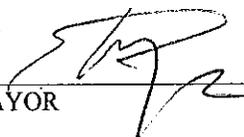


RESOLUTION NO. R2011-52

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO ADOPT THE WATER DEPARTMENT CUSTOMER POLICES AS THE OFFICIAL POLICIES OF THE TOWN OF SIGNAL MOUNTAIN WATER DEPARTMENT.

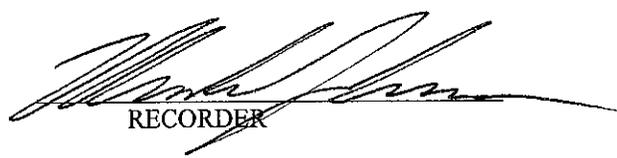
BE IT RESOLVED by the Town Council of the Town of Signal Mountain, Tennessee, that the Town Manager is authorized to adopt the Water Department Customer Policies as the official Water Department policies of the Town of Signal Mountain. A copy of the official Customer Policies is attached to this Resolution.



MAYOR

10/10/11

DATE



RECORDER

10-10-11

DATE

Water Department Customer Policies

A. CONTRACT

Application for new or additional water service must be requested at the Town Hall. A meter will be set and service connected when all payments and deposits are paid and a water contract is signed. However, customers from out-of-town may request a contract by mail. Upon receipt of a signed contract, deposit and any other payments if due, the meter will be set and water service connected.

B. DEPOSIT

The Town requires a \$100 deposit for water service. The deposit will be refunded to the customer minus the amount of the final bill upon disconnection. The Town does not pay interest on deposits.

C. CONNECTING/DISCONNECTING SERVICE

No service will be connected or disconnected without a written request. Such request can be made by letter, email or a signed form available at the Town Hall. Authorization will not be accepted by telephone. Water meters are the property of the Town of Signal Mountain, and customers and plumbers are forbidden to tamper with them. If tampering occurs, the meter will be pulled or locked and a \$50 fee will be charged as well as a \$25 reconnection fee.

D. RATE CHART (rates are subject to change by Town Ordinance)

In Town, Monthly:	20.19	0 – 4,000 gal.	\$5.78 per each 1,000 additional gallons
In Town, Bi-monthly:	40.40	0 – 8,000 gal.	\$5.78 per each 1,000 additional gallons
In Town, Quarterly:	60.59	0 – 12,000 gal.	\$5.78 per each 1,000 additional gallons
Outside Town:	26.04	0 – 4,000 gal.	\$7.19 per each 1,000 additional gallons
Outside Town, Bi-monthly:	52.06	0 – 8,000 gal.	\$7.19 per each 1,000 additional gallons
Outside Town, Quarterly:	78.09	0 – 12,000 gal.	\$7.19 per each 1,000 additional gallons
Building Sprinklers:	115.60		
Golf Course/	252.39	0 – 50,000	\$5.78 per each 1,000

Clubhouse Monthly: gal. additional gallons

E. BILLING PROCEDURES

Due Date: Water bills are recurring charges that will be mailed or delivered monthly or quarterly (as determined by the Town) with payments due the 15th of the month following receipt, regardless of whether or not the 15th falls on a holiday or weekend. Failure to receive a statement does not relieve a customer of responsibility for payment.

Late Fees: A 10% fee will be charged for late payments. The Town will agree to waive a late fee once during the life of the account.

Returned Checks: A \$25 fee will be charged for returned checks. After notifying the customer, a returned check will be re-submitted once. If the check does not clear the second time, the customer will be allowed ten (10) calendar days to remit payment in cash at the Town Hall or water service will be terminated and fees for disconnection and reconnection will be charged. In the event of a second returned check, the customer will be required to pay all future bills in cash.

Credit Card Fee: A 3.5% user fee will be added to credit card payments. Debit cards will not be charged a user fee, but will not be accepted over the phone.

Disconnection: Any bill not paid by the 15th of the month is subject to disconnection. If disconnected, the bill (including penalties) must be paid in full before service is restored. A fee of \$25 will be charged to restore water service during normal business hours (Monday-Friday, 8:00 am- 4:30 pm). If the Town is notified by 4:00pm Monday through Friday, service will be restored that day. To restore water after hours on weekends or holidays, a \$100 fee will be charged.

Delinquent Bills: Delinquent bills will be turned over to an Attorney or Agency for collection. Customers are responsible for all costs of collection or litigation and penalties and interest, including a reasonable attorney's fee.

F. ACH BANK DRAFT

Customers can choose to pay bills by automatic draft from a bank depository account. ACH authorization forms are available at Town Hall. Customers must contact the Town Hall to determine on which billing cycle automatic payments will begin. Once the draft process is in place, water bill payments will be withdrawn automatically on the 10th of the month the bill is due. Customers will continue to receive water bills through the mail for personal record keeping. A standard \$25.00 fee will be charged for payments that are not honored by a financial institution. If payment is not received within ten (10) days,

water service will be disconnected and normal fees for disconnection and connection will be charged.

G. SERVICE LINE POLICY

Type of line required: New water service lines must be either type L or K soft copper tubing and buried in the ground 18 to 24 inches. The Town building official must inspect new lines before they are covered with dirt.

Replacement: Homeowners must obtain a building permit at the Town Hall before replacing a water service line from the meter set to the house. A replacement service line must be either type L or K soft copper tubing. The Town building official must inspect replacement lines before they are covered with dirt.

Tap fees: The following tap fees apply to all new meters:

Meter Size	Fee
5/8"	\$900
3/4"	\$900
1"	\$1100
2"	\$3000

Cut-off Valve: Customers must maintain a cut-off valve between the meter and the house. Under no condition are plumbers or others to use the meter cut-off valve located in the meter box. Customers will be held responsible for repair or replacement of broken meter valves and sets including labor.

H. CROSS CONNECTION

No cross-connections are allowed on any premises. A cross-connection is a physical connection in which the public water supply is connected to another water supply system--whether public or private or inside or outside-- that may allow it to flow into the public water supply. Such flow becomes possible through the manipulation of valves, ineffective check or backpressure valves, or other arrangements. If a cross-connection is found, the customer will be given one week to correct the problem or service will be disconnected until the customer can provide proof that the cross-connection no longer exists.

I. BACKFLOW PREVENTERS

Commercial establishments and irrigation systems are required to use an approved protective device on service lines to assure that any contamination that originates in lines located on a customer's premises will be contained therein. The protective device must

be a reduced pressure zone type backflow preventer approved by the Tennessee Department of Health and Environment (TDHE) as to manufacture, model, and size.

The Director of the Water Department is required to approve the method of installation of backflow protective devices prior to installation to assure compliance with the criteria set forth by the TDHE. After installation, an initial test must be performed by a state certified backflow tester. In both new installations and backflow replacements, the device must be installed above ground as close to the meter set as possible. Installation is at the expense of the owner or occupant of the premises.

An annual test of the backflow protective device is required each November 1st after installation. A copy of the test must be submitted to the Town Water Clerk at the Town Hall.

J. IRRIGATION SYSTEMS (YARD METERS)

Notification: To avoid charges for water service during the winter months, customers are advised to notify the Town in writing by letter, email or a signed form, which is available at the Town Hall. The yard meter will then be read and the service disconnected. To reconnect the meter in the spring, again notify the Town in writing. Failure to notify the Town will result in year round billing.

Testing: All irrigation systems are required to have a reduced pressure check valve to prevent any cross-connection into the water utility system. As required by state law, a plumber or technician certified by the State of Tennessee must perform a check valve inspection annually at the customer's expense. A copy of the backflow report showing a successful test must be submitted to the Town by November 1st of each year. Failure to submit proof of testing can result in the termination of water service.

K. UNAUTHORIZED SERVICE CONNECTIONS AND METER TAMPERING

An unauthorized connection or disconnection of service by any person is a serious offense. Unauthorized persons will not tamper with, remove, reconnect, or disconnect any meter, service connection or any device attached to any meter or service connection. Tampering with any of these items may result in prosecution. Meter tampering will result in service being disconnected or locked, regardless of whether the account is current or past due. Any past due balance and the appropriate reconnection fee must be paid before the service is resumed.

L. TOWN METERS

Frozen Meters: Customers are responsible for any damage done to water meters during attempts to thaw them. Frozen meters must be reported to the Town Hall.

Stuck or Broken Meters: In case of a stuck or broken meter, the water bill will be calculated by the Town based on average water bills for the same months in previous years.

M. BILL ADJUSTMENT FOR LEAKS

The Town will adjust water usage bills once each twelve months in cases of hidden underground leaks in service lines located between the meter and the house. PVC and galvanized service lines will only be adjusted once during the life of the system and only if the homeowner agrees to replace the line with a type L or K soft copper within one month. No bills will be adjusted for leaks in a customer's house, in the crawl space under the house, or in an irrigation system.

Leaks in plumbing such as leaking or dripping faucets or commodes, leaking or dripping yard hydrants, or other loss of water through the failure of customers to provide cut-off valves or to insulate water lines during freezing weather are examples of leaks that will not be interpreted as "hidden leaks" for the purpose of this policy.

A customer may seek an adjustment by:

1. Writing a letter or signing a request at the Town Hall to ask the Town Manager to adjust the water bill showing when the leak occurred and explaining the circumstances involving the leak.
2. Providing a copy of the plumber's statement for completing the repair or replacement of the water line.

Adjustments will be calculated as follows:

1. The customer's normal water usage will be determined by taking an average of the water used for the prior year or the comparable seasonal bill for the prior year, whichever is higher. This amount will be billed at the standard rate.
2. The quantity of water in step #1 will be subtracted from the quantity of water used in the billing period of the determined average usage. That amount will be considered the excess water caused by the leak.
3. The amount of excess water in step #2 will be multiplied by \$1.60/1000 gallons, which is the sum of the cost of raw water and electricity.
4. The customer will be billed the total of step #1 and step #3, plus sales tax.
5. If a customer is new to the Town and has no history of water usage, the Town Manager will estimate average usage through comparisons of water usage in

neighboring houses similar in size and occupancy as well as weather or other appropriate factors.

N. NEW MAIN LINES

If a customer chooses to extend water service beyond existing mains, the customer must agree to use the Town's specifications to install new water mains to reach the service installation point. In addition, the customer must pay the current rate for a service tap or taps.