

RULES AND REGULATIONS

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SOUTH BLOUNT COUNTY UTILITY DISTRICT

RULES AND REGULATIONS

I. SCOPE

These rules and regulations apply to the District and its existing and future customers. They apply to all services rendered by the District whether the services are based on contract, agreement or otherwise.

II. REVISIONS

These rules and regulations may be revised, supplemented or otherwise changed by the District's Board of Commissioners from time to time.

III. SEPARABILITY

If any part of these rules and regulations should be declared invalid or unconstitutional such declaration shall not affect the validity of the remaining parts.

IV. AVAILABILITY

A copy of the current rules and regulations of the District shall be available to the public during regular business hours at the District office and the District's web page.

1. DEFINITIONS

For the purpose of interpreting these rules and regulations the following definitions shall apply:

A. "Commissioners" means the board of commissioners of South Blount Utility District.

B. "District" means the South Blount County Utility District of Blount County, Tennessee.

C. "Person" includes firms, corporations, partnerships, associations and other entities a well as individuals.

D. "Customer" means any person who applies for water services or who receives water services from the District.

E. "Household" means any one or more persons living together as a family or group.

F. "Dwelling Unit" means any structure or portion thereof occupied by one or more persons of a single family for residential purposes. Apartment buildings and other structures occupied by more than one family shall be considered multiple dwelling units.

G. "Business Unit" shall mean any structure or portion thereof occupied by a single business or enterprise. Shopping centers or other structures occupied by more than one business or enterprise shall be considered multiple business units.

H. “Service Connections” means the tap of the main and that portion of the line extending from the tap of the main to and including the meter and meter installation. This includes any meter set on fire lines.

I. “Customers Service Line” or “Service Line” designates the water line extending from the service connection to and within the improvements of the property.

J. “Tapping Fee” designates any charges made by the District to users or prospective users for the tap of the main and the installation of the service connection, including the meter, meter installation and the meter box. The customer acquires no legal title to, nor equity in, the facilities installed by reason of payment therefore.

K. “Main” designates the water lines of the District, of all sizes, up to but excluding the service connection. It includes the District’s water lines laid in or on the public streets or highway or on their right-of-way and it includes certain water lines on private property by permission that have been installed or accepted by the District.

L. “Fire Hydrant Charges” shall be the term applied to charges made for water service for fire protection provided by any fire hydrants owned and maintained on a metered/unmetered basis by the District for the use by person or persons other than District personnel.

M. “Regular Billing Period” or the “Billing Period” for any designated calendar month means the billing period from which revenues are included in monthly financial and operating statements of the District for the calendar month in question.

N. “Penalty Date” shall mean the date which appears on the bill, except when some other date is expressly required by these Rules and Regulations or rate schedules or by an agreement approved by the District. The due date is the last date on which bills can be paid at net rates.

O. “Rules and Regulations” as used herein, shall include these rules and regulations and any addenda, attachments, supplements, and interpretations adopted from time to time by the commissioners.

2. GENERAL

Water service will be furnished subject to the Rules and Regulations of the District adopted by its Board of Commissioners. These Rules and Regulations may be amended at any regular or special meeting of the Board of Commissioners by vote of a majority of the members of the Board. Any amendment will take effect immediately unless the resolution adopting the amendment shall provide a different effective date. A copy of these Rules and Regulations shall at all times be kept in the District’s office and shall be subject to inspection by any customer or any other member of the public during regular business hours. Upon request the District will make a copy of these Rules and Regulations. The District will charge a reasonable per page fee for furnishing printed copies. Should these Rules and Regulations conflict with any provision of the District’s resolution authorizing the issuance of its Waterworks Revenue Bonds, the provisions of the bond resolution shall control with respect to the rights of such bondholders.

3. OBTAINING SERVICE

A. All persons applying for water service must sign an Application for Service and Water Service Contract agreeing to the District's charges for service and inspections set out in the Schedule of Rates and Charges and agreeing to abide by the District's Rules and Regulations. Upon the execution of the Application for Service and Water Service Contract, the applicant will pay the connection fee, and if applicable, the tap fee and any other amount designated by the District. The receipt of a prospective customer's Application for Service and Water Service Contract shall not obligate the District to render the service applied for. If the District is unable to provide service to the applicant, all fees paid will be refunded. If a customer decides not to take service and the District has already put in its tap and/or meter to serve the customer, the District may retain all or a portion of fees paid according to the District policy then in effect.

B. The prospective customer shall furnish such information as the District shall request so as to determine the terms to incorporate in the Application for Service and Water Service Contract.

C. When a customer is a property owner, the owner will remain responsible for the meter and appurtenances assigned to his or her property whether they continue as a customer or rent their property. Further, the property owner shall be responsible for the monthly water bill of any tenant or other non-owner whom he permits to occupy the property unless the owner shall first require such occupant to enter into his own Application for Service and Water Service Contract with the District.

C. In addition to all other requirements to obtain service, no service will be placed in the name of a tenant or other non-owner of property until the tenant or non-owner has entered into his own Application for Service and Water Service Contract.

D. The service purchased will be used only for the benefit of the designated premises and for no other property, persons, or purposes. Water service shall not be shifted or changed to any other property without the written permission of the District and then only upon such terms and conditions as provided by these Rules and Regulations or as determined by the Commissioners.

E. Service may be denied to anyone who owes an outstanding bill from prior service within the District until the customer pays the entire balance owed or makes arrangements satisfactory to the District to pay any outstanding bill for prior service.

F. Service will be denied to any person seeking service to property on which there are no existing tapping privileges until a tap fee has been paid including taps which have been repossessed by the District because of default in a Contract for Service.

G. A landlord who applies for water service at the landlord's service address to have water available to the service address between tenants shall execute a new Application for Service and Water Service Contract for the service address and pay a connection fee of $30.00. The landlord shall pay for water used at the service address until the landlord cancels water service in accordance with the District's rules, the District terminates water service for nonpayment, or a new tenant places water service in his or her name by executing a new application for Service and Water Service Contract for the service address.

H. Customers requiring temporary service shall pay all costs for connection and disconnection incidental to the supplying and removing of service in addition to the regular charge for water used, provided such temporary service can be feasibly provided in the discretion of the District. Temporary service is for a short duration, as determined by the District.

I. If an existing customer has purchased or a future customer chooses to purchase a dry tap to make water service available to the customer's property, the customer will be charged the District's minimum bill each month. If the customer fails to pay the minimum bill for the dry tap, water service will be discontinued in accordance with the District's rules on the discontinuance of service, and the meter will be removed. If a customer with a dry tap no longer desires to keep water service available to his or her property, the customer may notify the District that he or she no longer desires to pay the monthly minimum bills to keep water service available, and the District will remove the meter. The District will reinstate water service to the property where the meter has been removed upon the payment of the District's meter connection fee in the District's Schedule of Rates and Charges. If the customer making the request has an outstanding balance with the District, the customer must also pay any outstanding balance before water service is reinstated.

J. When the District is providing water service to premises occupied by a married couple who have filed for a divorce and one spouse requests that water service be changed to his or her name, the District will make no change in the service or account name without receiving a copy of a court order which either grants possession of the premises to the spouse requesting a service change or awards ownership of the premises to the spouse requesting the service change. If the service and account name for the premises is not in the name of the spouse entitled to possession of or ownership of the premises by court order, the District will put the service in the name of the spouse entitled to reside in the premises upon such spouse executing a new Application for Service and Water Service Contract, but the spouse will not be required to pay the applicable connection fee.

K. After the death of a Customer, the Customer and/or his or her estate shall remain liable for charges incurred until such time as the account is placed into the name of a replacement Customer. This change should occur within ninety (90) days of the date of the Customer's death. However, failure by the Customer to change the name on the account shall not affect liability for the account, and the District can continue to charge and collect on such account even after the ninety (90) day period has run. However, if the District discovers that the Customer's death has occurred and the Customer name change has not been timely effectuated, the District reserves the right to shut off service on the account after proper notice is given. However, all accounts, including that of a deceased customer, must be paid in full when due or service will be terminated in accordance with the District's policy in effect at that time.

4. SERVICE CONNECTIONS

A. Any person applying for services at a location requiring the installation of a service connection shall be required to pay the District, in accordance with its then current rate schedule.

B. Any person applying for water service shall be required to pay a meter setting fee in accordance with the Districts then current rate schedule. Each prospective customer desiring new water or waste water services will sign the District's standard forms, a well user agreement, cross connection agreement, and a service

contract, and pay the District all required fees and amounts before water and or waste water services are provided.

C. All properties considered commercial by the District, in their sole judgment, shall have an approved Backflow Prevention Device installed on the service line behind meter, in a location approved by the District.

D. Standard residential taps shall be three-fourths (3/4") inch diameter. Larger connections shall be permitted as directed and prior approved by the District.

E. Each individual residential or commercial unit requires a separate meter.

F. Each living unit in an apartment complex and each unit in a mobile home park or trailer park will require a separate meter unless the property owner requests and the District approves the use of a master meter for a collection of residences. A mobile home park or trailer park is any tract of land containing mobile home or trailer parking facilities with water connections (hereinafter trailer connections), regardless of whether mobile homes or trailers shall be furnished or permanently parked at the sites of such trailer connection. If the owner elects individual metering, the owner shall be responsible for paying the connection fee and tap fee for each meter.

G. If the property owner elects to use a master meter for trailer park, mobile home park, or apartment complex installations, the meter shall be of the type required by the District, shall be purchased by the owner, and shall be installed by a licensed plumber paid by the owner to perform such installation. The installation shall be inspected by the District with inspection costs to be paid by the property owner. The owner will pay a tap fee as determined by the District and shall receive a monthly bill according to usage shown by the master meter.

5. METERS

A. The District reserves the right to inspect all new and existing customers for, but not limited to, air gaps on well lines, anti-backsiphonage spigots, cut-offs on customer lines and pressure reducing valves. All customers must allow the District unrestricted access to all such items and lines during normal business hours and otherwise during a suspected or actual emergency.

B. All meters and all connections to water mains shall be installed, tested, repaired and removed by the District or an approved contractor. All water distributed by the District shall be metered.

C. The District shall be responsible for the operation and maintenance of the water service line from the District’s main line to and including the meter. Normally, the meter will be set at or near the property line on the street or highway right-of-way on which the main line is located. When a meter cannot be set at or near the property line, the customer will provide the District a suitable place for the location of the meter on the customer's property at the customer's expense. The District reserves the right to specify a suitable meter location on the customer's property.

D. The District will, at its own expense, make routine tests of meters when it considers such tests desirable. A customer who requests a meter test shall pay a testing fee in the amount of $50.00. If the test shows an error outside of 4% of 100% accuracy the testing fee shall be refunded, and the meter will be repaired or replaced by the District. If the test shows no error or an error within 4% of 100% accuracy, then the testing fee will be forfeited to the District.

E. Meters, service connections, and other equipment furnished and maintained by the District are the property of the District. Any damage to the District's property caused by the customer, his family, his employees, or his invitees or agents shall be repaired and replaced at the customer's expense.

F. No person shall turn on or turn off any of the District's stop cocks, hydrants, spigots, fire plugs, or valves without prior permission or authority from the District.

6. METER LOCATIONS

For new installations the District's approval of meter locations should be obtained before prospective customer installs his lines. Insofar as is practical, meters shall be placed on or near the property line of the premises to be served at or near the street location near the main line. The District will attempt to locate meters at a location that is convenient to both the customer and the District; however the District reserves the right to specify the location of the meter. The costs of relocating meters for the convenience of the customer will be paid by the customer before the meter has been relocated. Meters placed by the District at a location that the District later deems unsatisfactory may be moved to a location more satisfactory at the discretion and expense of the District. Except as may be otherwise provided by separate written agreement between the District and the customer, the point of delivery shall be at the customer's side of the meter. All lines, piping and equipment beyond this point shall be the property and responsibility of the customer. The District shall not be liable or responsible for any injury, loss or damage to persons or property on account of any defect, use, misuse, or negligence in installation, maintenance, equipment, lines or pipes beyond the point of delivery. The District shall be responsible for its lines and equipment up to the point of delivery.

7. BILLING

The District will bill the customer monthly for water usage as indicated by meter readings in accordance with its then current rate schedule. There will be a 10% penalty on any water usage bill that remains unpaid by the due date. An Account with an unpaid balance forward as of the due date will have the service discontinued and the service will not be restored until the entire balance and assessed fees have been paid in full.

In the event a meter is found not to be in good working order or has stopped registering, the meter will be replaced.

Adjustments in billing may be considered for any leak or unintentional excessive water use by the customer, as solely determined by the District on a case-by-case basis, but no more than one time per calendar year. The District, at its option may make such adjustments should the District find that the customer has experienced a leak which the customer could not have reasonably been expected to find prior to billing. This regulation is not to be interpreted as an obligation on the part of the District to adjust any bill, but is intended

only to allow the District discretion to allow such adjustments where the District determines circumstances are such that they feel that an adjustment is warranted.

In the event a check is returned for any reason other than “Account Holder Deceased,” an additional fee of $30 will be placed on the customer's bill as well as the returned check amount.

If service is shut off due to non-payment or a returned check, an additional $60 shut-off fee will be added to the customer's bill.

8. PLATTING REVIEW FEE

Any person or customer seeking water service from the District shall pay a platting review fee of $25.00 to the District.

9. EXCESSIVE WATER USE

A. The District may grant one (1) leak adjustment per year per account.

B. Adjustments will be based off of (6) month of average billing from the customer’s account. If the account does not have a basis of 6 months of average billing the District will use the average of 3000 gallons per unit serviced by the meter for each missing month for the leak adjustment.

C. Any adjustment to the bill amount must take place after the leak or excessive water use has stopped or been repaired. The adjustment must be made within 6 months of the leak’s occurrence.

D. Customer must keep all payments current or the agreement to adjust the billing amount may be withdrawn by the District.

10. UNAUTHORIZED USE OF WATER AND TAMPERING WITH DISTRICT PROPERTY

A. No person or entity (hereafter person) shall, without the District’s consent, (1) use the District’s water without such water being metered, or (2) use the District’s water without making application for service and paying all required fees, or (3) steal water from the District, or (4) tamper with the District’s property. Tampering with District property shall include, but not be limited to, the following:

(a)Opening valves at the curb or meter that have been turned off by District personnel;

(b)Breaking, picking or damaging cut-off locks;

(c)By-passing meters in any way;

(d)Taking unmetered water from hydrants by anyone other than an authorized official of a recognized fire department, fire insurance company or utility for any purposes other than firefighting, testing or flushing of hydrants;

(e)Use of building or residential sprinkler system water service for any purpose other than fire protection;

(f)Removing, disabling or adjusting meter registers;

(g)Connecting without application or intentionally damaging water lines, valves or other appurtenances for the purpose of stealing or damaging District water or equipment;

(h)Moving the meter or extending service without permission of the District;

(i)Any other intentional act of defacement, destruction or vandalism to District property or act that affects the District's property; and

(j) Any intentional blockage or obstruction of District pipe or equipment.

B. When the District learns that water is being used by any person without the water being metered or without making application to the District for water service, the District will take all the steps necessary to terminate the unauthorized use of its water.

C. Tampering with District property or stealing water services shall be grounds for an immediate discontinuance of service and the following fees shall be paid to the District before service is reinstated:

(a) First Offense $200.00 fee

(b) Second Offense $500.00 fee

(c) Third Offense $1,000.00 fee

D. The District's customers shall be responsible for any unauthorized use of the District's water from District facilities located on the customer's premises and for any tampering with District property by persons under such customer's care, custody, or control. In the event the District's customer is a builder or contractor, such builder or contractor shall be responsible for the unauthorized use of the District's water from District facilities or for the tampering with District property on the customer's premises and by subcontractors of the builder or contractor.

E. When unauthorized use or tampering occurs on premises served under a temporary meter or hydrant meter with a builder or contractor, the District shall terminate water service not only to the premises upon which the unauthorized use or tampering occurs but also to all other premises of such builder or contractor being served under a temporary meter.

F. In the event a person damages District property in obtaining water from the District without permission and proper authorization or in tampering with District property, such person shall pay the following to the District:

(a) All labor costs incurred by the District to repair any damage to the District's property. Labor costs are billed at $50 per hour for each District employee used to repair any damage to the District's property or stop the unapproved use of water.

(b) The cost of any equipment and subcontractor used by the District to repair any damage to the District's property.

(c)The costs of all materials used by the District to repair any damage to the District's property; and

(d)The amount which the District pays an outside contractor in the event the District must hire an outside contractor to make or to assist in the repair of any damage to the District's property.

G. No person shall be permitted to purchase additional water from the District until all penalty charges and costs set forth in paragraph 6 and 7 or otherwise determined by the District are paid in full. In the event the person is a customer of the District, all penalty charges and costs shall be added to the customer's bill. Water service will not be restored to such customer until all penalty charges and costs and other reconnection fees and charges are paid in full.

H. The District reserves the right to pursue any other remedies it may have under state law against persons responsible for the unauthorized use of the District's water or for tampering with District property.

11. EXTENSION OF WATER MAINS.

A. Applicants seeking the extension of water utility lines shall present to the District Manager a petition for the said extension of such lines. The petition shall include the following information:

1. A list that contains the name, address and phone number of each property owner/ applicant requesting service.
2. A list that contains the name, address and phone number of all other parties on the extension who may requesting service.
3. Date service is desired.
4. The signature of each property owner applicant.

B. After receipt of the fully completed petition, the District Manager will make a preliminary cost estimate of the extension and decide if the extension meets the following criteria:

1. Adequate capacity of the system or the line(s) to be connected to is available.
2. The extension is judged to be operationally feasible.
3. Adequate funds for construction of the extension are available to the District.
4. The amount of revenue expected to be generated by the extension is reasonable as compared to cost.

C. After all required information is assembled the District Manager will present the request and findings to the District's Board at their next regularly scheduled board meeting.

D. It is at the Board's discretion to determine if water main extensions are economically feasible to the District. The Board may reject the request, or approve the extension under certain conditions. If the Board approves the extension, the applicants and others who may use water services on the new line will have to comply with requirements that may include one or more of the following:

1. Require that each potential user of water service, including but not limited to the applicants, pay all fees and charges (tap fees/contract for service) prior to the District beginning construction.
2. Pay an additional contribution per applicant and water connection for engineering expense, construction cost and other items.
3. Grant the District the necessary easement(s) in writing on all affected property.
4. Comply with any other requirement imposed by the District's Board.

E. Upon approval and completion of all requirements set by the Board, the District will proceed with extension design and installation, according to a schedule determined by the District Manager.

F. Approval of a water line extension and acceptance of fees and payments does not guarantee that the water line will be constructed. Sometimes factors such as soil conditions, other repairs or construction, financial or legal issues make construction delayed or undesirable.
If, in [its sole judgment,, the District decides to terminate the project and not complete the water line extension, the District will promptly return all amounts paid by those who were not connected to water service.

12. WATER SERVICE TO NEW DEVELOPMENTS

The term "development" is defined as any residential commercial development which increases the demand on the District's central distribution system, whether by increasing the intensity of use or by altering the use of land. Should the costs of construction be unusual or other unusual circumstances exist, the District may modify or add to these procedures. The determination of unusual circumstances will be made by the District on a case-by-case basis.

A. The developer or its representative must obtain an "Agreement for Proposed Development Water /Wastewater" from the District.

B. The developer must deliver to the District Manager a completed “Agreement for Proposed Development Water/Wastewater ", engineering report, a preliminary plat and other information as requested by the District; for review and determination of availability of service. Each plat must show all units (single family, duplex, commercial, etc.) that may potentially need water or District maintained waste water services in the development.

C. The developer must notify the District of any changes in the plans and information submitted with the application. Any approval or decision by the District is based on the information the developer has provided to the District at the time of the decision, and any subsequent change will be subject to reconsideration

Certain fees are charged to the developer to cover the District's cost of reviewing and inspecting the project, obtaining an engineering report on the feasibility of the project from the standpoint of hydraulics, making a preliminary determination of the on-site and off-site system improvements necessary to provide adequate service, and other District expenses related to a development.

D. The developer should obtain the approval of the District before beginning any water or waste water construction. When the District has reviewed and approved the plans and information submitted, and has completed an analysis of the proposed project, the District will approve the proposal, or disapprove the proposal with suggested changes to make the plan acceptable to the District. The developer will be notified of the preliminary conclusions of the District as to the feasibility of the service requested.

E. The costs and expenses incidental to the installation, connection, and inspection of all on-site and off-site water lines, pumping stations, storage tanks, and appurtenances (hereinafter refereed to collectively as facilities or system improvements) as may be required by the District to serve residential and commercial developments, or any other type of expansion, shall be paid by the developer. In addition, the developer

shall indemnify the District from any loss or damage that may directly or indirectly result from the installation of water facilities by the developer.

F. The developer must install all on-site and off-site water/wastewater system improvements as may be required by the District, to provide adequate service to the development, to maintain the current level of water/wastewater service to existing customers and to meet the District's plan for the level of service to be made available in the general area of the development.

G. Before work of any type or nature is begun on any project, the Agreement for Proposed Development Water /Wastewater must be signed by the District Manager and the developer.

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

I. Inspections: All water system improvement projects shall be subject to inspection during and upon completion of construction by an authorized representative of the District. Inspection may consist of full-time resident inspection or part-time inspection at the sole discretion of the District. 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 District's requirements or approved plans and specifications shall be immediately brought into conformity with said plans and specifications at the developer’s expense.

J. Final Inspection: An authorized representative of the District 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 District Manager in writing that the work has been completed in accordance with approved plans and specifications.

K. Final Acceptance: When the facilities qualify as public facilities by passing the District's final inspection. The developer shall be responsible to pay all fees and costs as described in the developer's agreement and to provide to the district a tabulation of all costs for the construction of the facilities, prior to the District's decision of final acceptance.

L. 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, completion of all documents and forms required by the District, and the system additions having been placed into service by the District.

M. When the District requires a developer to oversize a water line, pump station, water storage tank or other water system improvement to meet a future need for water service outside the development, the District shall be responsible for paying the additional material costs and any incremental increase in labor costs for the over sizing of the water system improvements. The District shall determine amount of the additional material costs and the amount of any incremental increase in labor costs for the over sizing, and the amount

of the additional material costs and the amount of any incremental increase in labor costs shall be included in the service agreements for the development.

N. A minimum exclusive easement fifteen (15) feet in width must be conveyed to the District for water and waste water main construction. All main lines which are to become the property of or are to be maintained by the District are to be located in the public right-of-way or within these exclusive easements on private property. All exceptions are to be specifically approved by the District Manager. In all such cases where the District Manager approves water line construction within public rights-of-way, the developer shall obtain consent from the political entity having authority over such rights-of-way for such construction.

O. The expenses of obtaining, preparing and recording easements needed for water system improvements for the development will be paid by the developer, including, but without limitation, the consideration paid to the land owner. In the event the District exercises its power of eminent domain to acquire any such easement, the developer will pay all costs, expenses and damage awards for which the District becomes liable, on demand, including its attorney's fees.

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

Q. The developer is responsible for acquiring all such easements for both on-site and off-site water and waste water system improvement construction prior to the commencement of this construction.

R. In the event real property must be acquired for the installation of a water storage tank, pumping station or other water or waste water system improvement for the development, the expense of obtaining, preparing and recording the real property will be paid by the developer, including, but without limitation, the consideration paid to the land owner. In the event the District must exercise its power of eminent domain to acquire any such real property, the developer will pay all costs, expenses and damage awards for which the District becomes liable, on demand, including its attorney's fees.

S. Before beginning construction, the developer or its 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.

13. STANDARD SERVICE

Water service is normally limited to quantities as determined by the physical limitations of the District's water distribution and storage systems and no specific quantities or rate of flow can be guaranteed. The quality of water will be determined by the District's source of supply and treatment facilities and chemical characteristics of such water shall be those resulting from the treatment of the water obtained from the source of supply as used by the District for its water system. Customer requirements for chemical characteristics other than those furnished by the District's normally treated water shall be the responsibility of the customer and not the District.

14. WATER FOR FIRE PROTECTION SERVICE

The District was created to provide potable water for its present and future customers. The District was not created to provide fire protection services to its customers or to areas where the District provides water service. Fire protection services are provided by municipalities, counties and volunteer fire departments within the District's service area.

The District has not designed its water system to provide fire flows sufficient to provide water for fire protection purposes in all areas served by the District. Therefore, the District does not guarantee that its water system will have sufficient water to provide fire protection to its customers. The District does desire to cooperate with persons or governmental entities who may undertake to provide fire protection services. Under certain conditions the District will permit its customers to connect fire lines and fire hydrants to the District's water system. At the request of a customer, the District will cooperate with the customer to determine appropriate specifications and locations for fire lines and fire hydrants, and the District will install or inspect installation by approved fire system contractors. Such fire lines and fire hydrants at the expense of the customer in accordance with jointly approved specifications within public right-of-way or easements granted for this purpose. The fire protection facilities located on the customer's property shall be owned and maintained by the customer, and the customer shall be responsible for assuring that the facilities meet governmental requirements including any requirements of the Tennessee Department of Environment and Conservation. These fire protection facilities shall be used by the customer only in the event of an emergency for the purpose of fighting fire, containing chemical spills or like situations. All fire hydrants will be sealed by the District and may be inspected at intervals by the District. When a seal is broken, on account of fire or for any reason, the customer shall give the District written notice of such occurrence a soon as possible. The customer shall be responsible for any water loss occurring as a result of vandalism or metered consumption.

All fire protection customers shall pay current fees that are set by the District.

Notwithstanding the foregoing provisions, the District may from time to time in the exercise of its discretion, allow customers to utilize fire facilities for a public purpose provided such utilization is authorized in writing in advance. In the event fire hydrants located on unmetered lines are utilized, the customer will be charged for water used based upon the District's reasonable estimation of water usage.

15. TAPPING EXISTING MAIN AND MAKING SERVICE CONNECTION

Service connections will be laid by the District from the water main to the property line. Such service connections, including the meter installation, will be fitted with all necessary hardware and so installed as to be readily accessible at all times to the agents of the District.

When such service connections are completed, the District shall have ownership of and shall be responsible for the maintenance and upkeep of such service connections from the main line and to and including the meter and meter installation. The remaining portion, designated as the "service line" or "customer's service line" beyond the meter and meter installation (even though such remaining portion is not located within the customer' property line) shall belong to and be the responsibility of the customer. In all cases the service line

shall be installed by the customer at the customer's expense and shall be and remain the exclusive property of the customer.

The customer's service line shall be of quality material, with a pressure reducer, stop valve, and waste cock. Water service to any customer may be discontinued and water service to any applicant may be refused or declined by the District if the service line is not supplied with a pressure reducer a stop valve and a waste cock. Not-with-standing anything else herein provided, and District shall not be responsible for the maintenance and upkeep of the customer's service line located within the property line of the customer, even though the District's meter and meter installation are located within said property line.

16. CUSTOMER'S PIPING AND FIXTURES -- STANDARDS

All water piping beyond the meter shall be installed and maintained at the expense of the customer. By furnishing service to a customer, the District assumes no responsibility for seeing that the customer's piping and or plumbing fixtures comply with any local codes or regulations.

17. RIGHT OF ACCESS

A. The District shall have free access to that portion of the customer's premises necessary for reading meters and for testing, repairing, removing, or replacing equipment owned by the District. The customer shall be responsible for removing any obstruction which prevents the District access to its meter and equipment including shrubbery, structures, and pets. If an obstruction is not removed within 30 days from date of notification by certified mail, the meter will be removed and the applicable connection fee will be charged for reconnection.

B. In fulfilling its duty to protect the public water supply, the District shall have the right, but shall not be obligated, to inspect any customer's installation or plumbing system before water service is furnished or at any later time.

18. INSPECTIONS

The District shall have the right, but shall not be obligated to inspect any installation before water/wastewater is introduced at a later time. The District reserves the right to refuse service or discontinue service to any piping or plumbing installations not in accordance with special contracts or with these Rules and Regulations, or other requirements of the District; but any failure to exercise this right shall not render the District liable or responsible for any loss or damage resulting from defects in installations of piping or plumbing fixtures or from violations of any local codes or regulations or the provisions of any special contract or from accidents which may occur on the customer's premises.

19. NOTICE OF TROUBLE

Customers shall notify the District immediately should the water/wastewater service be unsatisfactory for any reason, or should there be any defects, trouble or accidents affecting the supply of water/wastewater services. Such notices, if verbal, should be confirmed in writing by the customer.

20. CROSS CONNECTIONS

The District has adopted the Tennessee Department of Environment and Conservation's Recommended Policy Governing Cross Connections. A copy of this Policy is kept available for public inspection in the District's office. This Policy provides that no person shall cause a cross-connection to exist without the approval of the Tennessee Department of Environment and Conservation for periodic inspections of all premises where cross-connections are likely to exist, and for prompt action to systematically correct all such cross-connections. No cross connections of any kind shall be permitted between the water supply from the District's mains and the water supply from any other sources. A cross connection is defined as any physical connection whereby the District's water supply is connected with any other water system, whether public or private, either inside or outside of any building or buildings, in such a manner that a flow of water into the District's water supply is possible, either through a manipulation of valves or because of any defective check or back pressure valves, or by any other arrangement. The District shall not be obligated to connect to, or render water service to new buildings or to buildings or premises not now approved for water service until such time as a certification is made that no cross connection exists. Installation of approved Backflow Prevention Devices shall coincide with the Cross Connection Policy.

21. DAMAGE TO PROPERTY DUE TO WATER PRESSURE

It is the customer's sole responsibility to assure that they receive the proper pressure from their service lines. The District shall not be liable for any damage to a customer's plumbing or property caused by high pressure, or by fluctuations in pressure in the District's water mains.

22. DAMAGE TO PROPERTY DUE TO WASTEWATER BACKUP

The Customer accepts ownership of the tank, equipment within and service line from the tank to the street side connection box. All customers are responsible to follow the District's guidelines and User Manual concerning any waste water system serviced by the District. The District will not be liable for damages due to failure in the sewer system for which the District does not receive immediate notice or backups due to power outages.

23. PUMPING OF WASTE WATER TANKS

The District shall set a schedule and provide the normal routine pumping of septic tanks for customer's utilizing a waste water system maintained by the District. Should additional pumping be required the customer shall be billed and pay for the pumping expense.

24. INTERRUPTION OF SERVICE

A. The District will endeavor to furnish continuous water service, but it does not guarantee to any customer any fixed pressure or continuous service. Customers living in the areas as high as or higher than the reservoirs that feed the area must provide and maintain at their expense any equipment necessary to provide the standards of water service desired. The District shall not be liable for any damages for any interruption of service however caused except for willful default or neglect. If any customer requires an uninterrupted water service for life preserving or other dire purposes, such customer must notify the District and obtain

permission to construct, at customer expense, a private holding tank or other such provisions as the District will permit to further assure a fixed pressure or continuous supply.

B. The District reserves the right to interrupt service without notice in connection with the operation, maintenance, repair, and extension of the District's water system or when public safety so requires. The District will use its best efforts to notify its customers of any service interruption which will or is likely to last ten hours or longer by public service broadcast through the District's website or local paper or commercial radio station.

C. The District shall not be liable for any loss or damage resulting from water cut off. If a customer wishes to avoid possible damage for cut off failures, the customer shall rely exclusively on privately owned cut offs and not on the District's cut off. The customer shall be responsible for insuring that his plumbing is properly drained and is kept properly drained after his water service has been cut off.

25. USE OF WATER

A. No customer shall allow waste of water caused by permitting faucets to run continuously "run off" from irrigation, the failure to properly maintain plumbing within the premises, or other wasteful practices or negligence.

B. No customer may directly or indirectly resell water purchased from the District, except with the prior written consent of the District.

C. In times of emergencies or in times of water shortage, the District reserves the right to enable the Drought Policy. A violation of such restrictions constitutes grounds for termination of water service to the premises or dwelling on which the violation occurs until such time as the emergency or water shortage ends.

26. TERMINATION

The District shall have the right to discontinue service or refuse to connect service to any person who has failed to comply with any provision of these rules or regulations or failed to pay timely any billings. Written notice of termination stating the scheduled date for termination of service will be mailed to the customer at the customer's last known address at least 13 days prior to the scheduled date for termination. In the event termination is scheduled because of nonpayment the last bill will state the amount due, the last date and place that payment may be made to avoid termination. Termination will not be made on any date immediately preceding a day when the District's business offices are scheduled to be closed, except for special arrangements. All special arrangements in default will be terminated on the next business day.

A customer wishing to dispute the District's stated reasons for termination may request a meeting with the District Manager to discuss the customer's case. Prior to the meeting with the District Manager the customer will have the right to examine the District's records pertaining to the customer's service.

After meeting with the District's Manager, if the customer feels the District has not followed District rules and policy, the customer may request a hearing by the District Board by submitting a WRITTEN REQUEST for a hearing during the District's offices regular business hours at the District's business offices on or before the end of the last business day immediately preceding the 5 days scheduled date for termination. Upon receipt of written request for a hearing the District will schedule a hearing to be held at the District's office at the next scheduled Board meeting. At this hearing the customer will have the right to testify, and to present witnesses on the customer's behalf. The customer will have the right to be represented at the scheduled hearing. Hearing will be conducted by the board of commissioners for the District. The commissioners will hear the evidence and render a decision which will be reflected in their minutes. When a hearing is requested pursuant to this section the customer's service will not be terminated unless the board determines that valid reasons for termination exist and in no event will service be terminated until the board renders its decision. The decision of the District's board shall be final.

27. TERMINATION OF SERVICE BY CUSTOMER

The customer shall notify the District of its desire to cancel service in person, by telephone, or by mail/email shall give a cancellation date and a forwarding address. The customer will be responsible for all water/wastewater charges which accrue, including the minimum charge, through the cancellation date. When the customer does not give a cancellation date, the customer will be responsible for all water/wastewater charges which accrue, including the minimum charge, until the District actually receives the notice of cancellation and makes a final meter reading. When notice of cancellation is given by telephone, the District may request that the caller provide information to verify that the caller is the person whose name appears on the account where service is to be terminated. In the event the District fails to terminate service within 10 days after having received such notice from the customer, the customer will not be responsible for the water usage following the scheduled date for termination.

28. DISCONTINUANCE OR REFUSAL OF SERVICE

A. The District shall have the right to discontinue service or refuse to connect service for the nonpayment of the customer's monthly bill or any other charge and for a violation of or a failure to comply with any of the following:

(a) The Rules and Regulations of the District;
(b) The customer's application for service;
(c) The customer's contract for service; or
(d) The regulations of the Tennessee Department of Environment and Conservation.

B. Discontinuance of service by the District for any cause stated in these Rules and Regulations shall not release the customer from liability for service already received or from liability for payments that thereafter become due under other provisions of the customer's contract.

C. When service is disconnected for non-payment, a $60.00 non-payment fee will be added to the customer's bill and service will not be reinstated until the next business day for any account on which payment is made after 3:30 p.m. The customer will have the option to re-instate service after 3:30 p.m. for an additional charge of $100.00.

29. CUSTOMER COMPLAINT POLICY

A. Complaints concerning the availability of service, the quality of service performed, the amount of a bill, and all other complaints may initially be made to the District Manager or any regular clerical employee in the District's office.

B. Regular clerical employees and the Office Manager are authorized to make adjustments to bills provided the clerical employee or Office Manager can ascertain that a bill is erroneous because of a book keeping or accounting error.

C. When a clerical employee receives a complaint which the clerical employee either cannot resolve or is not authorized to resolve, the clerical employee shall submit the complaint to the Office Manager. When the Office Manager either cannot resolve or is not authorized to resolve the complaint, the complaint shall be referred to the District Manager to resolve.

D. If the complaining party desires review by the Board, the District Manager shall schedule the complaint for consideration at the Board's next meeting and shall inform the complaining party of the time and place of the meeting.

E. If the complaining party appears at a Board meeting to seek review of a complaint, the Board may defer hearing the complaint until a subsequent meeting when the Board determines additional information is needed to resolve the complaint which information can be obtained from the District's records.

F. When a customer or complaining party appears at a Board meeting to make a complaint without previously submitting the complaint to the District Manager, the Board may require the complaining party to present the complaint to the District Manager or other District employee in accordance with the procedures set forth in this rule so the Board may be fully informed of the facts before resolving the complaint. In its discretion, however, the Board may hear and consider such a complaint.

30. BOARD OF COMMISSIONERS MEETINGS

South Blount County Utility District and the Board of Commissioners are governed by the Tennessee Code Annotated (TCA). The monthly meeting of the District's Board of Commissioners will be held at 9:00 a.m. on the first Tuesday of each month unless otherwise posted. Before each meeting the Office Manager shall cause notice of the meeting to be posted on the District's website and shall have such notice printed on each monthly bill. All meetings are open to the public.