

WATER SERVICE TO DEVELOPMENTS

This Policy contains the outline of procedures and establishes the fees and charges which apply when water service is established to serve any subdivision. The term “subdivision” is defined as any development which is deemed to be a subdivision by the laws, ordinances or resolutions of the State of Tennessee, Marshall County, or any municipality in which part of the development is located. The Marshall County Board of Public Utilities (defined herein as the “Utility”) further defines a “subdivision” as any parcel which is being divided into more than two tracts. Furthermore, the “Developer” is defined as the party which is proposing the requested subdivision.

In the event a developer claims its development is not a subdivision, the developer must deliver a letter addressed to the Utility, signed by an authorized employee of the appropriate planning commission staff, certifying to the Utility that the development is not a subdivision, and state why the development should not be considered under this Policy. The letter shall be of form and content as approved by the Utility. Prior to the letter being signed, there must be full disclosure to the appropriate authority of the scope of the water system improvements required by the Utility for establishing water service to the development.

The owners of an interest in real estate on which a subdivision is proposed must comply with the provisions in this Section in order to obtain water service for the subdivision. Should the costs of constructions 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.

1. Application for Water Service

1.01

The developer or its representative must complete a “Water Service Availability Request” from the Utility’s office.

1.02

The developer must return the completed “Water Service Availability Request” to the Utility in duplicate with the application review and engineering review fees as set out in the Schedule of Rates and Charges. A developer will submit to the Utility a preliminary plat or concept plan and other necessary information for review and for a determination of availability of service. Each plat will show the number of units (single family, duplex, etc.) to be served in the development. In the event a planned development includes a fire sprinkler system, the developer shall submit as part of its plan the total sprinkler system and the number and location of sprinkler heads.

1.03

The developer must notify the Utility of any changes in the data submitted with the application. The application fee is charged to cover the cost to the Utility of reviewing the project. An engineering review on the feasibility of the project from the standpoint of hydraulics and making a preliminary determination of the on-site and off-site system improvements necessary to provide adequate service shall be determined and provided to the developer within 30 days of application.

1.04

When the Utility determines that the “Water Service Availability Request” is complete and the applicable Engineering Fee is paid, the Utility will order an engineering review from the Utility’s Engineer to include an estimate of the “on-site” and the “off-site” construction costs necessary to properly serve the development. Provided Estimates shall be for feasibility use only and shall not be for Construction Purposes.

1.05

When the Utility has reviewed and approved the Engineering Review, the developer will be notified of the preliminary conclusions of the Utility as to the feasibility of the service requested. The Utility may then issue a “water availability letter” to the appropriate entity, based on the Engineering review. The “water availability letter” may be revoked unless the developer enters into a contract with the Utility and pays all fees assessed within one hundred twenty (120)* days of the date of the “water availability letter.”

** Utility provider reserves the right to extend this time under extenuating circumstances.*

2. Developer’s Contract

2.01

The Utility’s attorney will then prepare a contract to be approved by the Board of Public Utilities under which water service will be provided to the development.

2.02

Upon completion of the contract documentation, the project will be placed on the agenda of the meeting of the Board of Public Utilities at which meeting the recommendation of the Staff will be heard. The Board of Public Utilities will either accept the Staff recommendations, modify them, or defer action to a subsequent meeting of the Board of Public Utilities after referring the project back to the Staff for further study.

2.03

At such time as a Developer’s Contract is executed between the developer and the Utility, and all the appropriate fees are paid, the Staff will be authorized to work with the developer to complete the project in accord with the provision of the contract and their Rules and Regulations.

2.04

Water service contracts are personal in nature and may not be assigned to any successor in interest of the owner/developer without the express written approval of the Board of Public Utilities.

2.05

Developer shall be notified within 10 days of MCBPU approval of proposed development to schedule a meeting to execute the Developer’s Contract and pay associated Fees.

2.06

Developer shall have 12 months (1 calendar year) to install taps per the developer contract. In the event that the developer does not fully execute and install all taps as

defined within the contract, then the unused taps shall be forfeited and the contract shall be considered void. The MCBPU shall retain the capacity fees and shall refund tap fees associated with the un-installed taps. In the event that this section should need to be enforced, the remainder of the development shall be considered a “new” development and shall be required to be reviewed and approved under a new application and will navigate the full process for the remainder of the lots/taps.

3. Installation Costs

The costs and expenses incidental to the installation, connection, and inspection of water facilities to serve residential subdivisions, commercial developments, or any other type of expansion shall be paid 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 water facilities by the developer.

4. Installation of Improvements

4.01

The developer must install at the developer’s expense all on-site and off-site water lines, pumping stations, storage tanks, and appurtenances (hereinafter referred to collectively as facilities) as may be required by the Utility and as stated in the Developer’s Contract to provide adequate service to the development and to meet the Utility’s plan for the level of service to be made available in the general area of the development. Developer must use all Domestic Materials as specified by the Standard Specifications.

4.02

Before work of any type or nature is begun on any project, the water service contract shall have been signed between the Utility and the developer.

4.03

Notification of Construction: The Utility shall be notified at least forty-eight (48) hours before construction is to begin. Thereafter, the developer shall notify the Utility of every day during which construction will be in progress in order for the Utility’s inspector to be on the job site during construction. Developer **MUST** give proper notice to Utility for consideration. Utility reserves the right to deny inspection to any developer that does not give proper notice of start. ***NO WORK shall be performed without Utility authorization and any facilities installed without proper authorization WILL NOT be accepted and WILL be required to be removed, discarded and new virgin materials installed.***

4.03a

Grading and Lot Layout: Utility requests that the developer have all roads rough graded and lots staked prior to start of water line installations. The Utility will not be held liable for any costs associated with relocation of facilities which are improperly installed due to poor staking by the developer’s installation Contractor. Any corrections required shall be borne by the Developer.

4.04

Inspections: All water system improvement projects shall be subject to inspection during and upon completion of construction by an authorized representative of the Utility. Inspection may consist of full-time resident inspection or part-time inspection at the sole discretion of the Utility. Presence or absence of the inspector during construction does not relieve the developer from adherence to approved plans and specifications. Materials and workmanship found not meeting the requirements of approved plans and specifications shall be immediately brought into conformity with said plans and specifications.

4.05

Final Inspection: An authorized representative of the Utility shall make a final inspection of the project after completion to determine acceptability of the work. Before this final inspection can be made, the owner, developer or engineer responsible for the project shall notify the Utility's Manager in writing that the work has been completed in accordance with approved plans and specifications.

4.06

Final Acceptance: When facilities qualify as public facilities by passing the Utility's final inspection, the Utility will accept ownership of the completed facilities. The person paying the cost of constructing such lines and mains shall furnish "as-built" drawings to the Utility at the end of each phase of water system construction and prior to final acceptance of water system facilities to the Utility.

4.07

"As-Built" Plans: The "as-built" plans shall be drawn at a scale of one inch equals 50 feet, and indicate the location and size of all water mains, gate valves and boxes, fire hydrant assemblies, air release assemblies, blow-off assemblies, water main plugs and/or caps, and meter assemblies. The location of all of the above items must be referenced off of two (2) permanent points such as power poles, right-of-way markers, concrete monuments, iron pins at property corners, drainage culverts, and building corners. The above facilities shall also be shown in relationship to the edge of all paved surfaces and all other utilities located within 15 feet of either side of the water facilities. All utility easements shall be shown in relationship to the above-mentioned water system facilities. In the event the actual construction differs from the recorded plat of the development, the developer will prepare and record in the Register's Office of Marshall County, a revised plat showing the actual construction with the design features stated above clearly shown. Water service may be delayed by the General Manager until this requirement has been met. *Failure to update plat to reflect actual installed facility easements shall be grounds for the Utility not issuing Final Acceptance.*

4.08

Warranty: The developer shall guarantee all work on system additions it installs for a period of one (1) year from the date of final acceptance and shall immediately correct any deficiencies in the work, due to material or workmanship which occur during the one-year period. The date of final acceptance shall be that date on which the developer has fulfilled all conditions necessary for final acceptance, including passing a final inspection, submittal of “as-built” drawings, payment of all fees due, and the system addition having been placed into service by the Utility. The warranty shall be insured by a maintenance bond of such amount as is acceptable by the Utility, secured by an irrevocable bank letter of credit, or such similar collateral as is approved under Tennessee statutes and by the Utility. When a water leak occurs in any line or appurtenance under warranty by either a developer or contractor, the cost of repairing the leak and the damage caused by the leak when performed by the Utility will be billed to the developer.

4.09

Conveyance of Water System Improvements: Upon completion of the construction of the water facilities, upon final approval by the Utility, and upon the water facilities being placed into service, the water facilities shall immediately become the property of the Utility, regardless of whether or not a formal written conveyance has been made. The persons paying the cost of constructing such lines and mains shall execute all written instruments requested by the Utility necessary to provide evidence of the Utility’s title to such facilities. The water facilities shall become the property of the Utility free and clear of the claims of any persons, firms, or corporations, with the developer warranting said work for a one-year period after acceptance by the Utility.

5. Assessment and Collection of Fees:

5.01

General: The fees established by this section shall be based on single family units (SFUs) or their calculated equivalent unless specified otherwise. A single-family unit shall use a peak daily demand of 350 gallons per day (gpd) regardless of the inhabitants of a unit. The equivalent number of SFUs for a particular development shall be determined by using an estimate of the peak daily demand in gallons per day which is adequate to serve the uses in the development and dividing that rate of flow by 350. The peak daily demand estimate in gallons per day used to determine the equivalent number of SFUs will be calculated by taking the flow for the applicable use listed in the Water Use Guide for Computing Fees. For uses not covered by the Water use Guide for Computing Fees, the UTILITY shall estimate the peak daily demand of gather proposed development on other nationally recognized publications or such other data as may be available.

5.02

Associated Fees: A tap fee and capacity fee shall be paid for every connection to be served by the Utility's central distribution system which fee shall be as shown in the Schedule of Rates and Charges. When the Schedule of Rates and Charges does not list a tap fee for uses in a development, the tap fees shall be computed as set forth in Section 5.01. The associated fees shall be paid for the privilege of making a connection to the Utility's public water supply. The tap fee, capacity fees, Contract Administrative Fees, tap fees and escrow deposit shall be due in full at the time of the Developer Contract execution.

5.03

Application Fee: The application fee set forth in the Schedule of Rates and Charges shall be paid when the application for water service is submitted to the Utility. The application fee is not refundable.

5.04

Operational Escrow: There shall be assessed against every development an operational escrow balance equal to the percentage shown on the Utility's Schedule of Rates and Charges of the Utility's estimate of the average fair market cost of all the on-site and all the off-site construction associated with the development. The operation escrow balance shall be paid in full at the time the developer executes the Developer's contract.

5.05

Contract Administrative Fee: The contract administrative fee set forth in the Schedule of Rates and Charges shall be paid at the time of the Developer Contract Execution.

5.06

No Credits Permitted: There shall be no credits given any fee for on-site or off-site water system construction required by the Utility to serve subdivision developments.

6. Approval of Final Plat

The Utility will not sign a "Final" Plat of the development for submission to the appropriate Planning Commission until a performance bond (secured by cash; an irrevocable bank letter of credit in form and content approved by the Utility, and issued by a bank with offices in Marshall County, Tennessee; or, other security specifically approved by the Board of Public Utilities has been posted equal to the estimated cost, as determined by the Utility's Engineer, of all necessary improvements and in favor of the Utility, the Developer's Contract has been fully executed, and all applicable fees have been paid. If the development is not a subdivision, the applicable fees must be paid at the time the developer's contract is signed.

7. Easements

7.01

A minimum exclusive easement of twenty (20) feet in width must be conveyed to the Utility for water main construction. All water lines which are to become the property of the Utility are to be located off the public right-of-way and within these exclusive private easements. All exceptions are to be specifically approved by the Board of Public Utilities. In all such cases where the Board of Public Utilities approve water line construction within public rights-of-way, consent shall be obtained from the political entity having authority over such rights-of-way.

7.02

The surveying and other expense of obtaining, preparing and recording easements will be paid by the developer, including, but without limitation, the consideration paid to the landowner. In the event the Utility exercises its power of eminent domain to acquire any such easement, the developer will pay all costs, expenses and damage awards for which the Utility becomes liable, on demand, including attorney's fees.

7.03

The easement grant must be on such terms and in such form and content as approved by the Utility. All easements must be dedicated for exclusive use of the Marshall County Board of Public Utilities. Public Utility Easements shall **not** be considered equal.

7.04

The Utility may, at their discretion, choose to acquire off-site easements in an effort to assist in the acquisition process. However, the Utility reserves the right to require the developer to be responsible for acquiring all necessary easements for both on-site and off-site water line construction, prior to the commencement of water line construction.

8. Meters

8.01

All water meters will be installed by the Utility. Setter, box, tailpieces, etc. shall be installed by the developer prior to final acceptance.

8.02

Each family residence or each duplex or other property shall be served with a separate water meter not smaller than 5/8 x 3/4 inch in size, except where prior arrangements have been made with the Utility for apartment complexes or other types of dwellings or businesses. In the event an existing water meter serves an apartment complex and/or other business property with units owned and/or occupied by more than one individual,

firm, or corporation, the same shall be separated so as to have a meter for each ownership or occupant.

9. Permits

Before beginning construction, the developer or his contractor shall obtain all necessary permits as required by law. Such permits include, but are not limited to, those from state and county highway departments and any city in which the development is located.

10. Minimum Bill Liability

In order to assure the Utility adequate operating income, the Utility shall require any developer to pay a minimum water bill for each prospective tap within the development prior to the time an actual connection is made. Minimum bills shall be collected from the date of the execution of the Developer Contract.

Board Approved- 12/21/21

Marshall County Board of Public Utilities

Schedule of Rates & Charges

Application Fee:	\$50.00	up to 10 lots/ units
	\$5.00	Per additional unit
Engineering Review Fee:		
	\$150.00	up to 10 lots/ units
	\$15.00	Each Additional Unit
Contract Administrative Fee:	\$250.00	Flat fee *large or unusual projects may be adjusted by staff
Operational Escrow:	10% of Construction Estimate is required to be placed into an escrow account prior to start of Construction. Construction Engineering and Inspection services, and water used are paid out of this account. Any balance funds are returned upon completion and acceptance.	
Tap Fees:	\$3,000.00	3/4 inch
<i>Effective February 1, 2022</i>	\$4,000.00	1 inch
<i>Subject to Change</i>	\$5,000.00	2 inch
Bond Issuance:	A performance bond shall be required equal to the estimated cost as determined by the Utility Engineer prior to final plat approval. See Section 6 of Water Service to Developer Policy	
Capacity Fees:	\$2,500.00	per tap

Effective: 10/20/2020

Current Water Rates

Customer Charge	\$20.00	
0 - 6,999 Gallons	\$8.00	per 1,000
7,000 - 12,000 Gallons	\$10.00	per 1,000
Over 12,000 Gallons	\$15.00	per 1,000

**** ALL above fees are subject to review and change by the MCBPU as may be required.**