Department may only collect its fees for the filling of the pool and will not collect any fee for the Utility's water.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

## **Policy 14 Fire Protection Service**

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### **BACKGROUND AND PURPOSE**

It is accepted utility practice in the United States among utilities located in suburban and rural areas that fire protection be provided only in areas where population density justifies the installation of storage tanks and pipelines adequately sized to meet fire flow requirements. Tanks and pipelines cannot be sized to meet fire flow requirements if Customer density will not create a sufficient turnover in water usage, since water that remains in such low use areas over long periods of time is prone to taste and odor problems, bacterial growth, dissipation of chlorine residual and other quality and health concerns. Additionally, the costs of providing fire service that meets strict state and insurance guidelines go far beyond merely adding fire hydrants.

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 interests of other current and future Customers.

### **LIMITATIONS**

- The Utility is subject to various state and federal regulations and has no discretion to provide fire protection service in a manner which would violate these regulations.

### **RECORD KEEPING DURATION**

All records regarding fire protection service shall be kept indefinitely.

### **OMISSIONS**

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

### **POLICY STATEMENT**

1. The Utility must approve the installation of all fire hydrants connected to its water system. The Utility may refuse to allow fire hydrants to be connected to any part of its water system when the Utility, in its sole discretion, determines the system will not adequately support the connection or the operation of a fire hydrant will adversely affect the services it is currently providing to its customers.
2. The Utility must approve the location and specifications for the installation of fire hydrants and their appurtenances on any water line constructed by developers or other persons in subdivisions, commercial developments, industrial areas or any other location where the water line is to be dedicated to the Utility upon its completion.
3. All fire hydrants and their appurtenances must be installed either by the Utility or by a Utility approved contractor in accordance with the Utility's specifications. Fire hydrants and their appurtenances must be installed within Utility easements on private property and will not be installed in public right of-ways without the Utility's consent.

4. No fire hydrant will be operated by anyone other than an authorized fire department or Utility personnel without the written consent of the Utility.
5. Fire hydrants shall be operated only with a wrench that is approved by the Utility.
6. Fire hydrants shall be color coded by either painting the entire hydrant, painting the nozzle caps, or attaching weather resistant color-coded tags to the nozzles according to the following standards, at 20 psi residual pressure:
  - Red 0 - 499 gallons per minute
  - Orange 500 - 999 gallons per minute
  - Green 1000 - 1499 gallons per minute
  - Blue >1500 gallons per minute
7. The Utility does not guarantee any pressure or flow minimums for fire hydrants or fire sprinkler systems.
8. Customers requesting the installation of a fire hydrant must pay for all labor and materials necessary to properly install the fire hydrant and pay for any other costs incurred for the installation to comply with the provisions of this Policy.
9. To install a fire hydrant on a water line which is inadequate to handle fire flows, a developer, customer or other person must request that the Board of Commissioners adopt a resolution to allow the installation for submission to the Department of Environment and Conservation as required by its regulations. When the installation is authorized, the approved contractor installing the hydrant shall only be used by fire fighters to refill equipment tanks. No pumper truck shall be allowed to pump directly from the Utility's lines through such a hydrant.
10. Any person who wishes to use fire hydrants to fill swimming pools, to obtain water to construct buildings, or for other purposes must obtain permission from the Utility and must use the hydrant in accordance with Utility's fire hydrant use policy.
11. Any unauthorized person operating a fire hydrant without the consent of the Utility will pay the Utility for water used from the hydrant as estimated by the Utility and will pay for any damage to Utility's hydrant, equipment or water lines from the unauthorized use.
12. Any person who damages a fire hydrant with a motor vehicle or by any other means will pay for the damage to the Utility's hydrant, equipment, or water lines caused by the person's actions.
13. The Utility must approve the connection of fire sprinkler systems to the Utility's water lines.
14. Water obtained for use by a fire sprinkler system will be used for fire protection and for no other purpose.
15. No cross-connection is allowed between a fire sprinkler system and the Utility's potable water lines.



16. The Utility shall have right of access during business hours to a customer's premises for the purpose of inspecting fire sprinkler systems.
17. Water service lines installed by a customer to provide water to a fire sprinkler system for fire protection will be owned and maintained by the Customer.
18. Multiple connections for fire sprinkler service to one structure in service on the effective date of this Policy shall be considered a single connection for billing purposes only.
19. By furnishing water to a customer for its fire sprinkler system with any codes, regulations or standards governing fire sprinkler systems other than those of the Utility.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

## ***Policy 15 Fire Protection Service - Hydrant Use***

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### **INTRODUCTION**

This Introduction has been attached to the Policy to assist the Utility in the implementation of the Policy. It is not actually a part of the Policy. Any requests for a copy of this Policy by a Customer should not include a copy of this Introduction.

### **BACKGROUND AND PURPOSE**

Fire hydrants are installed for routine system maintenance by Utility personnel. Utility fire hydrants may provide a level fire protection services for a Utility's Customers. When fire hydrants are used for providing water to construction companies the system runs a risk of damage to the systems infrastructure and contamination of the water. This policy is intended to control the use of hydrants by non-utility personnel, protect the system from damage and contamination, and to account for and collect for water used by non-utility personnel.

### **RECORD KEEPING DURATION**

All records regarding hydrant use and billing for water used should be kept for a minimum of five (5) years.

### **OMISSIONS**

In the absence of specific rules or policies, the disposition of matters related to Customer billing shall be made by the Governing Board in accordance with its usual and customary practices.

### **POLICY**

Use of this Utility's fire hydrants by anyone other than authorized fire departments and Utility personnel is prohibited unless the following conditions are met:

1. Any person(s) or business desiring to use a fire hydrant as a source of water obtains a permit from Utility Management to use a specific fire hydrant and pays a deposit of \$250.00
2. The user will be provided with the following equipment for use while obtaining water from the hydrant permitted.
  - A sign announcing permission to use the fire hydrant, to be displayed on the hydrant at all times;
  - A fire hydrant wrench;
  - A fire hydrant meter assembly; or
  - A fire hydrant meter/backflow preventer assembly.

The user will provide support for the meter assembly when attached to the hydrant. The user must **NOT** allow the weight of the unit to be borne by the hydrant nozzle.

After setting up the hydrant meter assembly, the user will open the hydrant completely to avoid damage to hydrant setting. The user will **NOT** use the hydrant main valve to control flows.

3. The reading on the meter will be recorded on the permit application when the unit is picked up by the permittee.
4. At the end of each day the user will turn off the main valve to the hydrant.
5. When the user has finished with their use of the hydrant, the user will remove the fire hydrant meter assembly from the hydrant and return it to the Utility office.
6. Utility Management will record the meter reading on the permit application.
7. Utility staff will inspect the fire hydrant meter assembly for damage.
8. The user will be billed for the water used using this procedure:
  - The charge for the water used will be the utility's normal billing rate
  - The user will be charged for replacement of fire hydrant meter assembly parts or entire assembly, if damaged
  - If the amount owed for water used and any damage to equipment is greater than the deposit, the hydrant user will pay the difference.
  - If the amount owed for the water used and any damage to equipment is less than the deposit, the user will be issued a refund for the difference between the deposit and the charge for the water used.
9. Utility staff will inspect the hydrant and determine that it is functional.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

## Policy 16 Fixed Assets Policy

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### **PURPOSE:**

To define guidelines for the capitalization of purchases of land, buildings, land improvements, pipes, infrastructure, equipment and other materials.

### **POLICY STATEMENT:**

Fixed assets consist of all capitalized assets with an estimated useful life of at least *one (1) year* and cost *\$1,000 or more*

### **PROCEDURE:**

1. **Land** includes all real property owned by, purchased, or donated. When land is purchased, various incidental costs are generally incurred in addition to the purchase price. These additional costs may include commissions to real estate brokers, escrow fees, legal fees for examining and insuring the title, delinquent taxes paid by the purchaser, and fees for surveying, draining, clearing, and grading the property. All these expenditures become part of the cost of land.
  - From time to time land may be purchased as a building site for the Utility that contains older buildings or other structures that are not suitable for the Utility's use; in this case, the only useful "asset" being acquired is the land.
  - Therefore, the entire purchase price is charged to the Land account, along with the costs of tearing down and removing the unusable building.
  - Land purchased and held as an investment should not be classified as "Land", but as "Land Held for Investment".
2. **Buildings** include all structures and buildings owned by the Utility, either constructed, purchased or donated, and any building improvements costing \$1000 or more.
3. **Land Improvements** include all improvements to land owned by the Utility costing more than \$1,000. Improvements to land such as driveways, fences, parking lots, landscaping, and sprinkler systems have limited life and are therefore subject to depreciation. For this reason, they should be recorded in a separate account entitled "Land Improvements".
4. **Infrastructure** includes all items of Utility systems improvements owned by the Utility costing more than \$1,000. Infrastructure items include utilities including, sewer systems, water systems, and gas systems.
5. **Equipment** is defined as any movable property i.e., machinery, vehicles, computers and furniture costing at least \$1,000 and is not a replacement part. Component items that form one working equipment system are combined for capitalization purposes. The "system" definition applies to computer configurations, electronic & laboratory equipment and other portable equipment. Additions to equipment that become either component parts or permanently connected to existing equipment items are also defined as equipment and should be capitalized, regardless of cost. The cost of repairs should be capitalized if such repairs "significantly extend the life of the asset".

6. Each item of equipment acquired will be assigned a serially numbered tag affixed to the equipment and marked with the Utility's name.

**Equipment Inventory**

All equipment having Utility property numbers shall be inventoried annually according to the Utility's policy. Department heads are responsible for conducting an inventory of all tagged equipment regardless of acquisition method (purchase, transfer, and donation). The individual conducting the physical inventory should identify items that are missing, were sold, traded-in, discarded, or transferred to other departments. The individual conducting the inventory should not be the same individual that is responsible for the assets being inventoried.

**Depreciation**

All fixed assets shall be depreciated at cost on a straight-line basis using estimated useful lives as follows

*Example*

Buildings, pipes	40-50 years
Land improvements	20-50 years
Infrastructure	20-50 years
Equipment	5-10 years
Vehicles	3-5 years
Computers/electronics equipment	3-5 years

The Utility does not capitalize items that are valued at less than \$1,000. However, certain items will be inventoried and accounted for stewardship purposes. This inventory shall include such "sensitive items" such as cellular phones, radios, pagers, laptop computers and other items that are especially susceptible to theft. Such items should be inventoried on an annual basis. Assets that are to be surpluses or disposed of will be accounted for in accordance with the Utility's "Surplus Property Disposal Policy".

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

## **Policy 17 Identity Theft Prevention Program**

The Utility maintains accounts for its customers to pay for utility service where bills are sent, and payments are due monthly. These accounts are covered accounts under the Red Flag Rules adopted by the Federal Trade Commission (FTC) in 16 C.F.R. § 681.2. The Utility adopts this Identity Theft Prevention Program (the Program) to comply with 16 C.F.R. § 681.2 which is designed to detect, prevent and mitigate identity theft in connection with these Customer accounts. The accounts covered by this Program shall be referred to as Customer accounts.

### **SECTION I. IDENTIFICATION OF RELEVANT RED FLAGS**

**Risk Factors.** In identifying relevant Red Flags associated with Customer accounts, the Utility's Board of Commissioners and management have considered the following identity theft risk factors:

1. **Types of Covered Accounts** – The Utility opens and maintains Customer accounts for persons to pay for utility service rendered where bills are sent, and payments are due monthly which are covered accounts.
2. **Methods for Opening Accounts.** The Utility requires that persons or businesses which wish to receive utility service apply for utility service with the following information:
  - Name of adult household members on the account;
  - Applicant's date of birth;
  - Address location where service shall be provided;
  - Mailing address if different than service address;
  - Contact and billing information;
  - Social Security Number or Tax Identification Number;
  - Driver's license number;
  - Employment information
3. The applicant for service may be required to present to the Customer service employee valid government-issued photo identification as proof of identity.

***Methods for Accessing Accounts*** the Utility allows Customers to access information related to their accounts using the following methods:

- In person at the Utility office with a proper identification;
  - Over the telephone after providing the Customer service employee with certain identifying information such as any of the following: the caller's date of birth, the address and telephone number of the service location, the last four digits of the member's Social Security Number, Tax Identification Number, a password, or by answering a predetermined challenge question; and
  - *Over the Internet using a secure password (if applicable).*
4. ***Previous Experience with Identity Theft.*** The Utility is not aware of any security breach of or unauthorized access to its system used to store Customers' identifying information. The historical absence of identity theft of its Customers' information is due to (1) the limited services and credit provided to its Customers, both of which are tied to an immovable physical location; (2) the minimal size of the population it serves; (3) the relatively low rate of change in Customer base; and (4) the Utility's procedures for securing Customers' personal information.

**Sources of Red Flags** In identifying relevant Red Flags associated with Customer accounts, the Utility's Board of Commissioners and management have considered the following sources of Red Flags for identity theft:

1. **Past Incidents of Identity Theft.** As described in Section I.A.4. above, the Utility is not aware of any security breach of or unauthorized access to its system used to store Customers' personal identifying information collected by the Utility. In the event of incidents of identity theft in the future, such incidents shall be used to identify additional Red Flags, and this Program will be amended accordingly.
2. **Identified Changes in Methods of Identity Theft.** The Utility will review methods of identity theft it has identified to assess changes in identity theft risks.
3. **Applicable Supervisory Guidance** As a part of its annual review, the Utility will review additional regulatory guidance from the FTC and other consumer protection authorities on new identity theft risks and recommended practices for identifying, detecting, and preventing identity theft.
4. **Categories of Red Flags** In identifying relevant Red Flags associated with Customer accounts, the Utility's Board of Commissioners and management have considered the following categories of Red Flags for identity theft.
5. **Suspicious Documents** The presentation of suspicious documents can be a Red Flag for identity theft. Presentation of suspicious documents includes:
  - Documents provided for identification that appear to have been altered or forged;
  - The photograph or physical description on the identification is not consistent with the appearance of the applicant or Customer presenting the identification;
  - Other information on the identification is not consistent with information provided by the person opening a new account or the Customer presenting the identification;
  - Other information on the identification is not consistent with readily accessible information that is on file with the Utility such as the Customer's application for service; and
  - An application for service appears to have been altered or forged or gives the appearance of having been destroyed and reassembled.
1. **Suspicious Personal Identifying Information** The presentation of suspicious personal identifying information can be a Red Flag for identity theft. Presentation of suspicious personal identifying information occurs when:
  - Personal identifying information provided is inconsistent when compared against external information sources used by the Utility;
  - Personal identifying information provided by the Customer is inconsistent with other personal identifying information provided by the Customer;
  - Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources used by the Utility, for example:
    - ✓ The address on an application for service is the same as the address provided on a fraudulent application; or
    - ✓ The phone number on an application is the same as the number provided on a fraudulent application.
  - Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated by internal or third-party sources used by the Utility. For example:

- ✓ The address on an application is fictitious, a mail drop, or a prison; or
- ✓ The phone number is invalid or is associated with a pager or answering service.

- The Social Security Number provided is the same as that submitted by other persons opening an account or other Customers.
- The address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of other persons opening accounts or other Customers.
- The person opening the covered account, or the Customer fails to provide all required personal identifying information on an application for service or in response to notification that the application is incomplete.
- Personal identifying information provided is not consistent with personal identifying information that is on file with the Utility.
- The person opening the account, or the Customer cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report.

2. **Suspicious Activity** The unusual use of or other suspicious activity related to a Customer account can be a Red Flag for identity theft. Suspicious activities include:

- Shortly following the notice of a change of address for a Customer account, the Utility receives a request for the addition of other persons to be served at the address on the account.
- A Customer fails to make the first payment or makes an initial payment but no subsequent payments on the account.
- A Customer account is used in a manner which is not consistent with established patterns of use on the account such as:
  - ✓ Nonpayment when there is no history of late or missed payments; or
  - ✓ A material change in the amount of utility service purchased;
- Mail sent to the Customer is returned repeatedly as undeliverable although utility purchases continue to be made on the Customer account.
- The Utility is notified that the Customer is not receiving paper account statements.
- A Customer requests that the Utility provide the Customer with personal identifying information from the Utility's records.

3. **Notices.** Notices of potential identity theft are serious Red Flags which notices shall include:

- Notice from Customers, law enforcement authorities or other persons indicating that a Customer may have been a victim of identity theft;
- Notice to the Utility that a Customer has provided information to someone fraudulently claiming to represent the Utility;
- Notice to the Utility that a fraudulent website which appears similar to the Utility's website is being used to solicit Customer personal identifying information;  
The Utility's mail servers are receiving returned e-mails that the Utility did not send indicating that a Customer may have received fraudulent e-mail soliciting Customer personal identifying information.



## **SECTION II. DETECTING RED FLAGS**

1. The Utility shall obtain identifying information about a person opening a Customer account and shall verify the identity of the person opening a Customer account. The Utility will obtain the following information to open a Customer account:
  - Name of adult household members on the account;
  - Applicant's date of birth;
  - Address location where service shall be provided;
  - Mailing address if different than service address;
  - Contact and billing information;
  - Social Security Number or Tax Identification Number;
  - Driver's license number; and
  - Employment information.
2. The applicant for service may be required to present to the Utility Customer service employee valid government-issued photo identification as proof of identity.
3. The Utility shall not provide identifying information to its Customers, either verbally or in writing, even when a Customer is asking for the Customer's own information.
4. For existing Customer accounts, the Utility shall authenticate Customers, monitor transactions and verify the validity of change of address requests.

## **SECTION III. PREVENTING AND MITIGATING IDENTIFY THEFT**

1. If a Utility employee detects a Red Flag on a Customer account, the Utility employee shall notify the employee's supervisor or the Water Manager that the employee has detected a Red Flag. The Water Manager may take the following steps to prevent identity theft:
  - Monitoring a Customer account for evidence of identity theft;
  - Changing any passwords, security codes, or other security devices that permit access to a Customer account;
  - Reopening a Customer account with a new account number;
  - Closing an existing Customer account;
  - Not attempting to collect on a Customer account;
  - Notifying the Customer;
  - Notifying law enforcement; or
  - Determining that no response is warranted under the circumstances.
2. If the Utility discovers that any of its Customers have become victims of identity theft, the Utility shall notify the Customer and local law enforcement.

## **SECTION IV. PROGRAM UPDATES AND ADMINISTRATION**

The Utility shall update the Program at least annually to reflect changes in risks to Customers of identity theft. In updating the Program, the Utility shall consider the following:

- The Utility's experiences with identity theft;
- Changes in methods of identity theft;
- Changes in methods to detect, prevent, and mitigate identity theft;
- Changes in the Utility's types of Customer accounts; and
- Changes in business arrangements involving mergers, acquisitions, alliances, joint ventures and third-party service providers.

**SECTION V. PROGRAM ADMINISTRATION**

1. The Program shall be approved by the Board of Commissioners. The General Manager shall oversee the administration of the Program. The General Manager may assign specific responsibility for the implementation of the Program to Utility employees. The General Manager shall review reports prepared by Utility employees under subsection V.B.
2. The General Manager shall prepare and present a written report to the Board of Commissioners at least annually on the Utility’s compliance with 16 C.F.R. § 681.2. The report to the Board of Commissioners shall include a discussion of the following:
  - The effectiveness of the Program in addressing the risk of identity theft;
  - Third party service provider arrangements;
  - Significant incidents of identity theft and management’s response; and
  - Recommendations for changes to the Program.

The General Manager’s annual report shall be incorporated into the minutes of the Board of Commissioners meeting at which the report is given.

3. The Utility has business relationships with third-party service providers for (*indicate all which apply*) billing services, backflow prevention, maintaining a secure website, collection of delinquent accounts and other services. Under these business relationships, the third-party service providers have access to Customer identifying information covered under this Program. The General Manager shall ensure that a third-party service providers’ work for the Utility is consistent with this Program by:
  - Amending contracts with the third-party service providers to incorporate these requirements; or
  - Determining that the third-party service providers have reasonable alternative safeguards that provide the same or a greater level of protection for Customer information as provided by the Utility.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

## **Policy 18 *Industrial and Commercial Customers***

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### ***INTRODUCTION***

This Introduction has been attached to the Policy to assist the Utility in the implementation of the Policy. It is not actually a part of the Policy. Any requests for a copy of this Policy by a Customer should not include a copy of this Introduction.

### ***BACKGROUND AND PURPOSE***

The needs of each Commercial and Industrial Customer seeking service from the Utility vary greatly and impact the Utility differently. Commercial Customers whose demand is small may be able to connect to the Utility's system with no addition to or upgrading of the Utility's system or other special circumstances. On the other hand, a Utility may be required to add to or upgrade its system to serve an Industrial Customer with a large demand. When the Utility's system must be improved to serve a Commercial or Industrial Customer, the cost of the system improvements to serve the Commercial or Industrial Customer should be borne by that Customer.

When the Utility determines that service to a Commercial or Industrial Customer will require additions to or upgrades of its system, service to the Commercial or Industrial Customer shall be governed by the policy covering Subdivisions and Developers, and the Commercial or Industrial Customer shall enter into a Developer Agreement with such Customer in accordance with that policy. In the event service to a Commercial or Industrial Customer may adversely affect the Utility's existing rate structure, the Utility may adopt appropriate rates and charges for such Customer so that the Customer bears the added expense to the Utility to serve that Customer rather than the Utility's other Customers.

Should the costs of construction be unusual or other unusual circumstances exist, the Utility may modify or add to these procedures. In certain cases, to be determined by the Utility on a case-by-case basis, the Utility may determine that an Industrial and Commercial Customer Agreement negotiated to meet the needs of their particular situation is more appropriate than a Developer Contract.

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 interests of other current and future Customers.

### ***RECORD RETENTION***

All applications for service and contracts for service entered in between Commercial or Industrial Customers and the Utility shall be kept for a minimum of six (6) years after the Commercial or Industrial Customer is no longer a Customer of the Utility.

1. All Commercial or Industrial Customers shall apply for service with the Utility in the form requested by the Utility.
2. If the Utility can provide service to a Commercial or Industrial Developer without any additions to or upgrading of its system, the Commercial or Industrial Customer shall execute a contract for service and pay all applicable fees under the Utility's Schedule of Rates and Charges to obtain the service.
3. When the Utility determines that it must upgrade or make additions to its system to provide service to a Commercial or Industrial Customer, the Commercial or Industrial Customer shall comply with all the requirements for a Developer in the Utility's Subdivisions and Developers Policy. The Commercial or Industrial Customer shall enter into a Developer Agreement with the Utility in accordance with the Utility's Subdivisions and Developers Policy.
4. In the event that unusual circumstances exist, and the Board determines the Utility's Developer Agreement is not appropriate for the Industrial or Commercial Customer, such Customer shall be allowed to enter a separate "Industrial and Commercial Customer Agreement," with provisions tailored to the needs of that particular Customer.
5. Where the Board has determined it to be necessary to issue debt or to take from the Utility's reserves or to enter into an Intergovernmental Agreement for debt for the construction of facilities to service the Customer, the Utility may impose a monthly surcharge to the Customer that shall include coverage for, though not be limited to, the following:
  - Debt Repayment;
  - Required Reserves for Debt Service;
  - Depreciation;
6. The Customer will be required to pay said monthly surcharge and will be required to post a Surety Bond with corporate surety authorized to do business in the State of Tennessee or to obtain an Irrevocable Letter of Credit issued by a national bank or a bank authorized to do business in the State of Tennessee to guarantee payment of the surcharge for a period of \_\_\_ years.
7. 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 the Developer.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

## **Policy 19** *Multiple Connections to One Meter*

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### **RESPONSIBLE FOR ADMINISTERING POLICY:**

Manager, Governing Board

### **BACKGROUND AND PURPOSE:**

1. It is accepted utility practice in the United States that only one dwelling be allowed to hook on to a single utility service line. The costs of utility service are to be shared as equitably as possible among utility Customers. Minimum bills reflect, among other things, the overhead required to keep utility service in place, regardless of whether a particular Customer uses the service during a billing period. The fact that service is ready upon demand 24 hours every day to meet a customer's potential needs places financial demands on the system that are generally reflected in the minimum bill. If utilities were to allow more than one Customer to hook up to a single service line, several users would be paying only one minimum bill.
2. The legitimate overhead costs of the system would be disproportionately passed on to other Customers.
3. In addition, the following circumstances require the Utility to limit service to one dwelling unit per meter:
  - Extending lines to serve more than one Customer through a single service line may create pressure and/or quality problems within the system;
  - Meters and other equipment have a definite capacity and working range. If more than one Customer is served by a single residential meter installation, the reliability and life span of the equipment is impaired;
4. 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 interests of other Customers.

### **LIMITATIONS:**

The Utility is subject to various state, federal regulations and requirements set forth by its bond holders and has no discretion to offer service in a manner, which would violate these regulations.

### **RECORD KEEPING DURATION:**

All multiple service connection records shall be kept for a minimum of ten (10) years after termination of service.

**OMISSIONS:**

***In the absence of specific rules or policies, the disposition of multiple connections to one meter shall be made by the Governing Board in accordance with its usual and customary practices.***

**POLICY STATEMENT:**

The service connection to single family residences shall be limited to serving one residence only. No other dwelling, whether located on the same parcel or on an adjoining parcel, shall be served through the same service connection. Customers may have lines extended to barns and other uninhabited buildings as part of their service, provided that the installation meets the Utility's specifications.

A residential tapping privilege **shall not** entitle a Customer to connect a commercial or industrial business such as a beauty parlor or repair shop to the Utility's lines without notifying the Utility and paying the additional amount required for a commercial or industrial tap.

Authorized employees, representatives and contractors of the Utility shall have access to all properties served by the Utility at reasonable times for the purpose of reading meters, maintaining and inspecting lines and connections to the Utility (or believed to be connected to the Utility), observation, measurement, sampling and testing as provided by the policies of the Utility and by state and federal law.

The failure of a Customer to comply with the provisions of this and other policies of the Utility shall constitute a breach of contract by the Customer. Any Customer found to be violating any provision of this policy shall be served by the Utility with written notice stating the nature of the violation and providing a time limit for the satisfactory correction thereof. The offending Customer shall, within the period of time stated in such notice, permanently cease all violations.

Any Customer who shall continue any violation beyond the time limit stated in the notice shall be disconnected from the system at the convenience of the Utility.

If more than one Customer is served from a single residential meter installation, the reliability and lifespan of the equipment is impaired. Connection of more than one unit to a meter, failure to give notice of additions, and changes in service to Utility equipment shall render the Customer liable for any damage to Utility lines, or other equipment caused by the addition or modified installation.

The following residential dwellings shall have a SEPARATE METER FOR EACH LIVING UNIT:

- Single-family dwellings;
- Duplexes (two (2) meters).

The following residential dwellings shall be allowed to maintain multiple living units on one COMMERCIAL tap:

- Mobile home parks;
- Apartment buildings;
- Hotels, motels and campgrounds.

All Customers in the section (8) above who are allowed to receive service to multiple users through a single meter shall be charged commercial rates. In addition, the following method of bill computation shall apply:

The total usage shall be divided by the number of units, then applying the appropriate residential per/1,000 gals for the amount prorated for each unit, including the minimum bill, and multiplying the result by the number of units (***The units billed shall be established at the beginning of year***). The total bill shall be the responsibility of the Customer who contracted for the metered service. In effect, the Utility charge for each such dwelling unit or business unit thus served will have been computed as if each such unit had received service by separate meters.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

## Policy 20\_Returned Check/Draft

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If a Customer check/draft is returned to the Utility by a financial institution for any reason, the maximum fee set by T.C.A. § 47-29-102 will be added to the amount due. **The fee is set by state law and can only be changed by a change to the law. As of April 1, 2013, the maximum fee that may be charged is \$30.00.** The Utility will make an effort to notify the Customer that the check/draft was returned unpaid and is being held by (choose method below):

- Mail;
- Phone;

The Customer may be required to make payment by cashier's check, money order or cash at the discretion of the Utility. Payment must be within 7 days of such notice. If no response is received from the Customer or the Utility is unable to contact the Customer within 7 days, the Customer's account will be subject to forfeiture of the discount and/or the adding of any penalties due and be subject to the Utility's cut-off policy if payment is not received.

### RECORD KEEPING DURATION

All records regarding returned checks/drafts shall be kept a minimum of five (5) years.

ADOPTION DATE: \_\_\_\_\_ EFFECTIVE DATE: \_\_\_\_\_



## **Policy 21** *Service to Non-Owner Occupied*

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### **BACKGROUND AND PURPOSE:**

Any Customer seeking Utility service shall be treated courteously and fairly by the Governing Board, manager and staff.

It is accepted utility practice in the United States that utility service is a contractual relationship between the Utility and the person(s) whose name(s) appear on the application for service. The Utility will furnish the same service to all Customers, regardless of their ownership interest in the property to which service is delivered, with exceptions later detailed.

The Utility's Customer is the person(s) entering into an agreement for service. The Customer(s) shall be responsible for timely payment of all fees, rates and charges and abiding by all policies and rules of the Utility.

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 interests of other Customers.

### **RECORD KEEPING DURATION:**

All service application records shall be kept for a minimum of ten (10) years after termination of service.

### **OMISSIONS:**

In the absence of specific rules or policies, the disposition of service to renters, lessees and other non-owner-occupied property shall be made by the Board of Commissioners in accordance with its usual and customary practices.

### **POLICY STATEMENT:**

#### **Application for Service**

1. Any person(s) at least eighteen (18) years old who reside(s) or does business within the service boundaries of the Utility may apply for service with the Utility.
2. Persons desiring Utility service must apply in person at the business office of the Utility during regular business hours.
3. Each service application must include the following:
  - Applicant's name. The following persons must sign the application for Utility service:
  - Residential: Responsible adult residing in the dwelling or Landlord/owner of the dwelling
  - Commercial/Industrial: Any officer of the corporation or the Landlord/owner of the building
  - The social security number or driver's license number of the applicant shall be listed along with their legal name.
  - All applicants must show proof of property ownership or a rental or lease agreement

**Landlords**

1. Landlords may keep Utility service in their name and pass the costs of service on to their tenants by including it in the rent or by having the tenant pay the Utility bill.
2. Failure of Landlord to Pay or Attempt to Use Termination of Utility Service to Evict Tenants
  - If the Landlord fails to pay Utility fees or bills on a timely basis or if the Landlord requests that Utility service be disconnected in order to evict the tenant or for other reasons, the Utility will discontinue service in the Landlord's name after two
  - business days' notice either by phone or door-hanger notice to the occupants of the building. The Utility does not assist in evicting tenants. The Landlord must use appropriate legal means for that purpose;
3. In this case, the Utility service contract is between the Utility and the Landlord; however, since the termination of service to a dwelling or building where an unannounced cut-off may cause an undue hardship or endangerment to life or property, the Utility deems it fair and reasonable that two
4. business days' notice be given to tenants in the case where Landlords terminate service that is held in the Landlord's name.
5. Landlords are responsible for charges to properties where the Landlord contracts with the Utility as a Customer, regardless of who actually used the service.

**Tenant**

Landlord has no responsibility for payment of the bill. In this case, a utility contract is between the utility and the tenant, in this case tenants are responsible for charges to properties where it contracts with the utility.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

## **Policy 22** *Subdivisions & Developers*

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### **INTRODUCTION**

This Introduction has been attached to the Policy to assist the Utility in the implementation of the Policy. It is not actually a part of the Policy. Any requests for a copy of this Policy by a Customer should not include a copy of this Introduction.

### **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 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 costs 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 interests 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 Developer 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.

1. The costs 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 (1) year after Utility acceptance of the facilities.

2. 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 development. The Developer or his assignee will be responsible for obtaining all easements.
3. 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.
4. In the event a planned development includes a fire protection system, the Developer shall submit total fire protection plans to include the number and location of sprinkler heads and hydrants.
5. 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 the Developer.
6. 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.
7. 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 streets to be opened and dedicated within the development, the Developer shall execute a Deed of Dedication to the Utility of 20-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. These Deeds shall describe the easements and property of reference in the book and page of the recorded plat.
8. 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 a fee simple to the Utility.
  - All easements shall be obtained by the Developer or his agent.
  - All easements shall be shown on all final subdivisions plats 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.

9. The Utility will approve a final plat provided:

- all system improvements have been constructed and the plat constitutes an "as-built" condition; or

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

11. 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.

12. 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;
- A Security Deposit or Non-Refundable Service Charge;
- Plan Review Fees;

13. Upon execution of the contract, the Developer will make a nonrefundable payment to the Utility of 100% of the estimated costs of utility construction covered under this contract for engineering, inspection, legal, and administrative expenses.

14. 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.

15. 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.

16. 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.

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

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

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

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

## **Policy 23** *Theft of Service and Tampering*

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### **POLICY STATEMENT**

1. Tampering with Utility equipment or stealing service will be grounds for discontinuance of Utility service. Theft of service shall include, but not be limited to the following:
  - Opening valves at the curb or meter that have been turned off by Utility personnel;
  - Breaking, picking or damaging cut-off locks;
  - By-passing meters in any way;
  - Taking unmetered water from hydrants by anyone other than an authorized official
    - of a recognized fire department; fire insurance company or Utility for any purpose other
    - than firefighting, testing or flushing of hydrants;
  - Use of sprinkler system water service for any purpose other than fire protection;
  - Removing, disabling or adjusting meter registers, or transmitters;
  - Connecting to or intentionally damaging water lines, valves or other appurtenances
    - for the purpose of stealing or damaging Utility equipment;
  - Moving the meter or extending service without permission of the Utility
  - Any other intentional act of defacement, destruction or vandalism to Utility property
    - or act that affects Utility property;
  - Any intentional blockage or obstruction of Utility equipment.

A "notice of violation" may be mailed or otherwise delivered at the discretion of the Utility Manager if:

2. Evidence suggests the possibility of theft of Utility service at the Customer's premises;
3. The violation does not constitute an immediate threat of safety or equipment integrity
4. to the system.
5. The Customer will be ordered to immediately cease any unlawful practice.

6. No "notice of violation" will be mailed or delivered, and Customer service is subject

to immediate cut-off in any of the following situations:

- When in the opinion of the Manager a situation exists that may endanger public health;

7. In addition, the Customer will be subject to a \$50 violation payment as well as service call charges, labor and replacement parts as detailed by the Utility.

8. If the Utility determines theft of service has occurred, it reserves the right to adjust the Customer's current bill and the bills for the past twelve (12) months usage. If the approximate amount of service that was stolen cannot be reasonably determined, the Customer's usage will be set at two (2) to four (4) times the minimum bill, as set on a case-by-case basis by the Governing Board of the Utility according to the facts of each case. Service will not be restored until all payments for the following are received by the Utility:

- Adjusted payment for Utility service;
- Violation payment (see section 4 above);
- All service call charges;
- Labor;
- Replacement parts;
- Reinstatement of service charge.

9. Service will be reinstated only during regular working hours, Monday through Friday,

10. except in the case of an emergency.

11. Discontinuance of service by the Utility shall not release the Customer from liability

12. for payment for service already received or from liability from payments that there

13. after becomes due under the minimum bill provisions or other provisions of the

14. Customer's contract.

15. The Utility shall not be liable for any loss or damage resulting from the discontinuance

16. of service.

17. The Customer(s) whose name(s) appear(s) on the application/contract for service is (are)

18. the Customer(s) responsible for payment of all charges. That Customer is also

19. responsible for any rules or policy violations that occur regarding the Utility service to

20. that property. Personal participation by the Customer in any such violation shall not



21. be necessary to impose personal responsibility on the Customer.
22. In the event any Customer fails to pay any Utility fee or charge, the Customer shall pay
23. all costs of collection including court costs and reasonable attorney's fees incurred by
24. the Utility in collecting such sums.
25. The Utility shall have the right to refuse to render service to an applicant or to any
26. member of an applicant's household who is living at the same address whenever
27. such person(s) is (are) delinquent on any payment to the Utility or had his or her
28. service discontinued because of a violation of the regulations or policies of the Utility.
29. In the event that the Customer fails to pay said fees and charges as listed above, the
30. Utility may prosecute the Customer to the fullest extent of the law.

ADOPTION DATE: \_\_\_\_\_ EFFECTIVE DATE: \_\_\_\_\_

**TCA 65-35-102. Prohibited acts.**

It is unlawful for a person to:

1. (A) Knowingly tap, cut, burn, break down, injure, destroy or otherwise interrupt or interfere with the current, lines, fixtures or appliances utilized to furnish service to the general public by any water fixtures or appliances;
2. Obtain or attempt to obtain, by the use of any fraudulent scheme, device, means or method-with intent to avoid payment of the lawful price, charge or toll therefor, or for any person to cause another to avoid such payment for such service, or for any person for the purpose of avoiding payment, to conceal or to assist another to conceal from any supplier of service or from any lawful authority the existence or place of origin or of destination of any, or for any person to assist another in avoiding payment for such service, either through the making of multiple applications for service at one (1) address, or otherwise;
3. Obtain or attempt to obtain by use of any fraudulent scheme, device, means or method, water, with intent to avoid payment of the lawful price, charge or toll therefor, or for any person to cause another to avoid such payment for such service, or for any person to assist another in avoiding payment for, water, either through the making of multiple applications for service at one (1) address, or otherwise;
4. Divert or use public water with the intent to defraud or deprive any public or private water supplier from receiving proper charges or payment for such public water; or
5. Commit any of the following acts which would make public water service, available to a tenant or occupant by committing any of the following acts:
  - Connect any tube, pipe, or other instrument with any meter, device or other instrument used for conducting water in such a manner as to permit the use of the water without same passing through a meter or other instrument recording the usage for billing;
  - Alter, injure or prevent the action of a meter, valve, stopcock, or other instrument used for measuring quantities of water;
  - Break, deface or cause to be broken or defaced any seal, locking device or other parts that make up a metering device for recording usage of water or a security system for such recording device;
  - Remove a metering device for measuring quantities of water;
  - Transfer from one (1) location to another a metering device for measuring utilities of water;
  - Use a metering device belonging to the Utility that has not been assigned to the location and installed by the Utility;
  - Adjust the indicated consumption, jam the measuring device, bypass the meter or measuring device with a jumper so that it does not indicate use or registers incorrectly or otherwise obtain quantities of water from the Utility without same passing through a metering device for measuring quantities of consumption for billing; or
  - Fabricate or use a device to pick or otherwise tamper with the locks used to deter water diversion, service diversion, meter tampering and meter thefts.

**65-35-103. Evidence of violation.**

1. Any property on which it is found to have, or water utilities tampered with in violation of § 65-35-102, and capable of receiving water service as a result of the use of any method of diversion prohibited in that section, is prima facie evidence and creates against the tenant or occupant a presumption of intent to tamper or divert in violation of the provisions of § 65-35102.
2. The presence upon property served by a Utility of a metering device altered to improperly monitor the amount of Utility service used on or by such property is presumptive evidence that the Utility Customer has diverted or used Utility service with the intent to deprive or defraud the Utility from receiving proper charges or payment for such Utility service in violation of the provisions of this chapter.

**65-35-104. Civil liability - Damages - Liens - Perfection of liens.**

3. Any person violating the provisions of § 65-35-102 is liable civilly for damages resulting from such violation, including actual, compensatory, incidental and punitive damages.

*The damages shall be three (3) times the Utility's estimated loss of revenue, plus reasonable attorneys' fees and costs associated with such loss.*

4. A finding of guilt in violation of § 65-35-102, as part of an action brought to impose the penalties under § 39-14-104, is conclusive evidence of liability for civil damages recoverable under this chapter in any court of appropriate jurisdiction in a proceeding to assess civil damages against the guilty party.
5. Regardless of any criminal charge or lack thereof, any Utility may nevertheless bring a civil action in any court of appropriate jurisdiction against the owner, occupant or tenant and allege the violation of any of the acts prohibited by § 65-35-102; and upon a finding that the person has violated § 65-35-102, the court shall likewise determine the estimated loss of revenues and award judgment for sums specified in subsections (a) and (b).

*Any Utility that can properly establish the amount of Utility service fraudulently taken on or by any premises occupied by the owner thereof shall have the right to declare a lien for the value of such Utility service against the property on which the Utility service was taken.*

6. The lien shall be filed within one (1) year of the date of the Utility's first actual knowledge of the fraudulently diverted Utility service.
7. The lien shall be perfected upon the filing of a notice with the office of the register of deeds of the county in which the property upon which the lien is claimed is located, and such lien shall be second only to liens of the state, county, or municipality for taxes and special assessments, and any valid lien, right, or interest in such property duly recorded or duly perfected by filing, prior to the filing of such notice. Such notice shall contain the name of the titleholder(s) of the property upon which the lien is claimed, the property address, a description of the property sufficient to identify it, the signature and address of the entity claiming the lien, and the amount claimed by such entity.

*The priority of liens established by this subdivision shall apply to all liens filed pursuant to this subsection on or after April 10, 1990.*

8. If a Utility has not registered the notice as provided in subdivision (e)(3), such lien shall not be effective against a bona fide purchaser for value without actual or constructive knowledge of the fraudulently diverted Utility service.
9. Civil actions pursuant to the provisions of this section shall be commenced within the time required by Tennessee law in an action to recover damages for the loss of property.

## **Policy 24 Unclaimed Property**

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### **BACKGROUND AND PURPOSE:**

Any Customer seeking utility service shall be treated courteously and fairly by the Governing Board, Manager and staff.

It is accepted utility practice in the United States that money and other property that utilities hold for Customers, employees and other entities be returned to the owner of that property within a reasonable period of time after termination of the Utility's relationship with the owner. If a good faith effort to locate the owner of such property is not successful, the money or other property must be reported to and turned over to the State Treasurer.

Money or other property that has not been claimed by the owner within the specified dormancy period must be reported to State Treasurer. The state will then attempt to notify the owner. There is no limit to the amount of time an owner of the property has to reclaim it.

TCA §66-29-105 states that a deposit or refund owed to a subscriber by a utility is presumed abandoned one (1) year after the deposit or refund comes payable. A utility is identified as the following in §66-29-102:

(33) "Utility" means a person that owns or operates for public use a plant, equipment, real property, franchise, or license for the following public services:

(A) The transmission of communications or information;

(B) The production, storage, transmission, sale, delivery, or furnishing of electricity, water, steam, or gas; or

(C) The provision of sewage and septic services, trash or garbage services, or recycling disposal.

### **RECORD KEEPING DURATION:**

All meter deposit records shall be kept permanently. Under §66-29-126, Utilities shall maintain a record including the name and last known address of the owner of unclaimed property for ten (10) years after the later of the date the report was filed or the last date a timely report was due to be filed, unless a shorter period is prescribed by rule of the treasurer.

### **OMISSIONS:**

In the absence of specific rules or policies, the disposition of unclaimed property disputes shall be made by the Board of Commissioners in accordance with its usual and customary practices.

**POLICY STATEMENT:**

When a customer closes their account, the Utility requests a new address to mail their final bill. Any remaining credits on the account will be used to pay part or all of the final bill. If there is any remaining credit left after the final bill is paid, the customer will be notified by phone that there are funds left on the account, and a check will be sent to their new address. If the customer is unreachable by phone, a letter will be mailed to their new address. If the customer does not contact the Utility within 30 days of the date the letter was sent, another letter will be sent to them. If the customer does not contact the Utility within 60 days of the date the second letter was sent, the Utility will consider the funds unclaimed, but will send another letter per the requirements specified under number two (2) below for any amounts over fifty (\$50) dollars. If a customer moves out but fails to notify the Utility, the Utility will try to determine the last date of service. The customer will be notified by phone, but if they are unreachable by phone and have not left a forwarding address, the credit will be considered unclaimed and will be sent to the State Treasurer as required by law.

All unclaimed property is required by law to be reported and turned over to the State Treasurer, based on the following timetable:

1. ALL unclaimed property must be reported on and turned over to the State Treasurer's office by November 1 of each year, reporting property held as of June 30 of the previous year. The report shall be submitted through the online portal of the Unclaimed Property Division at <https://www.reportittn.gov/account/login>.
2. If the Utility holds a Customer's unclaimed property in the amount of fifty (\$50) dollars or more, the Utility is required to attempt to contact the owner by first class mail not more than one hundred eighty (180) days, nor less than sixty (60) days before filing the report under §66-29-123 if the Utility has in its records an address for the apparent owner sufficient to direct the delivery of first-class United States mail to the apparent owner, which the Utility's records do not disclose to be invalid. The Utility is NOT obligated to publish or advertise a list of unclaimed property owners.
3. Any Customer's unclaimed property in an amount less than fifty (\$50) dollars does NOT require a first-class mailing. The amount is simply reported and remitted on November 1 to the State Treasurer.

**ADOPTION DATE:** \_\_\_\_\_ **EFFECTIVE DATE:** \_\_\_\_\_

## *Appendix A - Agreements*

- I. Developer
- II. Industrial & Commercial Customer
- III. Deferred Payment Agreement

## *Appendix B - Notices*

- I. Published Decision by the Board & Appointment Method



## **Developer Agreement**

THIS AGREEMENT made on the \_\_\_\_\_, by and between the \_\_\_\_\_, hereinafter referred to as "Utility," and \_\_\_\_\_, hereinafter referred to as "Developer."

WHEREAS the Utility owns and operates the water system that will service the \_\_\_\_\_ as described below; and WHEREAS, the Developer has made application for utility service.

1. NOW, THEREFORE, in consideration of the premises and the mutual promises of the parties herein contained, and other good and valuable considerations, the receipt of all of which is hereby acknowledged, the parties hereto have entered into the following Agreement:
2. Upon completion by the Developer of all the Utility's requirements set forth herein, the Utility hereby agrees to and will permit the Developer to connect onto the Utility's lines and to install the lines and other facilities necessary for proper installation. The Developer is to install the facilities for the utility service strictly in accordance with the drawings, plans, and specifications as drawn or approved by the Utility. These drawings, plans, and specifications are attached to the Agreement and made a part hereof as though copied herein.
3. The Developer agrees to follow all health, safety, workers' compensation, and all other applicable federal, state, and local statutes or governmental agency regulations in performing its obligations under this Agreement.
4. The Developer will pay for all material and labor necessary to install and complete the facilities in accordance with all drawings, plans, and specifications and this Agreement.
5. At the time of execution of the Agreement, the Developer will pay to the Utility all fees and charges currently established by the Utility for:
  - engineering fees and legal fees and \$1,500.00 per lot capacity fee.The Utility's total estimated cost for installation of utilities covered in this contract is \$\_\_\_\_\_.



6. The Utility shall have a continuous right to inspect the work on the facilities to assure the Utility that the same are being installed as approved. If work is found not to meet the Utility's standards, the Utility has the right to stop said work on all or any portion of the work until work is upgraded to the Utility's standards. Inspection fee's will be billed based on an hourly rate, set by Friendsville Utility Board, and will be invoiced to the developer monthly. The Utility hourly rate shall be \$ .
7. Upon project completion and upon the Utility giving written notice of acceptance, the Utility shall be and become the sole owner of the facilities free and clear of the claims of any person or entity without the necessity of any further writing, contract, or deed; however, the Utility may also require a deed of exchange thereof. The parties intend that this Agreement shall operate as a conveyance of the facilities when the same are installed and accepted.
8. The Developer agrees to produce and submit to the Utility as-built drawings for all the facilities it constructs.
9. The Developer hereby warrants all facilities installed pursuant to the provisions of this agreement against defects in workmanship and material for a period of one (1) year from the date of acceptance thereof in writing by the Utility. Further, the Developer shall immediately repair, at its own cost and expense, all breaks, leaks, or defects of any type whatsoever arising from any cause whatsoever occurring within one (1) year from the date the facilities are accepted in writing by the Utility. Upon the failure of the Developer after reasonable notice to take immediate steps to make such repairs, the Utility is hereby authorized by the Developer to make such repairs at the reasonable cost and expense of the Developer, or to have such repairs made by a third party at the reasonable cost and expense of the Developer hereunder. The Developer hereby warrants that the facilities shall be paid for in full and that no liens or encumbrances shall remain regarding the facilities.
10. In the event the Developer fails to install the facilities in accordance with the terms of this Agreement, the Utility may, in its sole discretion, elect to accept all or a portion of the facilities installed. Should the Utility choose to accept all or a portion of these facilities, the Utility shall become the sole owner of the accepted facilities upon giving the Developer written notice of its acceptance without the necessity of any further writing, contract, or deed. The Utility's election to accept such facilities under this paragraph shall not be construed as an assumption of any obligation related to these facilities of the Developer or of any third party.
11. In the event the Developer fails to install the facilities in accordance with the terms of this Agreement, the amounts paid to the Utility under paragraph 4 are not refundable to the Developer.

12. The Developer shall require any contractor or contractors who perform work to install the facilities to furnish the Developer bonds covering faithful performance of work and the payment of obligations arising from work on the facilities.
13. The Developer shall provide a copy of this Agreement to any lender or contractor who performs work on the installation of these facilities before entering any contract with such lender or contractor.
14. The Developer covenants and agrees to hold the Utility harmless from the claim of any person, firm, corporation, or entity, to defend any action at law or equity brought, and to protect the Utility against any judgments rendered growing out of the installation herein provided for whether the same be on private or public property.
15. In the event the Developer breaches this Agreement, the Developer shall bear the cost of the Utility's reasonable expenses, including attorney's fees and other expenses incurred in any efforts to enforce this Agreement whether by negotiation, litigation, or otherwise.
16. The Developer understands and agrees that no third party shall obtain any benefits or rights under this Agreement with respect to water or sewer tapping privileges, and no connection shall be made to any residence or other customer site until all necessary arrangements have been made in accordance with the Utility's Rules and Regulations.
17. A copy of such Rules and Regulations is attached to this Agreement and made a part of this Agreement, and in the event of any discrepancies between the terms of this Agreement and the Rules and Regulations, the latter shall control.
18. The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of the remaining provisions.
19. This Agreement shall constitute the entire agreement of the parties. This Agreement may be modified or amended only by an instrument in writing executed by all parties hereto.
20. All notices permitted or required under this Agreement shall be deemed given if hand-delivered, or mailed by United States registered or certified mail, postage prepaid, return receipt requested, to the following address:  
  

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21. The Developer agrees to pay to the Utility monthly a "Dry Tap Charge". This charge is a per lot fee that is calculated to cover the Utility's cost of depreciation of the utilities being installed under this contract. The fee shall be paid until the lot(s) have been sold and the new owner has had a tap installed on the lot. Failure to paid said fees shall relieve the Utility from any obligation to provide service to this development. This fee for this project is \$\_\_\_\_\_ per lot per month minimum.

22. The Developer shall issue a Bond or irrevocable Letter of Credit in an amount of money which the Utility, in its sole discretion, deems necessary to cover the "Dry Taps Charge". The Utility can reduce this Bond or Letter of Credit at its derision. In no way shall the Utility's right to future drafts on the Irrevocable Letter of Credit be impaired by the foregoing terms. Action by the Utility in calling on or drawing on the said Irrevocable Letter of Credit pursuant to the terms of the Bond shall not be deemed a release of the principal for any liability hereunder. The principal acknowledges that it is liable for all obligations under this Bond and under associated obligations under this Bond and under its Water Service Contract with the Utility.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the day and date first above written.

\_\_\_\_\_  
Position Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Developer

\_\_\_\_\_  
Position Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Utility Representative

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Date



## **Industrial & Commercial Customer Agreement**

This agreement made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and between \_\_\_\_\_, hereinafter referred to as "Utility" and \_\_\_\_\_, hereinafter referred to as the "Company".

WHEREAS the Utility proposes to furnish the Company with utility services to be used in its facilities, and the Company desires to purchase such services from the Utility, and,

WHEREAS, it is important for the Company to have assured economical, adequate and reliable utility services for its employees and for its use; and,

WHEREAS it is the intention and desire of both the Utility and the Company that the charges to the Company for utility services be designed to recover the full cost of providing such service to the Company, and that such charges shall not be discriminatory nor preferential as to either the Company or other customers of Utility; and,

WHEREAS, Utility has agreed to issue its bonds and/or obtain loans in the amount of \$\_\_\_\_\_ to finance the construction of additional facilities, which loan is to be repaid without limitation from revenues derived from the Company, which will use the facilities being expanded pursuant to this agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises and agreements hereinafter contained, the Utility agrees to sell and furnish certain utility services, and the Company agrees to purchase from the Utility such services upon the conditions and limitations hereinafter provided.

**TERM-** This agreement shall become effective as of the date first above written. This agreement shall continue in effect for the initial primary term of \_\_\_\_\_ years from the date of execution hereof and from year to year thereafter unless terminated by either party at the end of said initial term or of any yearly renewal thereof at the end of the initial term upon at least six (6) months prior written notice.

**CONSTRUCTION OF FACILITIES-** The Utility will construct or cause to be constructed with diligence extensions and improvements to the Utility's current facilities (hereinafter referred to as improvements) in accordance with the plans and specifications described in and on Exhibit 1 (attach copy of plans). The Utility will make a reasonable effort to complete construction of said improvements within \_\_\_\_\_ days after the date this agreement is executed. The plans and specifications have been based on and are a result of information provided by the Company of the estimated utility service demand and quality being required by the Company. A copy of such estimate is attached to this agreement as Exhibit 2 and made a part hereof.

**RATES AND CHARGES.**

- Rates and charges for utility service used shall be the same as established by motion or resolution of the Utility's governing board. A copy of the rates currently in effect as of the date of this agreement is attached hereto as Exhibit 3 and incorporated herein by reference.
- In the event that changes in the rates and charges for utility services are required to assure adequate and reasonable revenue to the Utility and to preclude discrimination or preference as between charges for services to the Company and other customers of the Utility, the Utility may modify the charges and rates.
- During the term of this agreement, the Company, whether in operation or not in operation, shall pay each month the total of utility rates and charges computed in accordance with the Utility's rates and charges then in effect for the actual number of gallons or cubic feet used.

**CONTRACT ADJUSTMENTS AND AMENDMENTS-**Adjustments and amendments to this agreement deemed appropriate shall be made by mutual agreement. In such case, this agreement may be supplemented with a written amendment signed by the parties, or a written letter of understanding exchanged between the two (2) parties and signed by each. It is expected by the parties that rate changes and adjustments will be handled with a letter of notification. It is contemplated that as much advance notice as possible of a rate change will be given by Utility to the Company.

**DEFAULT-** The Company shall be in default under the terms hereof in the event of any or all of the following: (1) The Company fails to pay to the Utility amounts required hereunder; (2) The Company fails to do or perform all other acts required of the Company by the terms hereof; or, (3) Utility determination that any of the material representations of the Company contained herein are untrue or incorrect. Upon the occurrence of a default by the Company, if the Utility is not then in default hereunder, the Utility shall have all remedies which it has against any other customers of the Utility. In addition, the Utility shall have the right to seek injunctive or mandatory relief or obtain money damages. All remedies provided to the Utility hereunder shall be cumulative and pursuit of any one remedy shall not preclude the pursuit of any other remedies.

**MONTHLY CONSTRUCTION / DEVELOPMENT SURCHARGE AND BOND.-** The monthly surcharge and bond are \$\_\_\_\_\_ and shall be paid by the Company to the Utility for \_\_\_\_\_ years, whether this agreement remains in effect for this time. Prior to the execution of this Agreement the Company must post a surety 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 payment of the monthly surcharge in the amount specified and for a length specified in paragraph six (6) of this Agreement. This bond shall continue in force and affect and provide for payments irrespective of whether this Agreement remains in effect or has been terminated.

**TAP FEE-** The Company shall pay to the Utility a tap fee as set forth in the attached rate and fee schedule as set forth in Exhibit 3, of \$\_\_\_\_\_ prior to the start of construction of the facilities.

**FACILITIES TO BE FURNISHED**-The Utility will furnish for use of the Company the following:

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**PAYMENTS**- Payment for utility service shall be made periodically in accordance with the rules and regulations of the Utility

**METERING** - Metering shall be by standard meters approved by the Utility which shall be installed and maintained by the Utility. The Company shall have the right to install and maintain at its expense meters adjacent to or in the vicinity of Utility's meters as a check on Utility's meters. Should the Utility's meters fail to register for any period, the consumption during such period shall be determined, based upon the Policy adopted by the Utility. If requested by the Company, the Utility shall have tests or inspections made of meters which will be paid for by the Company if the meter is not within established standards, otherwise, the Utility will bear the cost of testing and repair or replacement of meter(s).

**SUCCESSORS OR ASSIGNS**-This Agreement and/or the duties and obligations of the Company here under, may not be assigned, transferred, or transferred to a successor by the Company without the Utility's prior written consent. Any attempted assignments without such consent shall be deemed void and shall be breach hereof and shall entitle the non-breaching party to terminate this Agreement and seek all remedies provided hereunder.

**WAIVER**- No waiver of any provision or of default under, this Agreement shall affect either party's right thereafter to enforce such provision or to exercise any right or remedy in the event of any other default, whether similar.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the day and date first above written.

\_\_\_\_\_  
Position Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Company Representative

\_\_\_\_\_  
Position Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Utility Representative



(THE FOLLOWING APPLIES **ONLY** IF THERE IS A LIEN HOLDER)

(Creditors) are holders of a promissory note dated in the total principal sums \$ \_\_\_\_\_ secured by \_\_\_\_\_. Creditors hereby solely for the purpose of \_\_\_\_\_ subordinating, do hereby subordinate \_\_\_\_\_, the liens of said to this Release and Covenant Not to Sue in favor of the Utility; but said shall not otherwise affect hereby and shall continue to be in full force and effect as before the execution and delivery hereof, subject and subordinate only to said Release and Covenant Not to Sue.

Wherever used in this instrument, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to all genders.

**WITNESS OUR HANDS** this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**Owner(s):** \_\_\_\_\_

**Lien Holder:** \_\_\_\_\_ **By:** \_\_\_\_\_

**Utility:** \_\_\_\_\_ **By:** \_\_\_\_\_

**(STATE OF TENNESSEE) (COUNTY OF \_\_\_\_\_ )**

Personally, appeared before me, the within named \_\_\_\_\_, with whom I am personally acquainted, and who after being duly sworn, executed the within instrument in my presence and acknowledged that he/she executed said instrument for the purposes contained therein.

**WITNESS** my hand and official seal at \_\_\_\_\_, on this the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
**MY COMMISSION EXPIRES:**

\_\_\_\_\_  
**NOTARY PUBLIC**



## Deferred Payment Agreement

Name of Customer: \_\_\_\_\_

Service Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Agreement made by and between the Friendsville WaterWorks and \_\_\_\_\_  
Customer hereby acknowledges that he/she is unable to pay the outstanding bill for utility  
service provided to the above address in the amount of \$\_\_\_\_\_.

**Estimated monthly payments.** \$\_\_\_\_\_ **\*Note:** Payment amount may  
fluctuate depending on current active service charges applied monthly, plus past due  
balances carried forward.

1. Friendsville WaterWorks will not discontinue utility service provided that the customer.
  - a. Customer agrees to pay in full any bill for current services and outstanding balances by \_\_\_\_\_ the due date.
  - b. Pays the remaining outstanding balance in monthly installments, plus current charges within six (6) months.
2. Any payments received under this agreement will first be applied to current charges, with the remaining amount being applied to the outstanding balance.
3. The customers utility bill shall contain current months charges plus a minimum balance forward that will reaffirm the customer's account within six (6) months.
4. By signing this agreement, you agree that you owe the amount due under the agreement; and signing this agreement does not affect your responsibility to pay for current service. **Allowing any bill for current service to become delinquent places you in default of this Agreement.**
5. If a customer **does not** fulfill the terms of this Deferred Payment Agreement. The Utility shall inform the customer by letter that they are subject to disconnection, and their rights thereof, and shall not be required to offer a subsequent Deferred Payment Agreement prior to disconnection.

\_\_\_\_\_  
Friendsville WaterWorks

\_\_\_\_\_  
Friendsville WaterWorks Customer