Developmental Agreement
Water/Wastewater Improvements

(Revised 7-1-2026)

THIS DEVELOPMENTAL AGREEMENT (the "**Agreement**") is entered into on this _____ day of _____, 20____, by and between Tellico Area Services System of Monroe and Loudon Counties, Tennessee, a governmental public services system (hereinafter referred to as "**TASS**") with its office and principal place of business in Vonore, Tennessee, and (hereinafter referred to as the "**Developer**") whose office and principal place of business is located in _____County, _____, State.

Developer's official mailing address is: _____

TASS's official mailing address is: **P.O. Box 277 Vonore, TN 37885**

Development Name: _____
Location: _____
Water: # of lots _____ **x $950.00 =** _____
Wastewater: # of lots _____ **x $1,100.00 =** _____
Total Amount Due = _____

WITNESSETH

WHEREAS, Developer desires to develop a subdivision or other projects within the boundary of TASS, known and/or to be known as _____ (the "**Development**"); and

WHEREAS, in order that said Development may receive water and/or wastewater service from TASS and in order for the water and/or wastewater line system (hereinafter referred to as the "**Facilities**") and improvements to be fully integrated into the system of TASS and to function in a satisfactory manner, TASS and Developer do contract and agree as follows:

1. Submission of Plans and Approval. Upon completion by the Developer of all TASS's requirements set forth herein, TASS hereby agrees to and will permit the Developer to connect onto TASS's lines and to install the lines and other Facilities necessary for proper installation. The Developer is to install the Facilities for the utility service strictly in accordance with the drawings, plans, and specifications (hereinafter collectively referred to as the "**Plans**") as drawn by or on behalf of the Developer by an engineer. The engineering firm must be licensed to practice in the State of Tennessee and approved by the TASS superintendent. A copy of these Plans are attached to this Agreement as **Exhibit A** and made a part hereof. The Developer shall make any revisions required by TASS and resubmit the revised Plans for approval by TASS as the same may be necessary. Once the Plans are deemed acceptable, a representative of TASS will sign the Plans and the Developer shall submit the Plans to the Tennessee Department of Environment and Conservation ("**TDEC**") for approval. Construction shall not begin until the Plans are approved by TDEC. Any field changes or change orders required after the Plans have been approved must be approved by TASS and TDEC before being implemented.

2. Duties of Developer. Developer shall be responsible for all duties identified in this Agreement and for satisfactory completion of the project. TASS assumes no responsibility for any construction defects, injuries, or any other cause of action that may arise during the construction process undertaken by or at the direction of the Developer.

3. TASS Rules and Regulations. A copy of the most recent TASS Rules and Regulations ("**TASS Rules and Regulations**") is attached to this Agreement as **Exhibit B** and made a part of this Agreement, and in the event of any discrepancies between the terms of this Agreement and the TASS Rules and Regulations, the latter shall control. The Developer agrees to comply with all applicable federal, state, and local statutes or governmental agency regulations in performing its obligations under this Agreement.

4. Contractor Approval. The Developer must submit to TASS, for review and approval, the Developer's choice of utility contractor and subcontractors. The Facilities must be installed by a contractor, currently licensed by the State of Tennessee to install municipal utilities. Acceptance of the contractor by TASS will be based upon such factors as verification of municipal utility license, adequate liability insurance, appropriate workers' compensation insurance, and contractor's prior performance. Developer shall provide evidence of the referenced policies of insurance to TASS in the form of copies of certificates of insurance.

5. Contractor Bond. The Developer agrees that it shall require any contractor or contractors who perform work to install the Facilities to furnish the Developer bonds covering faithful performance of work and the payment of obligations arising from work on the Facilities.

6. Developer's Provision of Agreement to Contractor or Lender. The Developer agrees that it shall provide a copy of this Agreement to any lender or contractor who performs work on the installation of these Facilities before entering into any contract with such lender or contractor.

7. Pre-Construction Review of Material Specifications and Data Sheets by TASS.

Before beginning construction, the Developer shall submit to TASS, for review and approval, four copies of material specifications and data sheets for all materials to be used in the construction of the Facilities. TASS will return two copies of the reviewed specification submittals to the Developer. Material data approved for use in construction shall be stamped "Approved." Material data not approved for use in construction shall be stamped "Not Approved." Material data stamped "Not Approved" shall be resubmitted and approved before beginning construction.

8. Pre-Construction Requirements and Developer's Duty to Inspect During Construction. No construction shall occur until regulatory approval from TDEC is obtained by the Developer's Engineer. Developer's Engineer will be responsible for providing notification of "start" to the local office of TDEC and for scheduling a pre-construction meeting to include the Developer, contractor, Engineer and TASS's representative. TASS shall present to the Developer's Engineer any deviations from the approved practice or Plans. If disagreements concerning methods or materials used occur, TASS may issue a stop-work order until the disagreements are resolved. During construction, the Developer's Engineer shall perform on-site inspections to ensure that all work is being performed in accordance with TASS's specifications. The Developer shall be responsible for developing a Storm Water Pollution Prevention Plan ("**SWPPP**") and for payment of all TDEC and or other fees for submission and approval of the site plan. The contractor for the project must adhere to the SWPPP and be responsible for any and all violations and fines which may be associated with its violation.

9. TASS Inspections During Construction. TASS will conduct regular on-site inspections to determine whether TASS will accept Developer's dedication of the constructed utilities to the existing utility system.

10. TASS Tests and Additional Inspections Upon Completion of Construction. When construction of the Facilities is complete, tests and observations shall be performed per TASS's specifications. All testing shall be witnessed by TASS's inspector. When tests are successfully completed, TASS shall furnish, at contractor's request, a letter of verification reflecting the results of the tests. TASS shall also test for the continuity of tracer wire. TASS will also inspect the Development to determine the overall conformity of the system installation to TASS's requirements.

11. Payment Obligations of Developer to TASS. TASS will submit a monthly (or as costs occur) invoice to the Developer for payment of any and all fees disclosed in this Agreement. Developer shall remit payment to the address listed for TASS on page 1 of this Agreement or at such other location as TASS may deem appropriate. Should Developer fail to pay such invoices, Developer acknowledges and agrees that TASS shall have the right to institute appropriate legal proceedings against the Developer to secure collection of the referenced payments.

12. Costs to be Borne by Developer. The Developer will pay for all material and labor necessary to install and complete the Facilities in accordance with the Plans, Specifications and this Agreement. The Developer shall be responsible for all costs associated with the improvements. Further, Developer shall be responsible for any costs of establishing connection

to or with existing TASS utility lines at a location other than the Property where Developer's project is being constructed. The Developer shall be responsible for the costs of any upgrades as required by TASS. Should the existing infrastructure be upgraded, the Developer is responsible for 100% of the costs.

13. <u>Development and Inspection Fees to be Paid to TASS</u>. At the time of execution of this Agreement, the Developer will pay to TASS all fees and charges currently established by TASS for:

a. **Capacity Development Fees**:

The capacity development fee is applied to new development that connects to the utility system.

New development is considered as any of the following:

1. The subdivision of land
2. The construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure which increases the number of meters or increases the meter size
3. Any use or extension of the use of land which increases the number of meters or increases the meter size

Fee Schedule Water: $950.00 per residential unit.

Fee Schedule Wastewater: $1,100.00 per residential unit.

Unit Definition: A unit is a structure where a person(s) may reside. Examples are listed below for reference.

Example #1: One apartment building with 32 apartments would be considered as 32 units (32 x $950 = $30,400). If connecting to wastewater service, there would be an additional fee of $35,200 for wastewater.

Example #2: Subdividing lots – 6 lots with 4 duplexes (6 x 4 = 24 units x $950 = $22,800). If connecting to wastewater service, there would be an additional fee of $26,400 for wastewater.

Example #3: Subdividing lots – 10 lots with single family residences – one residence per lot (10 x $950 = $9,500). If connecting to wastewater service, there would be an additional fee of $11,000 for wastewater.

Note 1: If connecting to water service and wastewater service, $950 must be paid for water and $1,100 must be paid for wastewater, for a total of $2,050 per unit.

b. **Inspection Fees**: Inspection fees will be billed, based on an hourly rate set by TASS and invoiced to the Developer on a monthly basis.

14. Final Payment of Fees to TASS and Termination of Project. In the event the Developer fails to install the Facilities in accordance with the terms of this Agreement or the approved Plans and the project is terminated, all fees due and then owing to TASS by the Developer at the time of termination are deemed due and payable to TASS and such fees are nonrefundable. Moreover, Developer acknowledges and agrees that TASS shall have the right to institute appropriate legal proceedings against the Developer to secure collection of the referenced amounts and collect from Developer reasonable attorney fees and costs in recovering said amounts.

15. Dry Tap Charge to be Paid to TASS. The Developer agrees to pay to TASS, on a monthly basis, a "Dry Tap Charge." This charge is a per lot fee that is calculated to cover TASS's cost of depreciation of the utilities being installed under this Agreement. The fee shall be paid until a tap has been put into service and will continue until the Development has reached fifty percent of its tap capacity. Failure to pay said fees shall relieve TASS from any obligation to provide service to this Development. The fee for this project is $3.00 per lot per month.

16. Flushing Fee to be Paid to TASS. The Developer and/or owner of record agrees to pay to TASS, on a monthly basis, a "Flushing Fee." This charge is a per lot fee that is calculated to cover TASS's cost of flushing the lines being installed under this Agreement. The fee shall be paid until a tap has been put into service and will continue until the Development has reached fifty percent of its tap capacity. Failure to pay said fees shall relieve TASS from any obligation to provide service to this Development. The fee for this project is $1.00 per lot per month.

17. Status of Facilities Upon Failure to Complete Construction by Developer. In the event the Developer fails to install the Facilities in accordance with the terms of this Agreement, TASS may, at its sole discretion, elect to accept all or a portion of the Facilities installed. Should TASS choose to accept all or a portion of these Facilities, TASS shall become the sole owner of the accepted Facilities upon giving the Developer written notice of its acceptance without the necessity of any further writing, contract, or deed. TASS's election to accept such Facilities under this paragraph shall not be construed as an assumption of any obligation related to these Facilities of the Developer or of any third party.

18. Third-party Tapping Prohibited. The Developer understands and agrees that no third-party shall obtain any benefits or rights under this Agreement with respect to water or wastewater tapping privileges, and no connection shall be made to any residence or other customer site until all necessary arrangements have been made in accordance with TASS Rules and Regulations.

19. Infrastructure Design by Developer. Design of the infrastructure within the Development shall be done by the Engineer. The design shall be pre-approved by TASS and must

conform to the State of Tennessee design criteria for construction of water and/or wastewater systems. The specifications for systems installed in the service area shall be those of TASS, approved by TDEC. TASS shall, to the best of its ability, provide all information about existing water lines that connect to or with the Development. Developer is responsible for all fees including TDEC's fee required for project approval.

20. Separation of Utilities Requirements to be Observed by Developer. A minimum of ten (10') feet horizontal separation shall be maintained between water and wastewater lines and any other underground utility. Other underground utilities may cross water or wastewater lines only at a perpendicular angle or as close to perpendicular as possible. Water and wastewater lines are to be vertically separated by a minimum of eighteen (18) inches measured between the bottom of the water line and the top of the sewer line. Water shall be on top or be separated ten (10) feet horizontally if less than eighteen (18) inches. All line installations must meet TDEC regulations.

21. Telemetry and Variable Frequency Drive Requirements to be Observed by Developer. All water and/or wastewater pumping stations shall be equipped with radio telemetry and variable frequency drive or "**VFD**" systems as specified by TASS.

22. Warranty by Developer to TASS Regarding Facilities. The Developer hereby warrants all Facilities installed pursuant to the provisions of this Agreement against defects in workmanship and material for a period of one (1) year from the date of acceptance thereof in writing by TASS. Further, the Developer shall immediately repair, at its own cost and expense, all breaks, leaks, or defects of any type whatsoever arising from any cause whatsoever occurring within one (1) year from the date the Facilities are accepted in writing by TASS. Upon the failure of the Developer, after reasonable notice, to take immediate steps to make such repairs, TASS is hereby authorized by the Developer to make such repairs at the reasonable cost and expense of the Developer, or to have such repairs made by a third-party at the reasonable cost and expense of the Developer hereunder.

In the event TASS must make such repairs and issue an invoice to the Developer for such repairs, said invoice is deemed due and payable to TASS. If the Developer should fail to remit payment and TASS must initiate legal proceedings to collect such payment, Developer shall be responsible for all costs TASS incurred including, but not limited to, deposits in court, damage awards, attorney fees, court costs, and survey and engineering expenses.

23. Easements to be Conveyed to TASS. All easements for the construction of the Facilities shall be conveyed to TASS. It is understood and agreed that any existing encumbrance or mortgage on any easement transferred to TASS shall be subordinated to the easement interest of TASS. The Developer is required to obtain all easements for the project. In the event TASS must institute eminent domain proceedings to acquire from third parties easements or access to easements to which water and/or wastewater lines are to be installed, the Developer shall reimburse TASS, on demand, all costs it incurred including, but not limited to, deposits in court, damage awards, attorney fees, court costs, and survey and engineering expenses. Easements shall be delivered to TASS prior to construction. **Ownership by TASS applies only to the**

transmission main, valves, and improvements on the Right-of-Way side of the meter assembly located at property lines. TASS assumes no ownership or liability inside private property lines. Pumps, electrical connections, and all improvements are owned and maintained by the property owner, owners-associates, or others. All of these Facilities are subject to inspection and approval by TASS.

24. Final Plat Map to be Provided to TASS. Developer shall provide to TASS a copy of the final plat of the Development that has been recorded with the appropriate county or municipality. All plat maps, which are issued for sales purposes or are recorded with the corresponding governing county or municipality, shall carry the following statement:

> **A twenty (20) foot utility easement exists ten (10) feet on each side of all water lines and or wastewater lines installed. Water and or wastewater lines that are not located on public rights-of-way shall be depicted on the plat maps as easements.**

25. As-Built Drawings to be Provided by Developer to TASS Upon Completion of Construction. When the Facilities are complete, the Developer shall instruct the Developer's Engineer to prepare and submit to TASS as-built drawings of the Facilities. Final written notice of acceptance by TASS will not be granted until as-built drawings are submitted and approved by TASS. As-built drawings shall consist of two (2) blueline copies, (1) IBM compatible computer disk formatted in AUTOCAD (DWG) with state plane coordinates and a PDF File. As-built drawing requirements are as follows:

a. **Water and/or Wastewater:**
   i. As-built drawings shall show location of mains, blowoffs, manholes, reducers, tees, any field changes, change orders, etc.
   ii. All valves and blowoffs shall be located by measurements taken from two separate, easily identifiable, stationary points. These points shall not include P.I., P.C. (as these acronyms are given their usual meaning in surveying parlance), or other similar, minute, not easily found points of reference. Property pins may be used if no other reference point is available. All measurements should be taken from manholes, power poles, electric vaults, telephone pedestals, buildings, etc. Reference points should not include trees, shrubs, or other living organisms or other objects, which are subject to change in size or shape. Any deviation from this concept will result in rejection of as-built drawings unless a variance has been obtained, in writing, from TASS.
   iii. If a main is dead ended, there should be a blow-off with its location shown by measurement from easily identifiable points.
   iv. TASS will not accept as-built maps showing complete and incomplete portions of the Development on the same sheet unless the incomplete portions are labeled as such and a separate as-built is submitted at the time that portion is completed.

v. Lot numbers and block letters must be shown.

* Note: Road names are not to be recorded as Road A, Road B, etc.

26. Transfer of Ownership of Facilities to TASS Upon Completion of Construction. Upon completion of the one (1) year warranty period, TASS will assume responsibility for maintenance of all Facilities and appurtenances installed pursuant to this Agreement and shall be and become the sole owner of the Facilities free and clear of the claims of any person or entity without the necessity of any further writing, contract, or deed as long as Developer has performed his or her duties under this Agreement and the TASS Rules and Regulations. The parties intend that this Agreement shall operate as a conveyance of the Facilities when the same are installed, accepted and approved by TASS. The Developer hereby warrants that the Facilities shall be paid for in full and that no liens or encumbrances shall remain in regard to the Facilities at the time Developer seeks the approval and acceptance of said Facilities by TASS.

27. Requirements for Service to the Development by TASS. It is agreed by the Developer that, until all conditions and tests set forth herein have been successfully completed and until all documents referred to herein (e.g. signed Development Agreement, final plat, as-built drawings and transfer of ownership) have been delivered to TASS, in a form satisfactory to TASS, TASS shall not set water meters, wastewater taps, locate wastewater services, inspect service lines, perform maintenance or otherwise provide any services to the Development.

The Developer is responsible to furnish and install meter boxes, lids, Y branches and yokes per TASS's specifications.

Included in the scope of work, all work and materials provided by contractor shall be maintained by Developer and remain in good condition until dedicated to TASS.

28. Indemnification. The Developer covenants and agrees to hold TASS harmless from the claim of any person, firm, corporation, or entity, and to defend any action at law or equity brought against TASS, and arising from the Facilities constructed or installed by or at the express direction of Developer whether the same occurs on private or public property.

29. Breach of Contract. In the event the Developer breaches this Agreement, the Developer shall bear the cost of TASS's reasonable expenses, including attorney's fees and other expenses incurred in any efforts to enforce this Agreement whether by negotiation, litigation, or otherwise.

30. Governing Law/Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without giving effect to the conflict of law principles thereof. Developer further agrees that it submits to the jurisdiction and venue of the Courts of Loudon County, Tennessee and Monroe County, Tennessee to the extent TASS institutes litigation to enforce its rights and pursue all remedies available to it by virtue of the terms of this Agreement.

31. Attorney Fees. In the event litigation arises between the parties hereto with respect to the terms and provisions of this Agreement, and TASS prevails, TASS shall be entitled to recover from the losing party or parties all attorney fees and expenses incurred by TASS in connection with the prosecution or defense (as the case may be) of the litigation, including attorney fees and expenses incurred in the trial or appellate courts.

32. Right to Counsel; Further Information. The parties acknowledge that they have consulted with and have been advised by, or had the opportunity to consult with and be advised by, legal counsel of their own choosing with respect to the terms and provisions of this Agreement. The parties further understand and agree that they may hereafter come into possession of information, currently unknown to them, which, had it been presently known, might have affected their willingness to enter into this Agreement, and the parties expressly assume that risk, agreeing they will not attempt to nullify or modify any provision of this Agreement on the basis of such information.

33. Entire Agreement. This Agreement states the entire agreement and understanding between the parties hereto with respect to the transactions contemplated by this Agreement and the subject matter stated herein and supersedes all prior written or unwritten arrangements or understandings with respect thereto. All parties represent that they are not relying on any representation, statement or action by any other party which does not appear herein. The descriptive headings of this Agreement are for convenience only. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument. This Agreement may not be modified, amended or revoked, except in a writing signed by all parties. This provision may not be orally waved.

34. Severability. If any provision of this Agreement is found to be void or unenforceable, the remaining provisions shall remain in full force and effect.

35. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties' successors, assigns, legal representatives, affiliates, subsidiaries, members, governors, officers, directors, managers, agents, representatives, and legal representatives.

36. Notices. Any and all notices permitted or required under this Agreement shall be deemed delivered if hand-delivered or mailed by United States registered or certified mail, postage prepaid, return receipt requested to the addresses listed on page 1 of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by persons properly authorized to do so on or as of the day and year first above given.

[Signature Pages to follow]

TASS: Tellico Area Services System

By (Signature): _____

Printed Name: _____

Title: _____

STATE OF _____

COUNTY OF _____

Before me, the undersigned authority, a Notary Public for _____ County, Tennessee, personally appeared _____ with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself/herself to be the _____ (or other officer or chief manager authorized to execute the instrument) of **Tellico Area Services System** the within named bargainor, an intergovernmental agency owned by Monroe County, Tennessee, and Loudon County, Tennessee, and that he/she as such officer, executed the foregoing instrument for the purpose therein contained, by signing the name of the company, by himself/herself as such officer.

Witness my hand and seal, this _____ day of _____, 20___.

_____
Notary Public

My Commission Expires: _____

DEVELOPER: _____ **[Developer/Business Name]**

By (Signature): _____

Printed Name: _____

Title: _____

STATE OF _____

COUNTY OF _____

[ENTITY ACKNOWLEDGEMENT]

Before me, the undersigned authority, a Notary Public for _____ County, Tennessee, personally appeared _____ with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself/herself to be _____ (or other officer or chief manager authorized to execute the instrument) of _____ the within named bargainor, a _____ _____ and that he/she as such officer, executed the foregoing instrument for the purpose therein contained, by signing the name of the company, by himself/herself as such officer.

[INDIVIDUAL ACKNOWLEDGEMENT]

Personally appeared before me, Notary Public for _____ County, Tennessee, _____, the within named bargainor, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he/she executed the foregoing instrument for the purposes therein contained.

Witness my hand and seal, this _____ day of _____, 20___.

_____

Notary Public

My Commission Expires: _____

Meeting also attended by:

By: _____ By:_____

Title: _____ Title:_____

By: _____ By:_____

Title: _____ Title:_____

By: _____ By:_____

Title: _____ Title:_____

FsData/Policies/TASS Operations Policy Manual/103.5Developmental Agreement Rev 2023

EXHIBIT A

See copy of drawings, plans, and specifications for Development attached hereto.

EXHIBIT B

See copy of TASS Rules and Regulations attached hereto.