RULES AND REGULATIONS OF LAKEWOOD CITY WATER SYSTEM

Table of Contents

1. APPLICABILITY OF RULES AND REGULATIONS	1
2. APPLICATION FOR SERVICE	2
3. TAPPING PRIVILEGES	3
4. SERVICE CONNECTION	5
5. SUBDIVISIONS AND DEVELOPMENTS	6
6. MULTIPLE CONNECTIONS	7
7. CROSS CONNECTIONS	8
8. BILLING AND PAYMENT	9
9. LEAK ADJUSTMENTS	10
10. LAWN SPRINKLER SYSTEMS	11
11. USE OF WATER	12
12. OTHER FEES AND CHARGES	15
13. METERS AND EQUIPMENT OWNED BY THE CITY OF LAKEWOOD	16
14. DISCONTINUANCE OF SERVICE	17
15. PRESSURE REDUCERS	19
16. CANCELLATION OF SERVICE	20
17. ADJUSTMENT OF COMPLAINTS	21

1. APPLICABILITY OF RULES AND REGULATIONS

Water service will be furnished subject to the Rules and Regulations of the City of Lakewood adopted by its Board of Commissioners. A copy of these Rules and Regulations shall at all times be kept in Lakewood City Hall and shall be subject to inspection by any subscriber or any other member of the public during regular business hours. These Rules and Regulations may be amended at any regular or special meeting of the Board of Commissioners by vote of the 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.

2. APPLICATION FOR SERVICE

A. All persons applying for water and sewer service must sign a Subscription Contract agreeing to pay the City's rate and charges and agreeing to abide by the Department Rules and Regulations.

B. Upon the execution of the Subscription Contract, the applicant will pay the connection fee and tap fee if applicable, set forth in the current schedule of rates and charges. If the City is unable to provide service to the applicant, the connection fee, tap fee, and any security deposit will be refunded.

C. When a subscriber is a property owner, the owner will remain responsible for the meter and appurtenances assigned to his property whether he continues as a subscriber or rents his property. Further, the 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 Subscription Contract with the City.

D. 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 Subscription Contract.

E. Should a subscriber of the City pass away or become incompetent, the subscriber's personal representative, conservator, guardian, or any other person who continues to receive and pay for water and sewer service at the subscriber's premises shall become the City's subscriber under these rules and regulations. Such person shall be required to enter into his own Subscription Contract with the City.

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

G. Service may be denied anyone who owes an outstanding bill from prior service within the City until the subscriber makes arrangements satisfactory to the City to pay any outstanding bill for prior service.

H. 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 City because of default in a Subscription Contract.

I. A property owner that rent's by the week will be responsible for the cost of the water service at the property.

3. TAPPING PRIVILEGES

A. A tapping privilege is the privilege of having water and/or sewer available to a property owner for purchase and use by connection to the City's water distribution system. A single tap shall entitle a subscriber to subscribe for water and/or sewer service to one {1) and only one (1) residence on the tract. If a second residential dwelling is to receive water and/or sewer service on the same tract, such as a mobile home or a duplex dwelling, a second tap must be obtained for a second residential dwelling. The ownership of a tap or the existence of a tap adjacent to a particular tract of property shall not entitle the owner or any other person to water and/or sewer service without meeting all other requisites for such service, including payment of such fees and charges as are set out in the City's schedule of rates and charges.

B. All original taps shall be and remain in effect for the benefit of the original subscribers and their successors in owner ship of the property to which each such tap pertained for so long and only so long as the tap is utilized for monthly purchase of water from the City of by paying the monthly minimum bill.

C. In the event a subscriber has extra strength or other unusual types of wastewater effluent to be treated, Metro Water and Sewer reserves the right to increase the cost for such tapping privileges to comply with the additional cost of treatment.

4. SERVICE CONNECTION

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

B. The subscriber shall be responsible for and shall bear the expense of the installation, operation, and maintenance of all water distribution facilities on the subscriber's property beyond the City's meter.

C. The City may at any time refuse to extend its service due to the lack of financial ability, inadequacy of water pressure or any other reason which in the discretion of the City's Board of Commissioners renders it contrary to the City's interest to extend its lines.

5. SUBDIVISIONS AND DEVELOPMENTS

The City has adopted standard operating procedures for developers seeking to obtain water service from the City for subdivisions and developments. Copies of these standard-operating procedures are incorporated in these Rules and Regulations and are available in the City's office.

6. MULTIPLE CONNECTIONS

A. Each residential unit or business will require a separate meter, unless the City approves the charging of a minimum for each unit.

B. 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 owner elects to use 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 and permanently parked at the sites of such trailer connection. If the owner elects individual metering, the owner shall be responsible for tap fees for each living unit. Each tenant shall be responsible for all other charges as a subscriber.

C. If the 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 City and shall be purchased by the owner, and shall be installed by a licensed plumber employed by the owner to perform such installation. Installation shall be inspected by the City with inspection costs to be paid by the owner. The owner will pay a tap fee for each living unit in the park or complex. The owner shall receive a monthly bill according to usage shown by the master meter.

7. CROSS CONNECTIONS

The City 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 in the City'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, provides for periodic inspections of all premises where cross-connections are likely to exist, and provides for prompt action to systematically correct all such cross-connections.

8. BILLING AND PAYMENT

A. All meters will be read or estimated monthly, and subscribers will be billed monthly. Bills will be mailed on the first working day of the month following the month in which the meter is read. Payment on monthly bills is due on or before the 15th of the month the bills are mailed. After the 15th of the month a subscriber must pay a late charge of ten (10%) percent of the amount billed.

B. Any subscriber failing to pay his bill by the 15th of the month will not be sent another notice and service will be disconnected the first working day after the 25th.

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9. LEAK ADJUSTMENTS

WATER LEAK ADJUSTMENT

A. Subscribers are responsible for keeping their plumbing repaired and in good working order. If a leak does occur and the City has knowledge of the leak, the City will attempt to notify you. Failure to make timely repairs may disqualify a subscriber for a leak adjustment.

B. A subscriber may obtain an adjustment to his bill on account of a leak only by following the procedures set forth in this paragraph. Before the City will consider making a leak adjustment, the bill for which a loss is included <u>must be at least two and one-half</u> times the average of the Subscriber's three preceding bills. If the subscriber has not received three preceding bills, no leak adjustment will be considered unless the subscriber's bill exceeds 2,250 gallons per person per household, per month. Provided the subscriber meets the threshold level for a leak adjustment, the subscriber must submit the affidavit of a plumber or property owner that certifies that the leak has been located and repaired. No adjustment will be made for filling of swimming pools, watering of lawns and gardens, washing cars, and other water use not related to a leak in the water distribution system.

C. Upon meeting the requirements in subparagraph B, an adjustment will be made as follows: The amount of the water bill will be reduced by subtracting the subscriber's average water bill from the three preceding months from the bill, taking one-half of this difference, and adding to this one-half the subscriber's average water bill for the three preceding months.

D. <u>Only one water leak adjustment will be made in a twelve-month period</u>. The leak adjustment will only be made in the billing cycle in which the leak is repaired.

SEWER LEAK ADJUSTMENT

Sewer service is provided by Nashville Metro Water and Sewer. <u>Consumers are granted one sewer leak adjustment within a 12-month period</u>. The request must be made within 90 days of repair.

LEAK TYPES Commode (50% sewer) Burst Pipe (100% excess sewer) Water Heater (100% excess sewer) Inside Coupling Leak (ICL) (100% excess sewer)

10. LAWN SPRINKLER SYSTEMS

Subscribers may install a permanent lawn sprinkler system. Installation must be by a licensed contractor and must be installed in accordance with the City's specifications and procedures including a State Certified Backflow Prevention Device with inspection following installation and once every year thereafter. Backflow inspection fee is forty (40) dollars. A tap fee must be paid upon the installation of a sprinkler system as set forth in the current schedule of rates and charges. Billing for a sprinkler system will be monthly with the first billing being in May and last one in October for each year. Late fees, discontinuance of service, and regulations. When a discontinuance of service is authorized by these rules and regulations, both regular service and lawn sprinkler system system service will be discontinued.

11. USE OF WATER

A. The City may impose greater requirements and require new tapping and connection fees in the event the type of water usage shall be changed to one requiring greater consumption per day, as from single residential to apartment, to business, or to industrial use.

B. The City shall have the right to interrupt the water service at any time for the purpose of making repairs. The City will attempt to give subscribers notice of service interruption except when emergency repairs do not allow the City sufficient time to give such notice.

C. Water Shortages:

(1) That no water furnished by the City shall be wasted during water shortage emergency periods. Waste of water includes, but is not limited to the following:

(a) Permitting water to escape down a gutter, ditch, or other surface drain;

(b) Failure to repair a controllable leak of water; and

(c) Failure to put to reasonable beneficial use any water withdrawn from the City's system.

(2) That the Manager or his designee is hereby authorized to declare water shortage emergency to exist in accordance with the standards set out in Section 3. The declarer must immediately attempt to contact all Commissioners to inform them of the emergency action. The Board of Commissioners must declare an end to a water shortage emergency.

(3) That in declaring a water shortage emergency, such emergency shall be designated Status 1 or Status 2 in accordance with conditions determined by the City Manager of the City. Water Shortage Emergency Status 1 exists when the water level in a major distribution system reservoir cannot be brought above the two-third (2/3) full mark in a forty-eight (48) hour period. When the water supply reaches Water Shortage Emergency Status 1, the Manager or his designee may declare any or all of the uses of water identified as non-essential use Category 1 provided for in this Resolution as being prohibited and said prohibition shall remain in full force and effect until modified by the Board of Commissioners. The list of the non-essential uses may be increased or decreased pending the next meeting of the Board of Commissioners. Water Shortage Emergency Status 2 exists when the water level in a major distribution system reservoir cannot be brought above the one-quarter (1/4) full mark within a forty-eight (48) hour period. If Water Shortage Emergency Status 2 is reached, the Manager or his designee may declare any or all of the nonessential uses provided for in this Resolution as being prohibited and the same shall remain in full force and effect until modified by the Board of Commissioners. The Board of Commissioners may increase or decrease the number of prohibited non-essential uses based on recommendations of the City Manager.

(4) NON-ESSENTIAL USES DURING WATER SHORTAGE EMERGENCY:

(a) Non-Essential Uses Category 1 - The following uses are declared to the Non-Essential Uses, Category 1:.

(1) Any non-residential use in excess of seventy (70%) percent of the amount used during the corresponding billing period for the previous year.

(2) Washing sidewalks, driveways, parking areas, tennis courts, patios, or other exterior paved areas, except by the District for public safety.

(3) Filling or re-filling a swimming pool.

(4) Non-commercial washing of privately owned motor vehicles, trailers, and boats.

(5) Watering of lawns, flower gardens, and ball fields.

(6) Watering any portion of a golf course.

(7) Use of water for dust control or compaction during construction.

(b) Non-Essential Use Category 2 - The following uses are declared to be Non-Essential Uses, Category 2, in addition to this listed in Category 1:

(1) Watering of trees, shrubs, or other plants except by commercial nurseries, in which case item (3) below will apply.

(2) Use by a motor vehicle washing facility.

(3) Any non-residential use in excess of fifty (50%) percent of the amount used by the customer during the corresponding billing period for the previous year. If the customer was not operating the previous year, an estimated amount shall be computed by the City from its records. The City Manager or his designee may increase the percentage for any connection use or customer if it is determined that such increase is necessary to protect the public health, safety, and welfare or to spread equitably among the water users of the City the burden imposed by the shortage in the City's water supply.

(4) Water served for drinking purposes at restaurants or other public or non-public eating establishments unless the patron or customer specifically requests such water.

(5) BOARD OF COMMISSIONERS ACTION:

(a) The Board of Commissioners may declare a water shortage emergency irrespective of whether the water supply has reached Water Shortage Emergency Status 1 or 2, and designate prohibited usages.

(b) Only the Board of Commissioners may terminate or end a water shortage emergency declared by the Board of Commissioners.

(c) Any water shortage emergency described by the Board of Commissioners shall continue until the next meeting of the Board of Commissioners. If the Board does not take action to terminate the water shortage emergency, the same shall continue in full force and effect. The Board of Commissioners may terminate or modify any limitations on nonessential use of water.

(6) Notice. Upon the declaration of the existence of a water shortage emergency by the City Manager or his designee, the City Manager shall notify the local media and furnish detailed information concerning the existence of the water shortage emergency and all prohibited uses. In addition, a newspaper ad shall be published once per week in any weekly local newspapers, informing the public of the water shortage emergency and any prohibition concerning the non-essential uses. Every practical effort shall be made to keep the water using public informed of conditions during any declared shortage emergency.

(7) Customer Non-Compliance.

(a) Any failure of a customer to comply with the requirements of a declared water shortage emergency may be reported to any official of the City and shall be immediately investigated by the City Manager or his designated agent. If non-compliance is found to exist, he shall request immediate compliance by the customer. Should the customer fail or refuse to immediately comply with the request, the City Manager shall immediately discontinue water service to the customer in question.

(b) Any customer whose service is disconnected because of a failure to comply with the requirements of a declared water shortage emergency shall have the right, after the first such disconnection, to have service reinstated upon payment to the City of its customary reconnection charge and upon execution of a written statement that he will comply with the requirements of the declared emergency. If service is disconnected because of a subsequent failure to comply, such customer shall have the right to reinstatement of service only after approval of the Board of Commissioners and subject to such terms and conditions as the Board shall impose.

(c) The decision of the City Manager may be appealed for a hearing to the Board of Commissioners. The disconnection shall remain in effect until the appeal is heard. A hearing shall be conducted with in seventy-two (72) hours, service shall be rein stated until the hearing is conducted. All requests for a hearing shall be made to the City Manager of the City.

12. OTHER FEES AND CHARGES

A. No subscriber may install a cheater onto the City's Water System. If a subscriber installs a cheater the subscriber will be prosecuted for theft of service in addition to any other charges in these Rules and Regulations.

B. A service fee of \$30.00 will be charged for all checks returned from the bank unpaid. When a check returns from the bank unpaid, the City will notify the subscriber that his check is being held at the City office. The subscriber will be required to pay in cash the amount of the bad check. The bad check will then be returned to the subscriber.

13. METERS AND EQUIPMENT OWNED BY THE CITY

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

B. The City shall have free access to that portion of the subscriber's premises necessary for reading meters and for testing, repairing, removing, or replacing equipment owned by the City. The subscriber shall be responsible for removing any obstruction that prevents the City 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 in the City's current schedule of rates and charges will be charged for reconnection.

C. Tampering with the City's meter is a violation of state law that can result in criminal prosecution and the imposition of civil penalties in accordance with T.C.A. 39-3 939.

14. DISCONTINUANCE OP SERVICE

A. The City may discontinue service to a subscriber for any of the following reasons:

(1) Nonpayment of monthly bill or any other charges,

(2) Failure to comply with the City's Rules and Regulations, or

(3) Breach of the Subscription Contract.

B. Service cut-offs for non-payment of bills will be done beginning the first workday after the 25th day of the month after the bill is due. Service cut-offs will be handled in accordance with the City's workload. For the benefit of its subscribers, normal service cut-offs will not be made on a Friday or on the day immediately preceding a holiday. If service has been discontinued for nonpayment, the City will reinstate service to a subscriber upon the payment of all required charges and fees including the reinstatement fee set forth in the current schedule of rates and charges.

C. If a subscriber considers the amount of the bill incorrect, the subscriber may request a review of the bill. To request a review the subscriber must contact any clerical employee of the City in person or by telephone within five (5) days after the date of the final notice. The subscriber must make an appointment to meet with a City employee authorized to make bill adjustments within ten (10) days of the final notice. The subscriber's service will not be discontinued for failure to pay a disputed bill until after the subscriber meets with the City employee, has an opportunity to be heard, and is in formed by the City that no adjustment or only a partial adjustment will be made to the disputed bill.

D. If service has been discontinued for failure to comply with the City's Rules and Regulations, service shall not be rein stated until such violation has been corrected to the City's satisfaction and after the payment of all required charges and fees including the reinstatement fee. If service has been discontinued for a breach of the Subscription Contract, service shall not be reinstated until such violation has been corrected to the City's satisfaction after the payment of all required charges and fees including the reinstatement fee.

E. Service will be reinstated only during regular working hours Monday through Friday, except in the case of an emergency.

F. If the City discontinues water service for reasons specified in these Rules and Regulations, the subscriber is not to turn the water back on without the permission of the City. In the event a subscriber turns the water back on without the City's permission, the City will discontinue service and either lock or remove the meter. The City will then reinstitute water service only when the subscriber pays a fifty (50) dollar tampering fee and all other required charges,

G. A subscriber who is a property owner may not use the discontinuance of service to his or her property to force a tenant or occupant of his or her property to surrender possession of the property. When service to a subscriber who is a property owner is discontinued, a tenant or other occupant of this property may have service reinstated by applying for service as a subscriber under these Rules and Regulations and paying all outstanding bills and charges for the property being occupied.

15. PRESSURE REDUCERS

When a subscriber is located in a high-pressure area and the City determines the subscriber needs to install a pressure reducer, the subscriber must install a pressure reducer suitable to the City at the subscriber's expense.

16. CANCELLATION OF SERVICE

When a subscriber desires to cancel water service, he must give the City notice of the date he desires to stop receiving water service! This notice must be sufficient to give the City an opportunity to read the subscriber's meter and close out his service. Failure to provide this notice may result in the sub scriber's final bill including water used at the premises after the date the subscriber requested a cancellation of service.

17. ADJUSTMENT OF COMPLAINTS

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 City Manager or any regular clerical employee in the City officer.

B. Any adjustment of any water bill must be approved by the City Manager.

C. When a clerical employee receives a complaint that the clerical employee cannot resolve or is not authorized to resolve, the complaint shall be referred to the City Manager.

D. The City Manager is authorized to resolve all other complaints.

E. The City Manager or the clerical employee acting on his behalf shall notify the complaining party of the disposition of his or her complaint by telephone, letter, or otherwise within ten (10) days after receipt of the complaint, excluding Saturdays, Sundays, holidays, and any periods during which the City Manager may be unable to act upon the complaint because of his absence from the county. If the complaint has not previously been reduced to writing, the City Manager shall make and file a written notation of the substance of the complaint and of his action and decision on the complaint.

F. If the complaining party desires to review by the Board, the City 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.

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

H. When a subscriber or complaining party shall appear at a Commissioners meeting to make a complaint without previously submitting the complaint to the City Manager, the Commissioners may require the complaining party to present the complaint to the City Manager or other City employee in accordance with the procedures set out in the rules so the Commissioners may be fully informed of the facts. In its discretion, however, the Commissioners may hear and consider such a complaint.