

**CUMBERLAND MOUNTAIN RETREAT UTILITY DISTRICT
RULES AND REGULATIONS**

1. APPLICATION AND SCOPE: These rules and regulations are a part of all contracts for receiving water service from the Cumberland Mountain Retreat Utility District, and shall apply whether the service is based upon contract, agreement, signed application, or otherwise.

2. DEFINITION: "Customer" shall mean any person, firm, or corporation who receives water service from the Cumberland Mountain Retreat Utility District under either an express or implied contract. The word "customer" shall be used in these rules and regulations to designate a person, firm, or corporation contracting with the District for the furnishing of water to property within the District, and classified as follows:

- a. A building under one roof and ownership, occupied as one residence, or as one business.
- b. One or more buildings on a single lot or parcel of land under one ownership, and occupied by one family or business. Each additional family or business shall be considered an additional customer.
- c. One side of a double house or duplex having a solid vertical partition wall dividing two residences.
- d. A private line owned and maintained by a customer for his individual use only.

3. SERVICE CONNECTION: The words "service connection" shall be used to designate the tap on the water main together with that portion of the line extending from the tap to the meter or service shut-off valve, whichever is present. In those installations where the meter or shut-off valve is set at or near the property line on the street, highway, or right-of-way on which the main is located, only that portion of the line extending from the tap up to, and including the meter or shut-off valve, shall be included as part of the service connection.

a. In cases where it is necessary to set the meter or shut-off valve on the private property of the customer, an easement will be granted, together with the right of ingress and egress to the meter for the purpose of reading or servicing the same.

b. All water lines shall be of sufficient size to be compatible with the service needed, in the opinion of the District, for the furnishing of ample water to said customer.

c. The meter and/or shut-off valves shall at all times be owned by the District.

4. ANY APPLICANT for water service shall file with the District a written application requesting water service, together with the current tap fee. If the service is not available for any reason, the tap fee will be refunded, and if the service is available, the applicant will be so notified, and he shall pay the required tap fee prior to the installation of the meter.

5. A MINIMUM cash deposit shall be required from each customer prior to providing water service to the customer. This deposit shall represent a guarantee of payment of customer's water bill in the event customer defaults in payment of same. The deposit shall be held as continuing security for the performance of the obligations contracted for by the customer, and a failure to make such deposit will give the District the right to declare the contract forfeited, and to refuse or to discontinue service. Upon termination of the service, the deposit may be applied by the District against any obligations of the customer to the District. Any part of the deposit which is not so applied will be refunded to the customer upon demand. All deposits with the District shall bear no interest.

6. SERVICE CHARGES for temporary service shall be paid by the customers requiring temporary service. All costs for reconnection and disconnection incidental to the supplying and removing of service, in addition to the regular charge for water used, shall be paid.

7. SERVICE LINES: Service lines shall be laid by the District from the water main to the property line, the location of such lines to be determined by the District. Before a new service line is laid by the District, the applicant shall pay such fee as the District may from time to time prescribe. When a service line is completed, the District shall be responsible for the maintenance and upkeep of such service line from the main up to and including the meter and meter box, and such portion of the service line beyond the meter box shall belong to the customer and be their responsibility.

8. METERS AND SHUT-OFF VALVES: All meters and shut-off valves shall be installed, tested, repaired and removed by the District. No one shall do anything which will in any way interfere with or prevent the operation of the meter or shut-off valve. No one shall tamper with or work on a water meter or shut-off valve without the express written permission of the District. No one shall install any pipe or other device which will cause water to pass through or around a meter without the passage of such water being registered fully by the meter.

9. METER TESTING: The District will, at its own expense, make routine inspections and tests of meters and shut-off valves at their discretion. The District shall also make tests or inspections of its meters at the request of the customer. If the tests requested by the customer shows a meter to be accurate within the limits acceptable by the District, the customer shall pay a service charge commensurate with the services

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rendered. If such tests show the meter to be inaccurate to the benefit of the District, the costs of such tests shall be borne by the District, and any adjustments due the customer will be applied to the customers account. If such tests show the meter to be inaccurate to the benefit of the customer, the costs shall be borne by the customer, and any adjustments due the District shall be applied to the customers account, which amounts shall become due and payable in the next billing cycle.

10. RATE SCHEDULE: All water furnished by the District shall be measured or estimated in gallons to the nearest multiple of 1,000, and shall be furnished under such rate schedule as the District may from time to time adopt. The gallonage shall be on a yearly basis, measured from all well or other sources which the District may from time to time obtain water from, and rate schedules shall be based on the yearly costs and projected expense of providing water service to the community.

11. MULTIPLE SERVICES: No customer shall supply water service to more than one household, tenant, dwelling, mobile home, apartment unit or other premise from a single service line and meter or shut-off valve, without first obtaining express written permission from the District. Where this permission is granted, water charges shall be at such rates as the District may from time to time adopt. All connections and/or reconnections for water service after May 1, 1992 shall be required to have a separate meter installed for each service connection. Plats 11, 12 and 13 of Cumberland Mountain Retreat subdivisions, which are designated as camping areas, shall be exempt from the separate meter rule. No meters shall be required to be installed in the aforementioned Plats until further notice.

12. BILLINGS: ALL CUSTOMERS MUST BE PAID UP MEMBERS IN GOOD STANDING, AS OUTLINED IN ARTICLES II AND V OF THE CUMBERLAND MOUNTAIN RETREAT PROPERTY OWNER'S ASSOCIATION, INC. BY-LAWS, PRIOR TO INITIAL CONNECTION OF WATER SERVICE, AND SUBSEQUENT TO WATER SERVICE CONNECTION. Bills for the provision of water to all customers shall be rendered on an annual basis, and shall be combined with the annual POA membership dues invoice. Membership Dues and Water bills must be paid on or before the due date shown on the invoice in order to obtain the net rate. Payments made after the due date shall bear a late penalty of 10%. Failure to receive the bill shall not release customers from payment obligation, nor extend the net rate. In the event the dues and water bill is not paid on or before the net date, any or all utility service may be disconnected without notice to the customer, and not again resumed until all POA membership dues, assessments, service bills, penalties, and a reconnection fee, are paid in full. The District shall not be liable for damages due to the discontinuance of service at any time after the net date even though payment of such bill may be made on the same date either before or after the service is actually disconnected.

Should the final date of payment of the bill at the net amount fall on a Sunday or holiday, the business day following the final date will be held as the last day to obtain the net rate. Net remittances received by mail after the time limit for payment of said net rates shall be accepted by the District if the incoming envelope bears U.S. Post Office date stamp of the final date for payment of the net amount, or any date prior thereto, or of the day after the final date for payment if post-marked "A.M."

Reconnection of service to any location which has only a ball-type shut-off valve, and has been disconnected for non-payment, or at the request of the customer, shall only be reconnected after the reconnection fee is paid, and shall only be reconnected by installation of an approved metering device in-line with the service connection provided and installed by the District.

No customer shall be entitled to pay any bill at the net rate when such customer is delinquent in the payment of any obligation owed to the District.

13. REFUSAL OR DISCONTINUANCE OF SERVICE: The District shall have the right to discontinue service, or to refuse to connect service in the case of a violation, or a failure to comply with, any of the rules and regulations contained herein, or in the District's Cross-connection Policy and Procedures. Such right to discontinue service shall apply to all service received through a single tap or service connection, even though more than one customer or tenant is furnished service therefrom, and even though the violation is limited to only one such customer or tenant.

Discontinuance of service by the District for any causes 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 the minimum bill provisions. The District shall have the right to refuse service to any applicant, or to any land, or discontinue service to any user whenever the applicant or previous owner of land, user, or any member of the household, company or firm to which such service is to be furnished, is in default in the payment of any obligation to the District, or has theretofore had his service discontinued because of a violation of these rules and regulations. Such an unpaid obligation is hereby made a lien against the land, and attaches to the land, and is binding on all current and future owners of said land.

14. RECONNECT POLICY: Whenever service has been discontinued as provided for above, a reconnection fee shall be collected by the District before the service is considered for reconnection. All unpaid obligations shall be collected before the service is restored.

15. TERMINATION OF SERVICE BY CUSTOMER: Customers who have fulfilled their contract terms and wish to discontinue service may do so by oral or written notice to the District's office.

16. **INSPECTIONS:** The District reserves the right to make an inspection of the plumbing installations of the customer's premises at all reasonable times for the purpose of reading meters, testing, inspecting, repairing, removing and replacing all equipment belonging to the District.

17. **CUSTOMER'S RESPONSIBILITY:** Each customer shall provide space, and exercise proper care to protect the property of the District which is located on his premises. Any damages resulting from neglect of a customer to properly care for said property shall result in charges for the cost to replace or repair same.

18. **ALL WATER** shall be supplied within the District boundary exclusively by the District, and no customer shall, directly or indirectly sell, sublet, assign, or otherwise dispose of the water or any part thereof except with express written permission from the District. No person shall turn on, or turn off any of the District's stop clocks, valves, hydrants, spigots, fire plugs or mains except as authorized by the District. Where a private fire line is not metered, no water shall be used from such line, or from any fire hydrant thereon, except to fight fire, or except when being inspected in the presence of an authorized agent of the District.

19. **DAMAGES TO PROPERTY:** The District shall not be liable to any customer for damages caused to his plumbing or property by high pressure, low pressure, or fluctuations in pressure in the District's water mains.

20. **LIABILITY FOR CUT-OFF FAILURES:** The District shall not be liable for any loss or damage resulting from cut-off failures. 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-offs. Also, the customer, and not the District, shall be responsible for seeing that his plumbing is properly drained, and is kept properly drained, after his water service has been cut off. The District shall not forfeit the right to charge a customer for water that, due to frozen plumbing, is not used, but is received from a service line.

21. **RESTRICTIONS OF WATER:** In times of emergencies, or in times of water shortages, the District reserves the right to restrict the purposes for which water may be used by a customer, and also set limits on the amount of water a customer may receive.

22. **INTERRUPTION OF SERVICE:** The District shall endeavor to furnish a continuous supply of water, but does not guarantee to the customer any fixed pressure or continuous service. The District shall not be liable for any damages for any interruption of service. In the operation, maintenance, repair and extension of the District's water system, the water supply may be shut off without notice when necessary, and each customer must be prepared for such emergencies. The District shall not be liable for any damages resulting from such interruption of service, or for any damages resulting from the resumption of service without notice after any such interruption.

23. **PUBLICATION OF ANNUAL STATEMENT:** An annual statement of costs and rates shall be reported at the Annual Meeting of the Cumberland Mountain Retreat Property owner's Association, Inc., held on the Labor Day weekend every year. The statement will address the water rates which will be charged in each coming year by the District.

24. **THE FOREGOING** rules and regulations may be amended, modified, enlarged upon, or otherwise changed at any time deemed necessary by a majority vote of the Board of Directors of Cumberland Mountain Retreat Property Owner's Association, Inc., the governing body of the District.

IN WITNESS WHEREOF, CUMBERLAND MOUNTAIN RETREAT PROPERTY OWNER'S ASSOCIATION, INC. has executed this instrument by its duly authorized officers and directors on this the 1st day of May, 1993.

Robert J. Myers, President
Robert J. Myers, President

James K. Hall, Secretary
James K. Hall, Secretary

STATE OF TENNESSEE
COUNTY OF CUMBERLAND

Notebook 8 Page 453
State Tax \$.00 Clerks Fee \$.00,
Recording \$ 12.00, Total \$ 12.00,
Register of Deeds JUDY GRAHAM SWALLOWS
Deputy Register PHYLLIS K. HALE

Personally appeared before me, the undersigned authority, a Notary Public in and for the said State and County, ROBERT J. MYERS, President, and JAMES K. HALL, Secretary, the within named officers of Cumberland Mountain Retreat Property Owner's Association, Inc., with whom I am personally acquainted, and who acknowledged that they executed the foregoing instrument for the purposes therein contained.

WITNESS MY HAND AND SEAL AT OFFICE this 1st day of May, 1993.

My commission expires: December 23, 1995.



Fred J. Worth
Fred J. Worth - Notary Public