



Cabot WaterWorks Operating Policy

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Cabot WaterWorks – Operating Policy

1. Utility Operations.....	3
1.1 Authority of the Cabot Water and WasteWater Commission.....	3
1.2 Cabot Water and WasteWater Commission (DBA) Cabot WaterWorks	3
1.3 Mission Statement/Goals	3
1.4 Organization and Management	3
1.5 Financial reporting to Commission.....	3
1.6 Communication of Issues to Cabot Water & Wastewater Commission	4
1.7 Cooperation with Water Utilities.....	4
1.8 Charitable Contributions Policy.....	4
1.9 Procurement Policy.....	4
1.10 Fixed Asset Capitalization Policy.....	5
1.11 Credit Card Policy.....	5
1.12 Employee Training & Travel Policy.....	9
1.13 Record Retention Policy	9
1.14 Identity Theft Prevention Program	11
1.15 Water Supply Wellhead Protection Zone Policy	18
2. Customer Service Policy.....	19
2.1 General.....	19
2.2 Definitions.....	20
2.3 Water & Wastewater Bills	20
2.4 Extended Due Dates for Bills	21
2.5 Water Leak Adjustment Policy.....	21
2.6 Policy for Payment of Unbilled Utility Charges.....	22
2.7 Theft of Utility Service Policy.....	22
2.8 Water Service Lines.....	23
2.9 Water Meters.....	24
2.10 Damages to Cabot WaterWorks Property.....	25
2.11 Relocation of Cabot WaterWorks Pipes and Services.....	25
2.12 Sanitary Sewer Service Line Connection and Maintenance Policy.....	25
2.13 Household Grinder Pumps for WasteWater Disposal	27
2.14 Cabot WaterWorks Policy on Water and Wastewater Main Extensions.....	27
2.15 Property Restoration Policy	28
2.16 Damage Claim Policy:	29
3. Developer Policy - Water and WasteWater.....	34
3.1 Definitions:	34
3.2 Policy for Water and Wastewater Services (rev 1/28/21).....	34
3.3 Developer Agreement	35
3.4 Submission of Subdivision Design Plans and Specifications	35
3.5 Design Requirements for Water Main Extensions.....	36
3.6 Cross-Connection Control and Back-flow Prevention Program.....	37
3.7 Fire Protection Systems	39
3.8 Requirements for WasteWater Collection Systems and Force Mains	40
3.9 Wastewater Gravity Collection Mains.....	40
3.10 Wastewater Service Connections.....	40
3.11 Policy for Sewage Pump Stations & Grinder Pumps	41
3.12 Low Pressure Grinder Pump Systems.....	47
3.13 Developer Reimbursement Policy	48
3.14 Developer Project Participation Policy.....	54
3.15 Capital Improvement Charge Policy.....	57

1. Utility Operations

1.1 Authority of the Cabot Water and WasteWater Commission

- A. Under the authority granted by Ark. Code Ann. §14-234-116, authorizing the creation of a joint water & sewer commission to function in place of separate water and sewer commissions, and Ordinance No 32 of 2005 the City of Cabot, Arkansas, creating the Cabot Water and WasteWater Commission (the “Commission”), as modified by Ordinance No 101 of 2005 of the City of Cabot, Arkansas, the Commission adopts these Operating Policies which supersedes any past Operating Policies, or guidelines issued or any past practices.
- B. The Commission shall be the sole interpreter of these Operating Policies. No employee or agent of the Commission shall have the right or authority to bind it by any promise, agreement or representation contrary to the letter or intent of these Operating Policies.
- C. These Operating Policies shall be in effect until amended or changed by the Cabot Water & Wastewater Commission.
- D. These Operating Policies may be revised, amended, supplemented or have the same force as the Operating Policies contained herein. If any part of these Operating Policies is declared invalid or unconstitutional, it shall not affect the validity of the remaining part. Adopted July 20, 2006.

1.2 Cabot Water and WasteWater Commission (DBA) Cabot WaterWorks

The Commission shall operate and do business as Cabot WaterWorks. Adopted July 20, 2006.

1.3 Mission Statement/Goals

The mission of Cabot WaterWorks is total customer service and competitive rates with a passion for excellence, relentless improvement, respect for our environment, and exemplary regulatory compliance using state-of-the-art methods and technology. Adopted July 20, 2006.

1.4 Organization and Management

Cabot WaterWorks will be operated on a sound financial and business-like basis. The Commission will provide policy, direction and guidance, will evaluate utility service and progress, and will approve utility budgets and financing proposals. The Commission will employ dedicated professionals to supervise the day-to-day operations and develop Cabot WaterWorks’ short and long range plans. Cabot WaterWorks will employ an operational staff that is sufficient in size to assure that the service needs of the customers are fulfilled in an effective and timely manner. Adopted July 20, 2006

1.5 Financial reporting to Commission

- A. By the second Commission meeting of every month the General Manager or his/her designee will present Balance Sheet and Income Statement to the Commission for review of previous Month and Year to Date Cabot WaterWorks financial status. The General Manager shall be available to answer any of the Commission’s questions.
- B. A year to date monthly financial report shall be made available to the City Council of the City of Cabot Arkansas (the “City Council”) after it is reviewed and adopted by the Commission. **Adopted July 20th,2006**

1.6 Communication of Issues to Cabot Water & Wastewater Commission

- A. All issues concerning normal daily operations of Cabot WaterWorks are to be handled by the General Manager. Any daily issues that need Commission action should be presented at regular meetings.
- B. All issues which involve contracts or legal agreements shall be submitted in a timely manner to legal counsel for review and approval prior to submittal to the Commission for consideration.
- C. Issues which involve contracts or agreements between Cabot WaterWorks and outside vendors will be presented to the Commission for approval. **Adopted July 20th,2006**

1.7 Cooperation with Water Utilities

Cabot WaterWorks supports the participation of and the cooperation with other water utilities for the exploration and development of future high-quality long-term water sources to meet the needs of Central Arkansas. Adopted July 20, 2006

1.8 Charitable Contributions Policy

In accordance with Arkansas State Law, Cabot Waterworks is prohibited from making charitable contributions of money, property, services or free rent.

1.9 Procurement Policy

- A. The table below provides authorization levels to sign purchase orders for materials and services in the approved annual budget.

Department Managers -	up to \$2,000.00
General Manager -	up to \$5,000.00
Commission -	over \$5,000.00
- B. The General Manager is authorized to sign contract amendments in cumulative amounts up to 10% of the original contract price not to exceed Twenty-five Thousand Dollars (\$25,000), without referral to the Commission, provided that materials and services to be purchased are included in the annual budget approved by the Commission.
- C. The General Manager is authorized to waive competitive procurement requirements for emergency contracts and purchase orders with the approval of the Chairperson of the Commission, or in his/her absence, the Vice-Chair, provided that funds are available in the annual budget approved by the Commission. “Emergency” contracts are defined as a contract necessary to deal with Acts of God or other threats of public safety or wellbeing when the delay caused by waiting for the next meeting of the Commission would increase that threat. Any contract or purchase order in excess of Ten Thousand Dollars (\$10,000) shall be approved by the Commission at the next regular meeting.
- D. Procedures for procurement for materials and services greater than Five Thousand Dollars (\$5,000) shall be approved by the Commission.
 - i). Commission members or Cabot WaterWorks Staff can present to the full Commission procurement items over Five Thousand Dollars (\$5,000).
 - ii). Cabot WaterWorks Staff will prepare appropriate procurement documents and submit to legal counsel for review prior to approval by the Commission.

- E. Upon approval by Legal Counsel, procurement documents may be presented to the Commission for final approval.
- F. Upon approval by the Commission, procurement documents will be placed in public print media by the General Manager or his/her Staff designee.
- G. After advertised in public print media, the General Manager or his/her Staff designee will submit all bids and/or proposals to the Commission with a recommendation for procurement award.
- H. The Commission will take Staff recommendation under advisement and make final decision.
- I. All final decisions by the Commission involving contracts will be submitted for legal review to legal counsel to insure proper protocols of state, federal laws and statutes have been followed.
- J. Upon approval by legal counsel the contract will be awarded.
- K. This Operating Policy shall be in effect until amended or changed by the Cabot Water & Wastewater Commission. Adopted July 20, 2006

1.10 Fixed Asset Capitalization Policy

- A. All purchases of a capital nature (items having a useful life exceeding one year) and greater than One Thousand Dollars (\$1000) shall be capitalized.
- B. Certain items, such as water meters, may be capitalized regardless of the dollar amount expended. Additionally, certain projects comprised of multiple component expenditures less than one thousand dollars (\$1000) may be aggregated into a project and capitalized if the life of an asset or a group of assets is extended beyond one year as a result of the project.
- C. Capital Assets shall be retired from property records when taken out of service.
- D. Leasing versus purchase decision - all leasing agreements shall be formally supported by a lease vs. purchase financial analysis that demonstrates the economic benefit of leasing vs. purchasing for the particular leased item. Leasing contracts shall be reviewed by legal counsel and the finance department. Conversely, all 'purchase' decisions shall be logically and economically substantiated. Adopted September 29, 2006

1.11 Credit Card Policy

- A. Cabot WaterWorks Credit Card (Credit Card) is the preferred tool to purchase and pay for low cost materials and services. Use of Credit Cards enables authorized Cabot WaterWorks employees to purchase materials and services.
- B. Credit Cards reduce the number of credit accounts and provide greater flexibility to shop for the best price on purchases. Vendors benefit by typically receiving payment within two business days.
- C. Credit Cards simplify and reduce the number of invoices processed by the A/P Department; one monthly invoice is paid to the bank versus handling large volumes of low dollar invoices.

Cabot WaterWorks – Operating Policy

D. Credit Card purchases include supplies for office and operations, materials, small tools, books, subscriptions, and other small items from local vendors or vendors not frequented on a regular basis.

E. The credit limit for each Credit Card will be set initially as follows:

Crew leaders	\$2000.00
Plant Operators, Electrician	\$2000.00
Administrative Assistant	\$2000.00
Department Managers	\$2000.00
General Manager	\$2000.00

F. Credit Cards will be issued with the Employee's name and Cabot WaterWorks embossed on it.

G. Employee Guidelines and Responsibilities:

- i). Credit Cards are not to be used for employee personal expenses. Employees that accidentally use Cabot WaterWorks Credit Cards for personal expenses shall immediately reimburse Cabot WaterWorks upon receipt of the monthly statement, except for travel expenses related to approved training.
- ii). Employees shall, within seven (7) days of receipt of the monthly statement, attach all receipts and give to the Finance Manager for approval.
- iii). Employees shall code all purchases to the appropriate account on the statement.
- iv). If a receipt cannot be obtained after a reasonable effort, you should note "No Receipt" on the statement next to the item.
- v). Upon approval by the General Manager, the statement will be forwarded to Accounts Payable.

H. Credit Cards remain the property of the issuing bank. It may not be transferred to, assigned to, or used by anyone other than the designated employee.

I. Employees will surrender the Credit Card immediately upon request to Cabot WaterWorks or any authorized agent of the issuing bank.

J. Employees are also required to return the Credit Card should he or she transfer to another location or department, retire, or their employment be terminated.

K. Cabot WaterWorks retains the right to cancel an employee's Credit Card privileges at any time for any reason, including but not limited to misuse or non-compliance of procedures.

L. When shipping to other Cabot WaterWorks locations the employee ordering items is responsible for obtaining the Credit Card receipt, packing list, and any other documentation.

M. Shipments to employee's home are not permitted.

N. Ensure that you receive all of the items in the quantities that are specified on Credit Card receipt. Do not allow the vendor to back order any balance not in stock at the time of order and charge you for the total quantity, with the back order to be picked-up or shipped to you at a later date.

Cabot WaterWorks – Operating Policy

- O. Insist the vendor enclose a copy of the Credit Card receipt with each shipment.
- P. The Employee shall settle any disputes, clear erroneous charges and request a credit for returned merchandise directly with the vendor or issuing bank.
- Q. Employees shall report a stolen, lost, or misplaced Credit Card immediately by phone to the issuing bank.
- R. Employees may be subject to disciplinary action, which may include, depending upon the seriousness of the offense, reprimand, probation, suspension, or dismissal. Cabot WaterWorks reserves the right to seek recovery from the Cardholder for any unauthorized or personal use of the Credit Card.
- S. Employees receiving Credit Cards are required to sign the following agreement. Adopted November 20, 2020

AGREEMENT TO ACCEPT A CABOT WATERWORKS CREDIT CARD

Cabot WaterWorks is pleased to issue to you a Cabot WaterWorks Credit Card (Credit Card). It represents trust in you as a responsible agent to safeguard and protect Company assets.

I, _____, hereby agree to accept a Cabot WaterWorks Credit Card. I acknowledge receipt of a copy of this Agreement, the Cabot WaterWorks Credit Card Policy, and the physical Credit Card.

Card, number _____ Credit Limit _____

I confirm that I have read and understand the Employee Guidelines and Responsibilities in the Cabot WaterWorks Credit Card Policy. I agree to comply with the conditions of this Agreement and the procedures contained in the Cabot WaterWorks Credit Card Policy.

I agree to use the Cabot WaterWorks Credit Card for approved purchases only and will not use it for personal purchases. I understand that Cabot WaterWorks will audit the use of this Credit Card and I will maintain the required proof of all purchases.

I further understand that improper use of this Credit Card may result in disciplinary action, up to and including termination of employment. Should I fail to use this Credit Card properly, I authorize Cabot WaterWorks to deduct from my salary the amount equal to the total of such improper use.

I understand that Cabot WaterWorks may terminate my right to use this Credit Card at any time for any reason. I agree to return the Credit Card to Cabot WaterWorks immediately upon request or upon termination of employment.

Applicant Name: _____ SSN: _____

Dept.: _____ Birthdate: _____

Signature: _____ Date: _____

Supervisor:

Supervisor name – printed

Supervisor signature

Adopted July 20, 2006

1.12 Employee Training & Travel Policy

- A. Cabot WaterWorks will pay related training expenses required for an employees' position with the utility. Travel and training expenses shall be approved by the General Manager in advance.
- B. The following will be required of the employee for training & travel activities:
 - i). Requests to attend training programs during normal work hours shall be scheduled with the Department Manager. The Department Manager may limit training schedules due to having adequate manpower to operate.
 - ii). Approval of overnight stays in hotels will be determined by the lesser of mileage reimbursement cost for commuting each day versus the cost of a hotel room for multiple day training programs.
 - iii). Required training programs are offered by different organizations. The cost of each training program and the related travel cost shall be reviewed by the employee and Department Manager for cost effective alternatives, scheduling conflicts may be taken into consideration when selecting training programs.
 - iv). The employee shall submit receipts for reimbursement of training and travel expenses. Adopted July 20, 2006

1.13 Record Retention Policy

- A. Cabot WaterWorks has established the following record retention policy in accordance with Arkansas Code § 14-237-112 and guidelines based on the statute of limitations.
- B. Cabot WaterWorks records consist of: Accounting records, Human Resource Documents, Customer Service Agreements and Regulatory Requirements of the Arkansas Department of Health and the Arkansas Department of Environmental Quality.
- C. The following Accounting Support Documents shall be maintained for a period of at least four (4) years after which the records may be destroyed pending an audit.
 - Canceled checks
 - Invoices (Customer Billing records)
 - Bank statements
 - Receipts
 - Deposit Slips
 - Bank Reconciliations;
 - Check book register or listing;
 - Receipts listing;
 - Monthly financial reports
 - Payroll records
 - Budget documents; and
 - Bids, quotes, and related documentation
- D. The following semi-permanent records shall be maintained by the water and sewer department for a period of not less than seven (7) years, after which the semi-permanent records may be destroyed pending an audit of the records:
 - Fixed assets and equipment detail records;
 - Investment and certificate of deposit records;
 - Journal, ledgers, and subsidiary ledgers; and

Annual Financial Reports

E. The following records shall be maintained permanently:

- City or town council minutes;
- Ordinances;
- Resolutions;
- Employee retirement documents; and
- Annual financial audits

F. Human resource documents will be maintained based on the “Arkansas General Record Retention Schedule”

- Training and Education Records (Period of Employment + 4 years)
- Discrimination Complaint (Period of Employment + 3 years)
- Benefit Records (Period of Employment + 5 years)
- Personnel Records (Period of Employment + 5 years)
- Employment History Records (Permanent)
- Employee Wage and Hour Records (Until authorized by the legislative auditor)
- Grievance Records and Reports (Period of Employment + 3 years after closure)
- Recruitment, Hiring, Interview and Selection (3 years from date position filled)
- Unemployment Insurance Records and Reports (+ 5 years)
- Workers Compensation Accident Reports (3 years from date of injury)
- Workers Compensation Illness Reports (6 years from the date incident occurred.)

G. Customer Service Agreements “Contracts,” including water and wastewater service agreements shall be maintained for at least (5) five years after the account / contract is terminated.

H. ARKANSAS DEPARTMENT OF HEALTH RECORDS

Record Type	Ret. Time
Bacteriological Monitoring Records	5 years ^a
Treatment Operation Reports	10 years
Chemical Analysis Records	10 years ^a
Written reports such as sanitary surveys and Engineering Reports	10 years ^b
Variances or exemptions	5 years ^c
Action taken to correct violation	3 years ^d
Public Notices	3 years
Consumer Confidence Reports	5 years
Lead and Copper Rule analysis, reports, surveys, letters, etc.	12 years
Optimal Corrosion Control Records	Indefinitely

- ^a including supporting operational records.
- ^b Following completion of surveys and reports.
- ^c Following expiration of variance or exemption.
- ^d After last action with respect to violation.

I. ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY (ADEQ) RECORDS pertaining to NPDES Permit requirements: The permit tee shall retain records of all monitoring information, including all calibration and maintenance records

and all original strip chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for this permit for a period of at least 3 years from the date of the sample, measurement, report, or application. Adopted 10-23-08

1.14 Identity Theft Prevention Program

- A. The purpose of this Article is to comply with 16 CFR § 681.1 and 681.2 in order to: (i) establish a process by which Cabot WaterWorks will be able to form a reasonable belief that a consumer report relates to the consumer about whom it has requested a consumer credit report when Cabot WaterWorks has received a notice of address discrepancy; and (ii) detect, prevent and mitigate Identity Theft by identifying and detecting Identity Theft Red Flags and by responding to such Red Flags in a manner that will prevent Identity Theft.
- B. For Purposes of this Program the following definitions apply:
- i). “Cabot WaterWorks” means the Commission and the water and wastewater utilities operated by the Commission.
 - ii). ” Commission” means the Cabot Water and Wastewater Commission.
 - iii). “Covered Account” means (i) any Customer account maintained by Cabot WaterWorks primarily for personal, family, or household purposes; and (ii) any other Customer account that Cabot WaterWorks maintains for which there is a reasonably foreseeable risk to Customers or to the safety and soundness of Cabot WaterWorks from Identity Theft, including financial, operational, compliance, reputation, or litigation risks.
 - iv). “Customer” means a person that has a Covered Account with Cabot WaterWorks.
 - v). “Identity Theft” means a fraud committed or attempted using identifying information of another Person without authority.
 - vi). “Manager” means the manager of Cabot WaterWorks.
 - vii). “Notice of Address Discrepancy” means a notice sent to Cabot WaterWorks by a consumer reporting agency pursuant to 15 U.S.C. § 1681(c)(h)(1) that informs Cabot WaterWorks of a substantial difference between the address for the applicant or Customer that Cabot WaterWorks provided to request the consumer report and the address(es) in the agency’s file for the applicant or Customer.
 - viii). “Person” means a natural person, a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, or association.
 - ix). “Personal Identifying Information” means information maintained by Cabot WaterWorks such as a person’s credit card account information, debit card information, bank account information, drivers’ license information, tax identification number, social security number, mother’s birth name, or date of birth.
 - x). “Red Flag” means a pattern, practice, or specific activity that indicates the possible existence of Identity Theft.
 - xi). “Service provider” means a person that provides a service directly to Cabot WaterWorks.

C. Findings.

- i). The processes of opening a new Covered Account, restoring an existing Covered Account, and posting payments on such accounts have been identified as potential processes in which Identity Theft could occur.
- ii). Cabot WaterWorks limits access to Personal Identifying Information to those employees responsible for or otherwise involved in opening or restoring Covered Accounts or accepting payment for use of Covered Accounts. Information provided to such employees is entered directly into Cabot WaterWorks' computer system and is not otherwise recorded.

D. Process of Establishing a Covered Account.

- i). As a precondition to opening a Covered Account, each applicant shall provide Cabot WaterWorks with a valid government issued identification card containing a photograph of the applicant. Such applicant shall also provide any additional information necessary for Cabot WaterWorks to open the Covered Account. Any Personal Identifying Information shall be entered directly into Cabot WaterWorks' computer system and shall not otherwise be recorded.
- ii). Each Covered Account shall be assigned an account number which shall be unique to that account.

E. Access to Covered Account Information.

- i). Access to Covered Accounts shall be password protected and shall be limited to authorized Cabot WaterWorks personnel.
- ii). Such password(s) shall be changed on a regular basis, shall be at least 8 characters in length and shall contain letters, numbers and symbols.
- iii). Any unauthorized access to or other breach of a Covered Account shall be reported immediately to the Manager and further access shall be limited until the breach corrected.
- iv). Personal Identifying Information included in a Covered Account is considered confidential and any request or demand for such information shall be immediately forwarded to the Manager and Cabot WaterWorks' attorney.

F. Credit Card Payments.

- i). In the event that credit card payments that are made over the Internet are processed through a third party service provider, such third party service provider shall certify that it has an adequate Identity Theft prevention program in place that is applicable to such payments.
- ii). All credit card payments made over the telephone or Cabot WaterWorks' website shall be entered directly into the customer's account information in the computer data base.
- iii). Account statements and receipts for Covered Accounts shall include only the last four digits of the credit or debit card or the bank account used for payment of the Covered Account.

G. Sources and Types of Red Flags.

- i). All employees responsible for or involved in the process of opening a Covered Account, restoring a Covered Account or accepting payment for a Covered Account shall check for Red Flags as indicators of possible Identity Theft and such Red Flags may include:
- H. Suspicious documents. Examples of suspicious documents include:
- i). Documents provided for identification that appear to be altered or forged;
 - ii). Identification on which the photograph or physical description is inconsistent with the appearance of the applicant or customer;
 - iii). Identification on which the information is inconsistent with information provided by the applicant or customer;
 - iv). Identification on which the information is inconsistent with readily accessible information that is on file with the financial institution or creditor, such as a signature card or a recent check; or
 - v). An application that appears to have been altered or forged, or appears to have been destroyed and reassembled.
- I. Suspicious personal identification, such as suspicious address change. Examples of suspicious identifying information include:
- i). Personal Identifying Information that is inconsistent with external information sources used by Cabot WaterWorks. For example:
 - ii). The address does not match any address in the consumer report; or
 - iii). The Social Security Number (SSN) has not been issued, or is listed on the Social Security Administration's Death Master File.
 - iv). Personal Identifying Information provided by the Customer is not consistent with other Personal Identifying Information provided by the Customer, such as a lack of correlation between the SSN range and date of birth.
 - v). Personal Identifying Information or a phone number or address, is associated with known fraudulent applications or activities as indicated by internal or third-party sources used by Cabot WaterWorks.
 - vi). Other information provided, such as fictitious mailing address, mail drop addresses, jail addresses, invalid phone numbers, pager numbers or answering services, is associated with fraudulent activity.
 - vii). The SSN provided is the same as that submitted by other applicants or Customers.
 - viii). The address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of applicants or Customers.
 - ix). The applicant or Customer fails to provide all required Personal Identifying Information on an application or in response to notification that the application is incomplete.
 - x). Any new Personal Identifying Information provided by the customer is not consistent with the Personal Identifying Information that is on file with Cabot WaterWorks.

- xi). The applicant or Customer cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report.
- J. Unusual use of or suspicious activity relating to a Covered Account. Examples of suspicious activity include:
- i). Shortly following the notice of a change of address for an account, Cabot WaterWorks receives a request for the addition of authorized users on the account.
 - ii). A Customer Account is used in a manner that is not consistent with established patterns of activity on the account. There is, for example:
 - a. Nonpayment when there is no history of late or missed payments;
 - b. A material change in usage;
 - iii). An account that has been inactive for a long period of time is used (taking into consideration the type of account, the expected pattern of usage and other relevant factors).
 - iv). Mail sent to the Customer is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the Customer's account.
 - v). Cabot WaterWorks is notified that the Customer is not receiving paper account statements.
 - vi). Cabot WaterWorks is notified of unauthorized charges or transactions in connection with a Customer's account.
 - vii). Cabot WaterWorks is notified by a Customer, law enforcement or another person that it has opened a fraudulent account for a Person engaged in Identity Theft.
- K. Notice from Customers, law enforcement, victims or other reliable sources regarding possible Identity Theft or phishing relating to Covered Accounts.
- L. **Prevention and Mitigation of Identity Theft:** In the event that any Cabot WaterWorks employee responsible for or involved in restoring an existing Covered Account or accepting payment for a Covered Account becomes aware of Red Flags indicating possible Identity Theft with respect to existing Covered Accounts, such employee shall use his or her discretion to determine whether such Red Flag or combination of Red Flags suggests a threat of Identity Theft. If, in his or her discretion, such employee determines that Identity Theft or attempted Identity Theft is likely or probable, such employee shall immediately report such Red Flags to the Manager. If, in his or her discretion, such employee deems that Identity Theft is unlikely or that reliable information is available to reconcile Red Flags, the employee shall convey this information to the Manager, who may in his or her discretion determine that no further action is necessary. If the Manager in his or her discretion determines that further action is necessary, a Cabot WaterWorks employee shall perform one or more of the following responses, as determined to be appropriate by the Manager:
- i). Contact the Customer;
 - ii). Make the following changes to the account if, after contacting the Customer, it is apparent that someone other than the Customer has accessed the Customer's Covered Account:

Cabot WaterWorks – Operating Policy

- a. change any account numbers, passwords, security codes, or other security devices that permit access to an account; or
- b. close the account;
- iii). Cease attempts to collect additional charges from the Customer and decline to sell the Customer's account to a debt collector in the event that the Customer's account has been accessed without authorization and such access has caused additional charges to accrue;
- iv). Notify the attorney for Cabot WaterWorks within twenty-four (24) hours of the discovery of likely or probable Identity Theft relating to a Customer account that has been sold to such debt collector in the event that a Customer's account has been sold to a debt collector prior to the discovery of the likelihood or probability of Identity Theft relating to such account;
- v). Notify law enforcement, in the event that someone other than the Customer has accessed the Customer's account causing additional charges to accrue or accessing Personal Identifying Information; or
- vi). Take other appropriate action to prevent or mitigate Identity Theft.
- vii). In the event that any Cabot WaterWorks employee responsible for or involved in opening a new Covered Account becomes aware of Red Flags indicating possible Identity Theft with respect an application for a new account, such employee shall use his or her discretion to determine whether such Red Flag or combination of Red Flags suggests a threat of Identity Theft. If, in his or her discretion, such employee determines that Identity Theft or attempted Identity Theft is likely or probable, such employee shall immediately report such Red Flags to the Manager. If, in his or her discretion, such employee deems that Identity Theft is unlikely or that reliable information is available to reconcile Red Flags, the employee shall convey this information to the Manager, who may in his or her discretion determine that no further action is necessary. If the Manager in his or her discretion determines that further action is necessary, a Cabot WaterWorks employee shall perform one or more of the following responses, as determined to be appropriate by the Manager:
 - a. Request additional identifying information from the applicant;
 - b. Deny the application for the new account;
 - c. Notify law enforcement of possible Identity Theft; or
 - d. Take other appropriate action to prevent or mitigate Identity Theft.

M. Policy:

- i). In the event that Cabot WaterWorks receives a Notice of Address Discrepancy, the Cabot WaterWorks employee responsible for verifying applicant or Customer addresses for the purpose of providing the municipal service on account sought by the applicant or Customer shall perform one or more of the following activities, as determined to be appropriate by such employee:
 - a. Compare the information in the consumer report with:
 - b. Information Cabot WaterWorks obtains and uses to verify an applicant's or

Customer's identity in accordance with the requirements of the Customer Information Program rules implementing 31 U.S.C. § 5318(l);

- c. Information Cabot WaterWorks maintains in its own records, such as applications for service, change of address notices, other Customer account records or tax records; or
- d. Information Cabot WaterWorks obtains from third-party sources that are deemed reliable by the relevant city employee; or

ii). Verify the information in the consumer report with the applicant or Customer.

N. Furnishing Customer's Address to Consumer Reporting Agency:

i). In the event that Cabot WaterWorks reasonably confirms that an address provided by a Customer to Cabot WaterWorks is accurate, Cabot WaterWorks is required to provide such address to the consumer reporting agency from which Cabot WaterWorks received a Notice of Address Discrepancy with respect to such applicant or Customer. This information is required to be provided to the consumer reporting agency when:

- a. Cabot WaterWorks is able to form a reasonable belief that the consumer report relates to the applicant or Customer about whom Cabot WaterWorks requested the report;
- b. Cabot WaterWorks has or creates a continuing relationship with the applicant or Customer; and
- c. Cabot WaterWorks regularly and in the ordinary course of business provides information to the consumer reporting agency from which it received the Notice of Address Discrepancy.

ii). Such information shall be provided to the consumer reporting agency as part of the information regularly provided by Cabot WaterWorks to such agency for the reporting period in which Cabot WaterWorks establishes a relationship with the Customer.

O. Methods of Confirming Customer Addresses: The Cabot WaterWorks employee charged with confirming applicant or Customer addresses may, in his or her discretion, confirm the accuracy of an address through one or more of the following methods:

- i). Verifying the address with the Customer;
- ii). Reviewing Cabot WaterWorks' records to verify the applicant's or Customer's address;
- iii). Verifying the address through third party sources; or
- iv). Using other reasonable processes.

P. Updating the Program: The Cabot Water and Wastewater Commission (the "Commission") shall annually review and, as deemed necessary by the Commission, update the Identity Theft Prevention Program along with any relevant Red Flags in order to reflect changes in risks to Customers or to the safety and soundness of Cabot WaterWorks and its Covered Accounts from Identity Theft. In so doing, the Commission shall consider the following factors and exercise its discretion in amending the program:

- i). Cabot WaterWorks’ experiences with Identity Theft;
 - ii). Updates in methods of Identity Theft;
 - iii). Updates in customary methods used to detect, prevent, and mitigate Identity Theft;
 - iv). Updates in the types of accounts that Cabot WaterWorks or maintains; and
 - v). Updates in service provider arrangements.
- Q. Program Administration:** The Human Resources Manager is responsible for oversight of the program and for program implementation. The Manager is responsible for reviewing reports prepared by staff regarding compliance with Red Flag requirements and with recommending material changes to the program, as necessary in the opinion of the Manager, to address changing Identity Theft risks and to identify new or discontinued types of Covered Accounts. Any recommended material changes to the program shall be submitted to the Commission for consideration.
- i). The Human Resources Manager will report to the Manager at least annually, on compliance with the Red Flag requirements. The report will address material matters related to the program and evaluate issues such as:
 - a. The effectiveness of the policies and procedures of Cabot WaterWorks in addressing the risk of Identity Theft in connection with the opening of Covered Accounts and with respect to existing Covered Accounts;
 - b. Service provider arrangements;
 - c. Significant incidents involving Identity Theft and management’s response; and
 - d. Recommendations for material changes to the Program.
 - ii). The Human Resources Manager is responsible for providing training to all employees responsible for or involved in opening a new Covered Account, restoring an existing Covered Account or accepting payment for a Covered Account with respect to the implementation and requirements of the Identity Theft Prevention Program. The Human Resources Manager shall exercise his or her discretion in determining the amount and substance of training necessary.
- R. Outside Service Providers:** In the event Cabot WaterWorks engages a service provider to perform an activity in connection with one or more Covered Accounts the Human Resources Manager shall exercise his or her discretion in reviewing such arrangements in order to ensure, to the best of his or her ability, that the service provider’s activities are conducted in accordance with policies and procedures, agreed upon by contract, that are designed to detect any Red Flags that may arise in the performance of the service provider’s activities and take appropriate steps to prevent or mitigate Identity Theft.”
Adopted 10-23-08.

1.15 Water Supply Wellhead Protection Zone Policy

- A. The Federal EPA and the Arkansas Department of Health require that owners of water supplies utilizing a well source shall effectively control a restricted buffer (Wellhead protection zone) around each well.
- B. City of Cabot Ordinance No. 4 of 2002 Adopted and Implemented a Wellhead Protection Program.
 - i). “That it is the purpose of this ordinance to (1) promote the public health safety and general welfare of the citizens of our city, to (2) minimize the financial and other losses which would be incurred by contamination of the public water supply, to (3) implement a wellhead protection program following guidelines of the Arkansas Department of Health that will help insure the provision of potable groundwater to our citizens now and in the future, and to (4) contribute to the general public effort of protecting and conserving the natural resource of our state for future generations.”
- C. Cabot Waterworks owns property around each wellhead in order to maintain a wellhead protection zone.
 - i). The following is prohibited inside the wellhead protection zones:
 - a. Any possible source of contamination such as privies, septic tanks, sewers, sub-surface pits, sub-surface sewage disposal fields, and barnyards shall not be located within the wellhead protection zones.
 - b. No farm animals shall be allowed to graze within the well head protection zones.
 - c. Chemical storage or disposal facilities shall not be located within the wellhead protection zones.
 - d. Hunting is prohibited in the wellhead protection zone.
- D. Cabot WaterWorks may advertise from time to time hay mowing contracts within the wellhead protection zones.

2. Customer Service Policy

2.1 General

- A. Applicants for water and wastewater service shall apply at Cabot WaterWorks' Billing Office using "Cabot WaterWorks Customer Service Agreement".
 - i). Applicants for service shall be 18 years old or older.
 - ii). Applicants for service shall provide two forms of identification acceptable to Cabot WaterWorks.
 - iii). Applicants that have previous outstanding account debt will be denied service until the outstanding account(s) are paid in full.
 - iv). Applicants will be required to pay account deposits prior to receiving service. Deposit amounts are set forth in City Ordinance 102 of 2005 according to size of meter and customer class.
- B. Water service shall only be turned on by an agent of Cabot WaterWorks. A licensed plumber may request to turn on a water service and only upon Cabot WaterWorks approval, to enable him to test his work, and provided it shall be turned off immediately after the test is made.
- C. The authorized agents of Cabot WaterWorks shall have the right of access, at all reasonable hours, to the premises supplied with water for the purpose of reading meters, examining pipes and fixtures observing manner of using water, and for any other purpose which is proper and necessary in the conduct of Cabot WaterWorks' business. Such agents shall carry proper credentials evidencing their employment by Cabot WaterWorks.
- D. Cabot WaterWorks will not be liable for any claim or damage arising from a shortage of water, the breaking of machinery or other facilities, or for any other cause.
- E. As necessity may arise in the case of a pipe break, emergency or other similar cause, Cabot WaterWorks shall have the right temporarily to cut off the water supply in order to make necessary repairs, connections, etc. Cabot WaterWorks shall use all reasonable and practicable measures to notify the customer, in advance, of such discontinuance of service. Cabot WaterWorks shall not be liable for any damage or inconvenience suffered by the customer, or for any claim for interruption in service, lessening of supply, inadequate pressure, poor quality of water, or any other cause. Cabot WaterWorks may restrict or regulate the quantity of water used by customers in case of scarcity or whenever the public welfare may require it.
- F. No customer shall open or close any of Cabot WaterWorks' curb stops or valves on any public or private water line. This is in accordance with the state law on meter tampering.
Adopted July 20, 2006

2.2 Definitions

- i). AWWA: American Water Works Association.
- ii). Applicant: A person, firm or corporation who applies for water and wastewater service.
- iii). Customer: A person, firm or corporation who applies for or currently has water and wastewater service with Cabot WaterWorks. Customer's that have a master meter for multiple housing units will be billed the minimum charge for water and wastewater for every unit.
- iv). Multiple Housing units: Apartments, Mobile home parks, Condominiums or Town-homes.
- v). Developer: A person, firm or corporation who constructs any type of building and/or who sales land which has been subdivided for sale, lease or rent.
- vi). Subdivision: The legal dividing of a tract of land into two or more tracts, lots or parcels. Adopted July 20, 2006
- vii). A "Wholesale" customer is defined as any "commercial" customer who is party to a current water service agreement with Cabot WaterWorks designating such customer as a wholesale customer. Upon termination of such water service agreement, whether by act of law or in accordance with its terms, unless extended by mutual agreement of the parties or the execution of a new water service agreement, the wholesale customer shall cease being a wholesale customer and shall become a commercial customer. Adopted August 13, 2008.

2.3 Water & Wastewater Bills

- A. Deposits for Water and Wastewater accounts are required in accordance with City Ordinance.
 - i). Deposit amounts are determined based on Meter size and customer classification.
 - ii). Deposits may be paid in Cash, Check, Money Order or Credit Card.
 - iii). Surety Bonds in-lieu of cash will not be accepted as deposits.
- B. Each customer is subject to charges, the amount of which is set forth in City Ordinance and revised from time to time according to size of meter and customer class.
- C. Bills for water and wastewater service will be rendered and are due and payable on the 15th day of each month.
- D. Fire Hydrant meters shall be billed monthly as commercial service and are due and payable on the 15th day of each month.
- E. The presentation or non-presentation of bill shall not be held to be a waiver of any of the rules or regulations.
- F. Customers that have not paid bills by the 25th of the billing month will have service discontinued on the next business day. Service will not be discontinued on Fridays or on days prior to holidays observed by Cabot WaterWorks.
- G. Water & Wastewater service will not be discontinued on accounts with a balance less than \$15.00 as of 25th of the billing month. Adopted June 26, 2008

2.4 Extended Due Dates for Bills

- A. Customers requesting extended due dates shall make arrangements at the Cabot WaterWorks Billing Office at One City Plaza, Suite B prior to the 25th of the billing month.
- B. Cabot WaterWorks will extend the due date for the current month bill up to the first Friday of the following month.
 - i). Extended Due Dates for residential customers may be further adjusted if acceptable documentation is provided to establish that the person named on the account, not another occupant at the same address, is dependent on a monthly governmental check (such as aid to families with dependent children, aid to the aged, blind or disabled, social security, veterans administration benefits, or unemployment compensation) for payment of regularly occurring monthly bills and either (i) the government has issued a broad general notice within the state that benefits checks will not be mailed in a timely manner, or (ii) the customer provides Cabot WaterWorks with a copy of the official written notice received by the customer.
- C. Extended due dates will not be allowed beyond the 15th of the following month.
- D. Customer's that fail to pay 100% of the bill by the extended due date will not be permitted another extended due date for 12 months. Revised August 25th, 2011.

2.5 Water Leak Adjustment Policy

- A. Cabot WaterWorks will investigate a customer's high usage and check for a leak. If the leak is observed, the customer will be notified.
- B. The customer shall repair leaks promptly and may request an adjustment to a bill prior to the due date of the bill with the high usage.
- C. The customer's usage shall be at least one hundred percent (100%) above normal usage (Determined by meter readings) before a leak adjustment can be considered.
- D. The customer shall provide documentation such as receipts for plumbing work or materials or a written report of corrective action.
- E. Cabot WaterWorks must verify that the leak has been eliminated. If this requires more than one trip, additional trip fees will be charged. The trip fee will be a service charge of fifteen dollars (\$15).
- F. A leakage adjustment is usually made on the basis of two (2) months usage, as an undetectable leak will overlap two (2) billing periods. However, the adjustment may be made for only one (1) month if there is negligence in making the leakage repair.
- G. The customer's normal usage is determined by averaging the prior two (2) months; or usage for the same month of the prior year during the summer period. If the customer has no prior usage history, the normal usage will be determined from average customer usage for the customer classification, (i.e. commercial, residential). The adjustment shall be made for half the leakage amount above the normal usage. For example, if normal usage is ten thousand (10,000) gallons and the total usage including leakage is fifty thousand (50,000) gallons. The leakage amount is forty thousand (40,000) and the adjustment shall

be made for half or twenty thousand (20,000) gallons and the customer shall pay for the adjusted usage of thirty thousand (30,000) gallons (Normal usage plus half (1/2) of the leak). Adjustments will be made to water volume charges. Sewer charges will be adjusted if the leak did not flow into the sewer system.

- H. Customers may request an adjustment to sewer charges for filling swimming pools if the customer notifies CWW prior to filling the pool. Customers must provide CWW documented dimensions or volume of the swimming pool for the adjustment.
- I. Only one (1) leak or swimming pool adjustment shall be made for a customer in a calendar year. Adopted April 8, 2008.

2.6 Policy for Payment of Unbilled Utility Charges

- A. Every property owner who connects to the Cabot WaterWorks wastewater collection system or water distribution system is required to pay the applicable sewer service or water charges.
- B. In the event of Billing Errors, Cabot WaterWorks may issue a "make-up" bill for unpaid water or sewer services that a property owner received, but that was previously unbilled.
- C. If the "make-up" bill is for service that was unbilled because of an error made by Cabot WaterWorks, then Cabot WaterWorks may bill or collect for services received for up to three (3) years prior to the issuance of the "make-up" bill. Cabot WaterWorks may allow the user to enter into a payment plan for the "make-up" bill for a period not exceed one (1) year from the issuance of the "make-up" bill.
- D. If the "make-up" bill is for service that was previously unbilled because of unauthorized use or fraud by the property owner, then Cabot WaterWorks may bill for service that occurred to the maximum extent allowed by law, and Cabot WaterWorks may routinely seek up to five (5) years for unbilled services, as appropriate.
- E. In all cases where actual flow data is unavailable, the General Manager shall estimate the water usage based on historical usage, comparable facilities, or engineering estimates.
- F. Any property owner who feels that his/her "make-up" bill as determined by the General Manager is unfair or unjust shall have the right to appeal to the Board of Commissioners of Cabot WaterWorks. Appeals shall be limited to (i) consumption value determinations and (ii) length of unbilled service only. The property owner shall provide written sworn testimony (an affidavit) detailing why the "make-up" bill was not fair and evidence supporting his/her claim of actual consumption or term of service. Adopted August 26, 2010

2.7 Theft of Utility Service Policy

- A. Un-metered water use, such as the unauthorized pulling water from a fire hydrant, service line, water main or blow-off assembly, is not permitted. Un-metered water use can seriously endanger water quality within the system via backflow. In addition, any un-metered water use will be considered theft of service.
- B. Unauthorized connections to Cabot Waterworks' sewer system are also illegal.
- C. Cabot Waterworks wants to remind you that theft of water or sewer service is:
 - i). A crime punishable by law,
 - ii). A contributing factor to higher utility rates; and,

- iii). A dangerous practice that can result in property damage and/or loss of life.
- D. Cabot Waterworks is committed to combating theft of water or sewer services using every available means and to recovering lost revenues when a theft is detected, including the full force of Arkansas’s criminal code (Ark. Code Ann. § 5-36-104). In short, Cabot Waterworks will take the necessary steps to ensure that the integrity of its systems will be maintained. Moreover, Cabot Waterworks will seek full restitution for stolen utility services and the cost of repair of any damage to utility property. Enforcement may also include discontinuation of service, removal of service connections, requiring payment of new service charges to reinstate service, and the filing of criminal charges that may result in additional fines and jail time.
 - i). Cabot Waterworks requires contractors to apply for fire hydrant water service at our Billing Office and to use the fire hydrant meter provided. Cabot Waterworks wants to further advise you that closing a fire hydrant or water valve too rapidly will generate a pressure surge that can exceed the bursting pressure of water pipe. Cabot Waterworks will seek restitution for all repair cost from closing a fire hydrant or water valve too rapidly.
 - ii). If you need any additional information about the procedure for obtaining a fire hydrant meter, and/or its proper operation, please do not hesitate to contact our Billing Office, at (501)843-4654.
 - iii). If you witness theft of any utility service, please contact our Billing Office, at (501) 843-4654. Adopted July 20, 2006, Revised August 26, 2010.

2.8 Water Service Lines

- A. Each customer shall be supplied through a separate service line.
- B. Water Service Lines are not permitted to cross adjoining property (except crossing a public street, alley, or private roadway) to connect to Cabot Waterworks water mains.
- C. Cabot Waterworks requires water mains to be extended to the property to be served. Water mains shall be extended to the furthest extremity of the property in-order for adjacent property owners to extend the water main for service connection.
- D. Size, location and length of water mains shall conform to Cabot WaterWorks Developer Policy and Cabot Waterworks Standard Construction Specifications. Generally water mains shall be extended along streets, county roads or State Highways on a dedicated utility easement conforming to Cabot WaterWorks standard easement form.
- E. Each privately owned property shall have a separate water service line from the water utility main and in no case be interconnected with the plumbing system of another privately owned property.
- F. Cabot WaterWorks will make all connections to its existing mains and will furnish, install and maintain all service lines from the water main to the water meter. Exception: Developers shall install and connect service lines to water mains in new subdivisions.
- G. Service lines from the water main to the water meter shall be the property of Cabot WaterWorks and shall be accessible to, and under its control at all times.
- H. All service lines from the water meter to the customer’s building or place of consumption shall be approved by Cabot WaterWorks as to size, type of pipe, and installation and shall

be installed and kept in good repair at customer's expense. All such service lines shall be placed at least two feet below the surface of the ground.

- I. No service lines shall be laid in the same trench with sewer pipe.
- J. All leaks in service lines from the water meter to the customer building and on the customer's property shall be promptly repaired by the customer. Failure to make such repairs and reasonable dispatch, Cabot WaterWorks may turn off the water and will not permit water to be turned on until the repairs are completed and Cabot WaterWorks has been reimbursed, for expense incurred in reconnecting the water.
- K. Cabot WaterWorks shall not be responsible for maintenance of, (or for damage caused by the water leaking from) the service line or any other pipe or fixture on the outlet side of the water meter. The customer shall comply with the Arkansas State Plumbing regulations and shall make any changes which may be required because of a change in grade, relocation of mains or otherwise.
- L. The use of water service by a customer shall be in accordance with the class, scope and type of use, and for the purpose stated in his application and service agreement. A customer shall not use, or allow use of water through his service facilities, for others, or for purposes other than those covered by his application. To make service available for other purposes or character of use, a new application and agreement is required. Adopted July 20, 2006

2.9 Water Meters

- A. All meters will be furnished by and remain the property of Cabot WaterWorks. Water Meters shall be sized in accordance with the Arkansas Plumbing Code, Appendix E "Sizing of Water Piping System".
 - i). Table E103.3(2), Load Values Assigned to Fixtures, (wsfu)
 - ii). Table E103.3(3), Table for Estimating Demand
- B. All water service, except water for firefighting purposes, will be rendered only through water meters.
- C. Each customer's service shall have a separate meter to register the amount of the water consumed. The quantity of water recorded by the meter shall be conclusive for both the customer and Cabot WaterWorks, except when the meter has been found to be registering inaccurately or has ceased to register. Cabot WaterWorks will promptly repair or replace meters that register inaccurately or that have ceased to register. In either of such cases, the quantity of water consumed shall be estimated by the average registration of the meter on previous corresponding periods.
- D. In case of a disputed bill involving the accuracy of a meter, such meter shall be tested, (upon request of the customer), in accordance with AWWA standards.
- E. If the meter tested is found to have an error in registration of less than three percent (3%), Cabot WaterWorks will charge the customer the actual cost for such test. Customer charges for meter testing shall be added to customers service account with Cabot WaterWorks. If the error in registration is found to be greater than three percent (3%) then the cost of the test shall be paid by Cabot WaterWorks.

- F. The customer shall notify Cabot WaterWorks if a meter stops registering as soon as it comes to his knowledge.
- G. Cabot WaterWorks shall approve the size and location of meter(s) required by each customer.
- H. All meters shall be set at convenient locations, accessible to Cabot WaterWorks, and subject to its control. The meter will normally be placed in a meter box between the curb and customers property line. Each meter box shall be approved by Cabot WaterWorks.
- I. Meters may only be placed inside the building when required by Cabot WaterWorks.
- J. Developers shall furnish and install meter boxes for all meters. Meter boxes and covers shall conform to Cabot WaterWorks Standard Construction Specifications.
- K. To prevent heat damage to the meter where steam or hot water under pressure is used (other than for normal residential use) an approved backflow assembly and a pressure relief valve shall be installed at the expense of the customer on the discharge side of the meter, and before any outlets are taken off the service line. Adopted July 20, 2006.

2.10 Damages to Cabot WaterWorks Property

Every customer is responsible for all damage to Cabot WaterWorks property, water and wastewater pipes, service lines, water meters, meter boxes and appurtenances caused by the customer or individuals performing work for or on behalf of the customer. The repair or replacement costs of all such damage shall be paid by the customer; it shall be added to the customers service account with Cabot WaterWorks. Adopted July 20, 2006

2.11 Relocation of Cabot WaterWorks Pipes and Services

Customers that request Cabot WaterWorks to relocate services and/or pipelines will be required to pay all costs associated with the relocation. Adopted July 20, 2006.

2.12 Sanitary Sewer Service Line Connection and Maintenance Policy

A. Definitions:

- i). Sanitary Sewer Service Line - The sanitary sewer pipe that extends from the end of a building or house sewer drain and connects to a public wastewater main. Sanitary Sewer Service Lines are owned and maintained by the customer.
- ii). Wastewater Mains (or Sanitary Sewer Mains) – That part of the Sanitary Sewer collection system owned and maintained by Cabot Waterworks which multiple Sanitary Sewer Service Lines are connected by customers.

B. Sanitary Sewer Service Line Connection Requirements:

- i). Cabot Waterworks requires sanitary sewer mains to be extended to the property to be served at the customer's expense. In addition, sanitary sewer mains shall be extended to the furthest extremity of the property in-order for adjacent property owners to further extend the sewer main for future service connections.
- ii). Size, location and length of sanitary sewer mains shall conform to Cabot WaterWorks Developer Policy and Cabot Waterworks Standard Construction Specifications. Generally sanitary sewer mains shall be extended along streets, county roads or State Highways on a dedicated utility easement conforming to Cabot WaterWorks standard easement form.

Cabot WaterWorks – Operating Policy

- iii). Except as otherwise permitted below, every building, dwelling unit, commercial or industrial establishment, or other source of wastewater with plumbing fixtures shall have a separate connection to Cabot WaterWorks sewer system, (except where these units are connected by a single common vertical stack).
 - a. Exception: In certain instances where there are or could be multiple tenants or occupants of a single building (such as a strip mall) and the entire building is and shall be at all times located on a single parcel or lot and owned by a single owner, a common sanitary sewer service line may be used to connect to the sanitary sewer main. If at any time ownership of portions of the building, other than airspace, is divided between multiple owners, then, at that time, the sanitary sewer service line for the building will have to be reconfigured to provide a separate sewer connection for each portion of the building owned by the different owners. In addition, in the event the single lot is ever subdivided, each lot will require a separate sanitary sewer service line for the respective portion of the building.
- iv). Sanitary sewer service lines are not permitted to cross adjoining property (except crossing a public street, alley, or private roadway) to connect to Cabot Waterworks sanitary sewer mains.
- v). Sanitary sewer service lines connecting to Cabot WaterWorks sanitary sewer system shall be installed in accordance with the Arkansas Plumbing Code and all connections to Cabot WaterWorks sewer system shall be accomplished in accordance with Cabot WaterWorks Standard Construction Specifications. Cabot WaterWorks shall be notified prior to any connection to the Cabot WaterWorks sewer system. All building sanitary sewer service lines and connections to Cabot WaterWorks sewer system shall be inspected by CWW prior to covering or backfilling the connection.
- vi). City of Cabot Ordinance 43 of 2005 requires wastewater customers to install back flow prevention devices in their sanitary sewer service lines by July 1, 2006. From and after July 1, 2006, Cabot WaterWorks will no longer pay for damages caused by sewer backflow. Backflow valves, (Backwater valves) shall conform to requirements of the Arkansas Plumbing Code.

C. Sanitary Sewer Service Line Maintenance Requirements:

- i). Customers are responsible for any blockage that occurs in the customer's sanitary sewer service line. The customer's sanitary sewer service line begins at the connection to the Cabot WaterWorks' sanitary sewer main, regardless of whether such connection is on the customer's property, within the public right-of-way, or on adjacent property. Cabot WaterWorks cannot perform maintenance to clear service line blockages.
- ii). In the event repairs to service lines are required under a state highway, city street or right-of-way; the customer shall contact Cabot Waterworks prior to commencing repairs. Excavating state highways, city streets or rights-of-way is not permitted. A

new service line will have to be bored under the street, highway or right-of-way by a licensed contractor or plumber.

D. Grease, Oil and Sand Interceptors Maintenance:

- i). Customers that operate facilities that are required to have grease, oil and sand interceptors shall have the units cleaned on a regular basis so that fats oil or grease are not released into Cabot WaterWorks wastewater collection system.
- ii). Cabot City Ordinance 38 of 1992 states “Grease, oil and sand interceptors shall be provided where in the opinion of the Superintendent, they are necessary for the proper handling of wastewater containing excessive amounts of grease, oil, or sand. Such interceptors shall be inspected, cleaned, and repaired regularly, as needed, by the owner at his expense.”
- iii). Cabot WaterWorks will require Customers that operate facilities with grease, oil and sand interceptors to have the units cleaned when one of the following conditions are met:
 - a. Fats, oil, grease, or grit are visible in the secondary chamber of the trap or interceptor.
 - b. Fats, oil, grease, or grit are visible in the service line or manhole downstream of the facility.
 - c. Laboratory tests confirm that fats, oil or grease are in excess of 50mg/l in the waste stream leaving the interceptor or trap.

E. Policy Updated 2-27-2014

2.13 Household Grinder Pumps for WasteWater Disposal

- A. Cabot WaterWorks provides wastewater Service to some subdivisions through a Pressure Sewer System that requires a grinder pump to be installed at each house.
- B. Customers are required to purchase grinder pumps directly from an approved vendor and install the pump basin as outlined in the “Cabot WaterWorks - Grinder Pump Procurement and Installation Guide”.
- C. In addition to the cost of the grinder pump, Cabot WaterWorks charges a three hundred (\$300) connection fee for each pump. Revised: July 9, 2009.

2.14 Cabot WaterWorks Policy on Water and Wastewater Main Extensions

- A. The extension of water and wastewater mains to commercial or residential property without service is accomplished in one of three ways: (1) through the formation of improvement districts, and the assessment of benefits and levy of additional real property taxes on the real property within the improvement district boundaries; (2) through the development of new subdivisions by private developers who pay for the extension of water and wastewater mains, the costs of which are passed on in the costs of the lots within the subdivision; and (3) through payment by a property owner for the extension of the lines necessary to provide service to the property, on a cost per lineal foot basis.
- B. While Cabot WaterWorks is responsible for the construction, operation, and maintenance of the city’s water treatment and distribution system and its wastewater collection, treatment, and disposal system, (See Ark. Code Ann. § 14-234-306(b) and § 14-235-

206(a)(1)(A)), Cabot WaterWorks cannot assume financial responsibility to extend water and wastewater mains for the benefit of individual property owners. Cabot WaterWorks must treat all similarly situated customers the same. If Cabot WaterWorks were to extend water and wastewater mains to a piece of property at no cost, Cabot WaterWorks would be discriminating against those customers who have already paid for extending water and wastewater mains to their property, by not charging the new customer for a similar extension. Current customers had to pay for their own service extension through one of the methods described above. Unserved property owners must do likewise or the extension of service to them would constitute discrimination in their favor against those current customers who had to pay for extension of service.

- C. The property owner, not Cabot WaterWorks, is also responsible for the extension of water and wastewater mains to property because it is the property owner, not the ratepayers who receive the benefits of such service. Adding water and wastewater mains to property substantially increases the value of the property. Only the property owner can realize the benefits of increased value. Therefore, it is logical, and practical, to require the property owner receiving the benefit of the water and wastewater main extension to pay for the extension.
- D. All water and wastewater main extensions shall conform to Cabot WaterWorks Developer Policy and Cabot WaterWorks Standard Construction Specifications for Water and Wastewater.

2.15 Property Restoration Policy

- A. If the ground on your real property must be disturbed for by or for the benefit of the Cabot Water and Waste Water Commission (the “Commission”), then this policy may apply. It applies to property disturbed by employees or contractors of the Commission during the installation or maintenance of water or waste water mains owned and operated by the Commission (“Construction Activity”).
- B. This policy does not apply to property damage or personal injury caused by ruptured water or waste water mains, a sewer back-up, or any activities other than Construction Activity. If your property has been damaged as a result of a ruptured water or waste water main or by a sewer back-up you may be entitled to make a claim for compensation to the Commission pursuant to Resolution 2007-03, adopted June 14, 2007.
- C. In the event you believe the ground on your real property has been disturbed by Construction Activity, you should write down the details of when and how the disturbance occurred; include the date, time and location. If possible, identify the company, equipment or event that caused the disturbance. Also, if possible, take photographs and keep any damaged property available for inspection. Contact your insurance provider and Cabot WaterWorks.
- D. The Commission strives to make sure every contractor who performs work on behalf of the Commission accepts responsibility for and repairs, to the extent practicable and feasible, property damage caused by such contractor. If a contractor is responsible for damage to your property, we will work with you to address any concerns with such contractor, but the Commission is not, and shall not be, financially responsible for any actions or damages caused by any contractor. You may have to pursue a private cause of action against such contractor.

- E. If employees of Cabot WaterWorks disturb the ground of your real property in the course of Construction Activity, Cabot WaterWorks will:
- F. grade and sod all disturbed lawn areas (you will be responsible for watering and maintaining the sod once it is installed); and
- G. Replace all public or private sidewalks, driveway and street pavements that are damaged and/or removed by the Construction Activity (entire sidewalks and driveways will not be replaced – patches will be installed).
- H. Cabot WaterWorks will not restore any landscaping other than sod, be financially responsible for damage to landscaping other than sod, repair any damage caused by the disturbance of underground irrigation systems, or be responsible for replacement or repair or any concrete or asphalt other than that portion actually removed or damaged.
- I. This policy shall not be construed as imposing upon the Commission, or upon its commissioners, officers or employees, any liability or responsibility for damage except to the very limited extent set forth herein for damage caused to property by Construction Activity. In no event shall the Commission, or its employees, agents or contractors, have any liability for any special, indirect, incidental, consequential or punitive damages resulting from the provision of or failure to provide services under this policy, or from any fault, failure, defect or deficiency in any service, labor, material, work, or product furnished in connection with this policy. These limitations of and exclusions from liability shall apply regardless of the nature of the claim or of the remedy sought.
- J. Except as provided herein, the Commission does not waive any privilege or immunity provided it by the laws of the United States of America, and the laws of the State of Arkansas. Adopted June 14th, 2007

2.16 Damage Claim Policy:

WHEREAS, pursuant to Ark. Code Ann. § 21-9-301, the Board of Commissioners of the Cabot Water and Wastewater Commission (the "Board") is immune from liability and from suit for damages, and no tort action can lie against the Board because of the acts of its agents and employees;

WHEREAS, pursuant to Ark. Code Ann. § 21-9-302, without waiving its governmental immunity provided for in Ark. Code Ann. § 21-9-301, the Board is authorized to provide for hearing and settling tort claims against it;

WHEREAS, The City of Cabot Ordinance 43 of 2005 requires wastewater customers to install back flow prevention devices in their sanitary sewer service lines by July 1, 2006. From and after July 1, 2006, Cabot WaterWorks will no longer pay for damages caused by sewer backflow. Backflow valves, (Backwater valves) shall conform to requirements of the Arkansas Plumbing Code;

WHEREAS, it is the desire of the Board to establish a procedure whereby claimants may submit certain claims to be considered by the Board;

NOW, THEREFORE, be it resolved by the Board of Commissioners of the Cabot Water and Wastewater Commission that a claims procedure is hereby established for Cabot WaterWorks, subject to the terms and conditions set forth herein:

1. All claims shall be limited to damages proximately caused by a break in Cabot WaterWorks' facilities resulting in the escape of water or wastewater from Cabot WaterWorks' facilities. Damages caused by the escape of water in customer service lines or sewer blockages in customer sewer service lines are the responsibility of property owners and will not be considered for damage claims. Cabot WaterWorks facilities for water service end at the meter. Cabot WaterWorks facilities for wastewater service end at the sewer main. The Board shall consider only claims based on negligence and the Board shall not consider claims based on strict liability. The Board shall not consider damages for pain and suffering, lost profits, or other consequential damages. The Board will not consider claims on properties for sewer backflow.

2. Claims shall be limited to uninsured claims. The Board shall not consider subrogation claims by insurance companies, plumber, or any person other than the real party in interest. The Board shall not consider claims for contribution under the Arkansas Uniform Contribution Among Tortfeasor's Act or under any other similar law or provision. Payment for claims shall not exceed \$10,000.

3. A claimant shall prove that the claim is uninsured by submitting affidavits satisfactory to Cabot WaterWorks establishing that (1) the claimant has no insurance; (2) claimant's insurer has denied coverage; or (3) if requested by Cabot WaterWorks, the claimant has exhausted all remedies against insurers.

4. All claims shall be submitted within six months after the date of the event resulting in the alleged claim, even if remedies against insurers have not been exhausted as provided in paragraph 3.

5. A claimant shall submit the claim in writing to the General Manager, Cabot WaterWorks, P.O. Box 1287, Cabot, Arkansas, 72023. All claims shall be submitted on the form attached hereto as Exhibit "A" but additional documentation may be submitted to support the claim.

6. Initially, the General Manager shall investigate the claim and determine whether or not such claim is subject to payment pursuant to this Resolution. In addition to relying on his or her own technical and factual knowledge, the General Manager may accept and weigh any information that will assist him or her in determining the factual basis of the claim, and in administering the provisions of this claims procedure, and shall submit his or her findings in writing to the Board. If the total amount of the claim is equal

to or less than \$5,000, the General Manager may approve payment of such claim without Board approval. If the total amount of the claim exceeds \$5,000, Board approval is required.

7. In the event the General Manager denies a claim, the claimant shall be entitled to appeal the General Manager's decision to the Board. A claimant may appear in person before the Board. The decision of the Board regarding the claim shall be final, and shall not be appealable. *Ex parte* communication with any Commissioner by a claimant or any person on the claimant's behalf is prohibited, and shall be grounds for denial of a claim.

8. If a claim involves an "emergency situation," the General Manager may, at his or her discretion approve payment thereof without (i) conducting a full investigation and (ii) waiting for a determination of coverage by any applicable insurance carriers. For purposes of this claims procedure, "emergency situation" shall mean circumstances where the claimant, as the proximate result of the event resulting in the claim as described in paragraph 1, shall continue to incur additional damages or extraordinary expenses, whether insured or not, and the emergency nature of the damages or expenses could be stopped by the expenditure of a small amount not exceeding \$2,500, whether insured or not. If damages are paid pursuant to this paragraph, the payment shall not be evidence of any responsibility or liability for payment of any other damages, and the remaining damages alleged in the claim, if any, shall be considered under the procedure set out herein.

9. Upon, and as a condition to, payment of any damages pursuant to a claim, or payment of damages in an emergency situation, the Board shall be entitled, at its option, to (1) be subrogated to the claimant's claim against any third party, including but not limited to an insurer denying policy coverage, or (2) be assigned claimant's claim with the agreement of full cooperation by the claimant, and the right to enforce the claim in claimant's name. A claimant shall execute all documents necessary to carry out this provision upon receipt of any payment by Cabot WaterWorks.

10. Upon receipt and acceptance of any payment from Cabot WaterWorks by claimant, claimant shall execute a full and complete release of the Board, acknowledging satisfaction of and release of any and all claims against the Board.

11. Except as provided herein, the Board does not waive any privilege or immunity provided it by the laws of the United States of America, and the laws of the State of Arkansas.

EXHIBIT "A"

DAMAGE CLAIM FORM

NOTICE: Cabot WaterWorks is, by law, exempt from tort liability. As a courtesy to its customers, Cabot WaterWorks will review the attached claim, but does not accept liability, real or implied.

DATE: _____

NAME: _____

HOME # _____

ADDRESS: _____

BUSINESS # _____

INCIDENT DATE: _____

INCIDENT TIME: _____

INCIDENT ADDRESS: _____

DESCRIPTION AND LOCATION OF DAMAGE: _____

REASON YOU FEEL CABOT WATERWORKS IS RESPONSIBLE: _____

TOTAL AMOUNT OF CLAIM: \$_____

SIGNATURE

COMPLETE THIS FORM AND RETURN WITH RECEIPTS/ESTIMATES TO:

Cabot WaterWorks

Attention: Tim Joyner
P.O. Box 1287
Cabot, Arkansas, 72023
(501) 843-4654

EXHIBIT “B”

FULL AND FINAL RELEASE

In consideration of the repairs made by Cabot WaterWorks in accordance with its Damage Claim Policy, I (We), _____, hereby release and hold harmless the City of Cabot, Cabot WaterWorks, its employees, and its Commissioners (“Released Parties”), from any and all claims, demands, and causes of action, whether sounding in tort or contract, for any and all damages or injuries that I (we) may now or ever have by reason of:

_____ (“Incident”).

It is understood and agreed that this is a compromise settlement of disputed claims; that the payment made shall never be construed as an admission of liability on the part of the Released Parties, by all of whom liability is expressly denied; that the payment is made and is received in full settlement and satisfaction of all claims, demands, and losses, including any claims for contribution by other alleged tortfeasors, arising or to arise out of the Incident; that this release contains the entire agreement between the parties; and that the terms of this release are contractual and not a mere recital.

I have read this release. I have had the opportunity to have it review by an attorney. I understand that I am releasing and giving up every claim, right, and cause of action that I may have against the Released Parties because the Incident.

READ AND EXECUTED this _____ day of _____, 202_.

STATE OF ARKANSAS
COUNTY OF LONOKE

SUBSCRIBED AND SWORN to before me, a Notary Public, on this
day of _____, 2023. My Commission Expires:

3. Developer Policy - Water and WasteWater

3.1 Definitions:

- i). AWWA: American Water Works Association.
- ii). Commission: Cabot Water & WasteWater Commission.
- iii). Customer: A person, firm or corporation who applies for or currently has water service with Cabot WaterWorks.
- iv). CWW: Cabot WaterWorks.
- v). Developer: A person, firm or corporation who constructs any type of building and/or who sales land which has been subdivided for sale, lease or rent.
- vi). Subdivision: The legal dividing of a tract of land into two or more tracts, lots or parcels. Adopted Oct 25th, 2006.

3.2 Policy for Water and Wastewater Services (rev 1/28/21)

A. Purpose.

Cabot WaterWorks provides water and wastewater services to residents and businesses (“Customers”) within the City of Cabot’s Water Service Territory (the “Service Territory”). Inextricably tied to providing water and wastewater services to the citizens of Cabot is the provision of adequate water supply and pressure for fire protection to customers within the City, as well as planning for services to future customers.

B. Non-Water Customers.

Other water systems have the authority to provide water service to Customers within the 5-mile extraterritorial planning jurisdiction of the City. As a result, it is not uncommon for Customers desiring new water and wastewater services within the City’s extraterritorial planning jurisdiction to request wastewater service from Cabot WaterWorks and water service from another water service provider who claims the area as part of its service territory (“Other Provider”).

C. If Cabot Waterworks has adequate capacity in the existing sewer collection system and at the wastewater treatment facilities, Cabot Waterworks is permitted to provide wastewater service to any property within its Service Territory under the following conditions:

- i). If wastewater collection facilities to serve the property are constructed by the developer or property owner in accordance with Cabot Waterworks Standard Construction Specifications; and;
- ii). The Other Provider agrees to provide monthly billing information to Cabot Waterworks for each customer receiving wastewater service.
- iii). Customer generated wastewater must meet all requirements of Cabot Waterworks regarding concentration of pollutants. A pretreatment system will be required at customer’s or developer’s expense for excess pollutants.

3.3 Developer Agreement

- A. Developers requesting water and wastewater service to a subdivision shall enter into a written agreement with Cabot Waterworks.
- B. The terms of water and wastewater extension agreements shall be negotiated on an individual basis.
- C. Cabot WaterWorks shall be the final authority as to the adequacy of any water and wastewater main extension and appurtenances.
- D. Each separate water and wastewater main extension for service to and/or within a subdivision shall be subject to a separate agreement. Cabot WaterWorks Management will review plans and negotiate an agreement with the Developer that outlines requirements to connect to Cabot WaterWorks system.
- E. A summary report for Developer agreements reached will be presented to the Commission at regular Commission meetings
- F. When an agreement cannot be reached between Developer and Cabot WaterWorks' General Manager the Developer may ask to be put on the agenda at a regular or specially scheduled Commission meeting and present its issues. Commission decision will be final.
- G. The General Manager or his/her designee will communicate to the City of Cabot staff regarding Developer plans pertaining to water and wastewater issues. Adopted Oct 25th, 2006.

3.4 Submission of Subdivision Design Plans and Specifications

- A. Developers shall prepare at Developer's expense, design calculations, plans, specifications, and cost estimates for water and wastewater extensions to serve new subdivisions and/or Fire Protection systems. Plans and specifications shall be prepared in accordance with generally accepted engineering practices and submitted to Cabot Waterworks for approval prior to construction.
- B. Developers shall submit plans to Cabot Waterworks in accordance with the Arkansas Fire Prevention Code, Fire Flow requirements and Fire Hydrant locations.
- C. The Arkansas Department of Health (ADH) shall approve all construction plans and specifications for the construction of new systems or extensions, expansions or modifications of existing water and wastewater systems and Fire Protection systems PRIOR to construction.
- D. Subdivision plans shall conform to City of Cabot Development Codes. Proposed water and sewer line layout, topographic contours, and relative elevations of the various parts of the area to be developed shall be referenced to the North American Vertical Datum of 1988 (NAVD88).
- E. Developers of proposed subdivisions will be required to submit sufficient information to Cabot WaterWorks in order to prepare an engineering report as outlined in the "Recommended Standards for WasteWater Facilities", Great Lakes-Upper Mississippi River Board of State and Public Health and Environmental Managers, Section 11.13, "Impact on Existing Wastewater Facilities".
- F. Developers are required to contribute the cost of improvements to existing water or wastewater infrastructure that is required to serve a new development. Infrastructure

improvements shall include source of supply, storage, pumping facilities, wastewater lift stations, and replacement of water and wastewater distribution mains with larger diameter pipe as may be required to render adequate water, Fire protection and wastewater service to Developer's property.

- G. Cabot WaterWorks requires a minimum 45 day review of proposed subdivisions from the submission of a sketch plat to determine impacts on existing water and wastewater infrastructure and improvements needed.
- H. Cabot WaterWorks shall be the sole judge as to the design of, the time of construction and/or installation of any infrastructure improvements so that adequate water and wastewater service and fire protection is maintained to existing customers.
- I. All water & wastewater materials and installation requirements shall conform to "Cabot WaterWorks Standard Construction Specifications for Water & Wastewater Facilities". Adopted Oct 25th, 2006.

3.5 Design Requirements for Water Main Extensions

- A. Water facilities shall be designed, sized and constructed in accordance with the most current edition of "Recommended Standards for Water Works", Great Lakes-Upper Mississippi River Board of State and Public Health and Environmental Managers and the minimum requirements outlined below.
 - i). Arkansas Department of Health Rules and Regulations.
 - ii). Arkansas Plumbing Code
 - iii). Arkansas Fire Protection Code
 - a. The Arkansas Fire Prevention Code, Appendix B requires a minimum fire flow requirement of 1,000 gpm for 1 and 2-family dwellings not exceeding 3,600 square feet.
 - b. For buildings other than 1 and 2-family dwellings, fire flow requirements are specified in table B105.1 in Appendix B of the Arkansas Fire Prevention Code. The City of Cabot Fire Department will allow a reduction in fire flow requirement with an approved automatic sprinkler system though not less than 1500 gpm.
 - c. Fire hydrant locations and spacing shall be reviewed and approved by the City of Cabot Fire Department.
 - d. Fire hydrants shall be installed within 400 feet of a building measured on a fire apparatus access road.
 - e. Fire Hydrants shall be installed at street intersections and spaced 600 feet measured along centerlines of streets.
 - f. Fire hydrant spacing for Commercial, Multi-Family and Industrial developments shall be in accordance with the Arkansas Fire Prevention Code, Fire Flow Requirements, table C105.1. Water mains supplying fire hydrants in Commercial, Multi-Family and Industrial developments shall be designed for Fire Flow Requirements with a residual pressure of 20 psi during peak demand periods.
 - iv). Insurance Services Office (ISO), requirements for Needed Fire Flow (NFF)

- a. ISO provides NFF for 1 and 2-family dwellings not exceeding 2 stories in height. Water Mains shall be designed for a NFF with a residual pressure of 20 psi during peak demand periods.

<u>Distance between Buildings</u>	<u>Needed Fire Flow (NFF)</u>
More than 11'	1,000 gpm
10' or less	1,500 gpm

B. Additional Requirements for Water Facilities:

- i). The design of water distribution systems shall be based on the water demands plus fire flow requirements and minimum pipe size specified in the Codes listed above.
- ii). Cabot WaterWorks has two primary pressure planes:
 - a. Main Pressure Plane, South of Hwy89 and Hwy 67/167- Hydraulic Grade - 430'
 - b. Intermediate Plane, North of Hwy89 and Hwy 67/167- Hydraulic Grade - 590'
- iii). Water main extensions shall extend to the extreme property lines of the development.
- iv). Normal routing for water main extensions shall be in alignment with the outer 4 feet of street right-of-way or inside utility easements. Water lines shall have a minimum clearance of 3' (feet) from all other utilities, in accordance with Arkansas Department of Health rules and regulations.
- v). Water mains shall have a minimum 3' and a maximum of 4' of cover below final grade.
- vi). Dead end water mains shall be looped whenever possible. Water mains at ends of cul-de-sacs shall be looped along lot lines on dedicated easements to adjacent streets.
- vii). The minimum size for water service lines for long services defined as service line extending to the opposite side of street from the water main shall be 1.5" diameter, except on individual metered apartments. 1.5" service lines will allow for future irrigation meters. Short services are defined as service line on the same side of street as the water main. Short Services shall be a minimum of 1 inch diameter.
- viii). Water Meters (larger than ¾") shall be sized in accordance with the Arkansas Plumbing Code: "Load Values, In Water Supply Fixture Units (wsfu)". Meter sizing calculations shall be submitted to CWW for approval. Adopted Oct 25th, 2006.

3.6 Cross-Connection Control and Back-flow Prevention Program

- A. Cabot Waterworks is required by the Arkansas Department of Health to implement a cross-connection program to locate and eliminate cross-connections. The program shall include routine inspections of commercial and industrial establishments and the routine maintenance of cross-connection control devices.
- B. Cabot Waterworks shall maintain records of tests on backflow prevention devices by certified testers.
- C. The purpose of this policy is to establish an enforceable cross-connection control and backflow prevention program to preserve safe potable water and to prevent contamination of the public water system by any customer or another water system.

D. Definitions:

- i). Cross connection is any connection or structural arrangement between Cabot WaterWorks' Public water supply and any non-potable source or system through which backflow can occur. Bypass arrangements, jumper-connections, removable sections, swivel or changeover devices, and other temporary or permanent devices through which, or because of which, backflow can occur are considered cross connections.
 - ii). Backflow is defined as a flow of any foreign liquids, gases or other substances into Cabot WaterWorks' public water supply from any source.
 - a. Backflow prevention devices shall be installed meeting all requirements of the Arkansas State Plumbing Code.
 - b. A back flow prevention device shall be installed in accordance with the recommendations and specifications of the manufacturer of the device.
- E. No person or potential customer shall be provided water service until the water plumbing system has been approved as having complied with all requirements of the Plumbing Inspector and Arkansas Department of Health.
- F. No Person or customer shall be permitted to install or maintain a cross-connection to CWW water supply.
- G. An approved backflow prevention device shall be installed on each customer service line where, in the judgment of Cabot WaterWorks, City Plumbing Inspector or Arkansas Department of Health, there exist a potential of contamination to Cabot WaterWorks' public water supply.
- H. An approved backflow prevention device shall be installed on each customer service line serving premises where the conditions exist as outlined below:
- i). Premises on which any substance is found which may create an actual or potential hazard to Cabot WaterWorks' public water supply.
 - ii). Premises where, because of security requirements or other prohibitions or restrictions, it is impossible or impracticable to make a complete cross-connection survey.
 - iii). Premises where cross-connections are found after having been ordered to be disconnected.
 - iv). Premises having fire protection systems utilizing storage tanks, pumps antifreeze, an auxiliary supply of water or Siamese connections.
 - v). Premises having an irrigation system or where the outlet end of the fixture or hose may be submerged.
- I. For additional requirements see: Arkansas Plumbing Code, "Protection of Potable Water Supply" and Arkansas Department of Health Policy, "Minimum Standards for a Cross-Connection Control Program".
- i). **Responsibility of the Customer**
 - a. When the customer requests water service, the customer shall advise Cabot WaterWorks in writing as to: (1) Any alternate source of water which may be

used in the customer's facility; 2) the type of fire protection system to be utilized, if any; and 3) the type of facility or process to be utilized.

- b. The customer shall submit two copies of certified plans for fire service connections, lawn irrigation systems and other facilities requiring approved backflow prevention devices to Cabot WaterWorks and the Arkansas Department of Health for approval prior to construction.
- c. Backflow prevention devices shall be inspected and tested as required by the Arkansas Department of Health. Adopted July 20, 2006.

3.7 Fire Protection Systems

- A. Water from fire hydrants or other fire-fighting facilities shall be used only for fire-fighting purposes.
- B. The customer shall maintain all fire lines between the valve on Cabot WaterWorks water main and the customer's structure.
- C. Domestic water taps and/or irrigation taps on fire lines shall be approved by Cabot WaterWorks prior to construction.
- D. Cabot WaterWorks shall have no greater duty, with regard to fire hydrant service or private fire fighting service, than to supply only such volumes of water at such pressures as may be available in the normal operation of the WaterWorks facilities.
- E. Cabot WaterWorks shall not be considered an insurer of property or persons, or to have undertaken to extinguish fire or to protect persons or property, against loss or damage by fire or otherwise. In consideration of the level of charges for public fire hydrant service and for private fire fighting service, Cabot WaterWorks shall not be held liable because of any claim based upon a loss resulting from failure to supply water or pressure or for any other cause.
- F. The Customer shall pay all cost associated with the installation of private fire service lines, which include all costs of material, labor, equipment, supervision, engineering, legal expenses and overheads to install the private fire service lines from Cabot WaterWorks' water main to the Customers property line.
- G. The Arkansas Department of Health (ADH) shall approve plans for Fire protection systems prior to beginning installation work.
- H. Submittals must include the following elements:
 - i). Fire sprinkler flow and pressure on which the calculation is based is to be the minimum required by NFPA as defined in the latest regulation of the Arkansas Fire Protection Licensing Board.
 - ii). Documentation to the ADH is to include a listing of that minimum flow and pressure, a headloss summary, the desired and calculated sprinkler head output, and a summary of the options examined to reduce headloss.
 - iii). A utility plan showing the location of the fire main, property lines & easements.
 - iv). Material of construction of the fire main (and pressure rating if applicable).
 - v). Fire sprinkler connection details; including the following:
 - vi). Test flow information at the job site, including flow rate & static and residual pressures.
 - vii). Make, model number, size and type of assembly (DC, RP, DCDA, RPDA).

- viii). Show where the FDC line takes off from the riser.
 - ix). Provide flow calculation or certify that the flow through the backflow preventer will not exceed the max. rated flow for the unit.
 - x). Reduced pressure backflow prevention assemblies shall not be installed in the vertical position unless approved by the Foundation for Cross-Connection Control and Hydraulic Research (FCCHR)
 - xi). All Plans, Specifications and supporting documentation for extension of water, wastewater and Fire Protection systems shall be submitted to Cabot Waterworks for approval.
- I. Backflow devices shall be tested within 10 days of placing a fire sprinkler system in service and annually thereafter by Arkansas Department of Health certified personnel. A copy of the test report shall be sent to Cabot WaterWorks. Adopted September 29, 2006

3.8 Requirements for WasteWater Collection Systems and Force Mains

- A. WasteWater Facilities, (including gravity sewers and force mains) shall be sized, designed and constructed in accordance with requirements outlined below and the most current edition of “Recommended Standards for WasteWater Facilities”, Great Lakes-Upper Mississippi River Board of State and Public Health and Environmental Managers.
- B. All wastewater collection system pipe material and installation requirements shall conform to Cabot WaterWorks Standard Construction Specifications for Water & Wastewater Facilities.
- C. Water and sewer line separation shall conform to requirements of the Arkansas Department of Health.
- D. Normal routing for Wastewater main extensions shall be in alignment with the outer 4 feet of street right-of-way or inside utility easements. Wastewater Mains adjacent to Arkansas State Highways shall be located on private easement outside the Highway right-of-way.
- E. Wastewater lines shall have a minimum clearance of 3’ (feet) from all other utilities.
- F. Wastewater Force Mains shall be installed with a continuous slope to high points and discharge points to prevent air entrapment along the force main. Combination air/vacuum relief valves shall be located and approved in advance of installation.

3.9 Wastewater Gravity Collection Mains

- A. WasteWater Collection Mains shall be sized for all future tributary population to be served though not less than 8” diameter.
- B. Wastewater main extensions shall extend to the extreme property lines of the development.
- C. Manholes shall be installed at the end of each line and spaced at distances no greater than 600 feet, where approved by the Arkansas Department of Health.
- D. Manholes may be constructed of cast-in-place concrete or pre-cast concrete in accordance with “Cabot WaterWorks Standard Construction Specifications for Water and Wastewater facilities”.

3.10 Wastewater Service Connections

- A. Except as otherwise permitted below, every building, dwelling unit, commercial or industrial establishment, or other source of wastewater with plumbing fixtures (except

where these units are connected by a single common vertical stack) shall have a separate connection to Cabot WaterWorks sewer system.

- i). Exception: In certain instances where there are or could be multiple tenants or occupants of a single building (such as a strip mall) and the entire building is and shall be at all times located on a single parcel or lot and owned by a single owner, a common sewer service line may be used to connect to the sewer main. If at any time ownership of portions of the building, other than airspace, is divided between multiple owners, then, at that time, the sewer service for the building will have to be reconfigured to provide a separate sewer connection for each portion of the building owned by the different owners. In addition, in the event the single lot is ever subdivided, each lot will require separate sewer service for the respective portion of the building.
- B. Building sewer service lines connecting to Cabot WaterWorks sewer system shall be installed in accordance with the Arkansas Plumbing Code and all connections to Cabot WaterWorks sewer system shall be accomplished in accordance with Cabot WaterWorks Standard Construction Specifications. Cabot WaterWorks shall be notified prior to any connection to the Cabot WaterWorks sewer system. All building sewer service lines and connections to Cabot WaterWorks sewer system shall be inspected by CWW prior to covering or backfilling the connection.
- C. Developer shall install 4” service taps or wyes and stub-out sewer service lines to every building lot.
- D. Service stub-outs shall be capped with water tight caps. No plugs will be permitted.
- E. All service taps shall be inspected by Cabot WaterWorks before covering.
- F. The end of Service line stub-outs shall be marked with a green steel fence post with a 2 ½” PVC pipe slipped over the post with “Sewer Pipeline” stenciled on the PVC pipe in green color. Alternatively a 66” tall, green colored fiberglass marker labeled “Sewer Pipeline” maybe installed at the end of the service stub-outs. The markers shall not be disturbed during construction on the lot.

3.11 Policy for Sewage Pump Stations & Grinder Pumps

- A. Applicability and Purpose:
 - i). This policy applies to all developers, investment concerns, or individuals who wish to either contribute newly constructed or existing pump stations to or otherwise connect to existing pump stations of Cabot Waterworks (Utility). It is the intent of the Utility to encourage the installation of gravity sewer in lieu of pump stations or grinder pumps whenever possible. Although initially attractive fiscally, the costs associated with operations and maintenance (O&M) and replacement of pump station equipment and grinder pumps typically exceeds the cost of gravity sewer over a 20-year life cycle.
- B. General Requirements:
 - i). This section stipulates features, design considerations, and other requirements for utilization of pumping facilities for sanitary sewer service. Complete construction plans and specifications (including the pump curve data), prepared by a licensed engineer, and any pertinent shop drawings must be submitted to and approved by

Cabot Waterworks. All pump stations must be constructed in compliance with all provisions contained in the Cabot Waterworks Standard Construction Specifications. Use of pump stations shall only be permitted after paying the operations, maintenance, and replacement costs as determined by a Present Worth analysis using a 20-year life cycle cost in accordance with accepted engineering practice.

C. Proposed New Pump Stations

- i). An engineering report for the proposed pump station shall be prepared in accordance with “Recommended Standards for Wastewater Facilities”, CHAPTER 11 - Engineering Report or Facility Plans, including chapters for alternative selection and evaluation.
- ii). Pump stations serving two or more parcels of property must be owned and maintained by the Utility, but shall be the financial responsibility of the parties benefiting from the pump station.
- iii). Pump stations may only connect to the Utility’s sewer collection system after paying the following operation, maintenance, and replacement costs.
- iv). The operation, maintenance, and replacement costs for the station must be paid, in addition to the monthly sewer charges, by the benefiting customers, in one of two ways:
 - a. If installed by an Improvement District, an advance payment equal to the estimated operations, maintenance, and replacement costs for the estimated life of the station; or clauses will be placed in the documentation for the formation of the District to ensure payment of these costs on a regular basis and to ensure that the District continues to function as long as the pump station is in operation.
 - b. If installed by a developer, investment concern, or an individual, a maintenance district as outlined in (a) may be formed, or the developer may deposit, in advance, the estimated operation, maintenance, and replacement costs for the estimated service life of the station as determined by the Utility.
- v). Pumping stations serving more than one residence or property will be allowed only after the following conditions are met: (1) prior approval by Cabot Water and Wastewater Commission is received, (2) the pump station shall be the financial responsibility of the beneficiaries, (3) the pump station is constructed in conformance with Cabot Waterworks Standard Construction specifications and the standards contained in this policy, and (4) the pump station is under the continuous operational responsibility of the Utility.
- vi). The construction plans shall include, but not be limited to, design capacity of the station, size and type of pumps, type of pipe material, site topo with FEMA flood elevations, elevations of the bottom and top of the wet well, elevation of the influent pipe, elevations of the “level controls”, dimensions of the concrete wet well and wall thickness, size and type of material of the vent pipe with insert screen.

D. Development Utilizing Existing Pump Stations

- i). When the development of any property is such that it must utilize an existing pump station, the developer will be responsible for all costs to upgrade capacity of the existing pump station to meet the needs for the proposed development.

Cabot WaterWorks – Operating Policy

- ii). Plans and specifications for the upgrade of the pumping capacity of the station shall be prepared by a licensed professional engineer and submitted to Cabot WaterWorks for their approval. These plans and specifications shall conform to the requirements of Cabot Waterworks Standard Construction Specifications.
 - iii). When upgrading the pumping capacity of a pump station, consideration will be given to any possible future development in the immediate area. Adjacent developers may be given the opportunity to participate in the cost of the upgrade.
- E. Determination of Costs:
- i). Costs to be assessed for new pump stations and the Payment Schedules, either an Advance Payment or a Payment Schedule for a SID or Public Entity will be determined as outlined below. Operations, maintenance, and replacement (O&M + R) costs for the station must be paid in addition to the monthly sewer use fees paid by the benefiting customers.
 - ii). Advance Payment
 - a. This method requires developers, investment concerns, or individuals to deposit with Cabot Waterworks an advance, lump sum payment of costs equal to 20 years of O&M + R for the pump station(s) installed. Advance payment will be determined using actual costs for pump stations within the Utility's collection system of comparable size based on GPM and TDH. Replacement costs, based on cost information supplied by the design engineer and verified by Cabot Waterworks, will be determined using calculations in Exhibit A of all pump station equipment, excluding the wet well.
 - iii). Payment Schedule for SID or Public Entity
 - a. An Improvement District must be formed, and clauses placed in the documentation for the formation of the District to ensure: (a) payment of these O&M + R costs on a regular basis, and (b) the District continues to function for as long as the pump station remains in operation. Exhibit A, paragraph V.
 - b. In the event an established, previously non-sewered development desires to connect to the Utility collection system and a pump station(s) is/are necessary, the Commission, at their discretion, may allow payment of the actual O&M + R costs on a regular payment method for as long as the pump station remains in operation in lieu of payment as described in paragraph (1) above.
- F. Operations and Maintenance (O&M) + R costs are comprised of the following elements:
- i). Vehicle and labor costs to perform pump station inspections and maintenance.
 - ii). Vehicle and labor cost of qualified technicians for repairs to pumps, motors, electrical equipment generators and piping.
 - iii). Electrical and Fuel operating costs for pumps, generators and related equipment.
 - iv). Utility Replacement costs (R) for pumps, motors, electrical equipment and piping.
- G. Calculation of O&M + R Costs or Pump Stations
- i). Annual O&M Costs (O&M) (\$/yr.) are determined by averaging the 3 most recent full years' data of comparable stations (based on GPM and TDH).

Cabot WaterWorks – Operating Policy

- ii). GPM = design capacity of pump station in gallons per minute.
 - iii). TDH = Total Dynamic Head, design operating discharge pressure.
 - iv). (R) = Replacement COST, Based on actual cost of pumps and related equipment (mechanical and electrical items).
- H. INFLATION FOR FUTURE YEARS [(O&M) + R]
- i). All annual O&M costs will be escalated each year into the future to accommodate inflation based on historical averages. The inflation rate may vary depending on the specific O&M components, labor, parts, power, and generator fuel.
- I. ADVANCE PAYMENT OF PUMP STATION FEE - [(O&M) + R]
- i). A table of annual O&M + R costs shall be prepared with annual inflation rates.
 - ii). A Present worth calculation shall be performed using the current 1 year Certificate of Deposit (CD) yield rate for local Banks. See attached tables for computations.
- J. PAYMENT SCHEDULE for SEWER IMPROVEMENT DISTRICT OR PUBLIC ENTITY
- i). Annual Payment schedules will be for 20-year payment period with the first payment due on or before date of acceptance of facilities and remaining payments due annually on the anniversary of first payment.
 - ii). Annual payment amount will be calculated using the current 1 year CD yield rate for local banks.
 - iii). Arrangements for payment schedule must be made by separate agreement with the Utility

Adopted by Cabot Water & Wastewater Commission, June 26, 2014.

Cabot WaterWorks – Operating Policy

Sewer Pump Station O&M + R requirements							
EXAMPLE of 20 Year O&M + R					Totals	Present Worth P/F @ 3.0%	Annual Payment A/P @ 3.0%
Year	Pump O&M (2 Pumps) (inflate 4%/yr)	Power (inflate 5%/yr)	Pump Replacement (every 7 years) (Current Pump cost) + (inflate 3%/yr.)	Stand-by Generator O&M (inflate 3%/yr)			
1	\$ 739	\$ 1,200			\$ 1,939	\$ 1,883	\$ 4,456
2	\$ 769	\$ 1,260		\$ -	\$ 2,029	\$ 1,912	\$ 4,456
3	\$ 799	\$ 1,323		\$ -	\$ 2,122	\$ 1,942	\$ 4,456
4	\$ 831	\$ 1,389		\$ -	\$ 2,221	\$ 1,973	\$ 4,456
5	\$ 865	\$ 1,459		\$ -	\$ 2,323	\$ 2,004	\$ 4,456
6	\$ 899	\$ 1,532		\$ -	\$ 2,431	\$ 2,036	\$ 4,456
7	\$ 935	\$ 1,608	\$ 13,775	\$ -	\$ 16,318	\$ 13,268	\$ 4,456
8	\$ 973	\$ 1,689		\$ -	\$ 2,661	\$ 2,101	\$ 4,456
9	\$ 1,012	\$ 1,773		\$ -	\$ 2,784	\$ 2,134	\$ 4,456
10	\$ 1,052	\$ 1,862		\$ -	\$ 2,914	\$ 2,168	\$ 4,456
11	\$ 1,094	\$ 1,955		\$ -	\$ 3,049	\$ 2,202	\$ 4,456
12	\$ 1,138	\$ 2,052		\$ -	\$ 3,190	\$ 2,238	\$ 4,456
13	\$ 1,183	\$ 2,155		\$ -	\$ 3,338	\$ 2,273	\$ 4,456
14	\$ 1,231	\$ 2,263	\$ 16,941	\$ -	\$ 20,434	\$ 13,510	\$ 4,456
15	\$ 1,280	\$ 2,376		\$ -	\$ 3,656	\$ 2,347	\$ 4,456
16	\$ 1,331	\$ 2,495		\$ -	\$ 3,826	\$ 2,384	\$ 4,456
17	\$ 1,384	\$ 2,619		\$ -	\$ 4,004	\$ 2,422	\$ 4,456
18	\$ 1,440	\$ 2,750		\$ -	\$ 4,190	\$ 2,461	\$ 4,456
19	\$ 1,497	\$ 2,888		\$ -	\$ 4,385	\$ 2,501	\$ 4,456
20	\$ 1,557	\$ 3,032		\$ -	\$ 4,590	\$ 2,541	\$ 4,456
	\$ 22,009	\$ 39,679	\$ 30,716	\$ -	\$ 92,404	\$ 66,300	
Total Advance Payment for Sewer Pump Station (O&M + R)						\$ 66,300	
Annual Payment for Improvement District						\$ 4,456	

Cabot WaterWorks – Operating Policy

Residential Grinder Pump Station (O&M + R) Calculations							
(Not applicable to subdivisions built prior to June 2014 and constructed solely for Grinder Pumps)							
Year	Pump O&M (1 Pump) (inflate 4%/yr.)	Customer Pays Power Cost	Pump Replacement (every 7 years) (Current Pump cost) + (inflate 3%/yr.)	Stand-by Generator O&M (inflate 3%/yr.)	Totals	Present Worth P/F @ 1.0%	Annual Payment A/P @ 1.0%
1					\$ -	\$ -	\$ 375
2	\$ 65			\$ -	\$ 65	\$ 64	\$ 375
3	\$ 68			\$ -	\$ 68	\$ 66	\$ 375
4	\$ 70			\$ -	\$ 70	\$ 68	\$ 375
5	\$ 73			\$ -	\$ 73	\$ 70	\$ 375
6	\$ 76			\$ -	\$ 76	\$ 72	\$ 375
7	\$ 79		\$ 2,583	\$ -	\$ 2,662	\$ 2,483	\$ 375
8	\$ 82			\$ -	\$ 82	\$ 76	\$ 375
9	\$ 86			\$ -	\$ 86	\$ 78	\$ 375
10	\$ 89			\$ -	\$ 89	\$ 81	\$ 375
11	\$ 93			\$ -	\$ 93	\$ 83	\$ 375
12	\$ 96			\$ -	\$ 96	\$ 85	\$ 375
13	\$ 100			\$ -	\$ 100	\$ 88	\$ 375
14	\$ 104		\$ 3,176	\$ -	\$ 3,281	\$ 2,854	\$ 375
15	\$ 108			\$ -	\$ 108	\$ 93	\$ 375
16	\$ 113			\$ -	\$ 113	\$ 96	\$ 375
17	\$ 117			\$ -	\$ 117	\$ 99	\$ 375
18	\$ 122			\$ -	\$ 122	\$ 102	\$ 375
19	\$ 127			\$ -	\$ 127	\$ 105	\$ 375
20	\$ 132			\$ -	\$ 132	\$ 108	\$ 375
		\$ -	\$ 5,759	\$ -	\$ 7,558	\$ 6,768	
Total Advance Payment for Individual Grinder Pump Station (O&M + R)						\$ 6,768	
Annual Payment for Improvement District						\$ 375	

3.12 Low Pressure Grinder Pump Systems

- A. Grinder pumps shall be E/ONE Series 1010, positive displacement pumps rated for 14gpm @ 0’ TDH and 9gpm @ 138’ TDH and shall consist of:

E/ONE Grinder Pump MODEL 1010
 30 x 74” HDPE Basin with Stainless Steel Band Clamp
 Model SENTRY Simplex Alarm Panel
 32’ of Power Cable with EQD
 Redundant Check Valve

- B. Customers are required to purchase Grinder Pumps from a Cabot WaterWorks’ approved vendor, contact CWW for current vendor.
- C. Grinder pump Force Mains (FM) shall be sized to maintain flow between 2 and 3fps velocity based on the number of pumps operating simultaneously, see table below.

Number of Grinder Pumps in system	Pumps Operating Simultaneously	Nominal Pipe Dia. (in.)	Flow (gpm)	ASTM 2021 (SDR 21)			H/L (ft/100ft.)	Velocity (fps)
				Outside Dia.	Wall Thickness	Inside Dia.		
1	1	1 1/4	11	1.660	0.079	1.5	1.74	2.0
4–9	3	2 1/2	33	2.875	0.113	2.6	0.84	1.9
10–18	4	2 1/2	44	2.875	0.137	2.6	1.57	2.7
31–50	6	3	66	3.500	0.167	3.2	1.28	2.7
51–80	7	3	77	3.500	0.167	3.2	1.70	3.1
81–113	8	4	88	4.500	0.214	4.1	0.64	2.2
114–146	9	4	99	4.500	0.214	4.1	0.80	2.4
147–179	10	4	110	4.500	0.214	4.1	0.97	2.7
180–212	11	4	121	4.500	0.214	4.1	1.15	3.0
213–245	12	5	132	5.563	0.265	5.0	0.48	2.1
246–278	13	5	143	5.563	0.265	5.0	0.56	2.3
279–311	14	5	154	5.563	0.265	5.0	0.64	2.5
Greater than 311	4% of total							

- D. Grinder Pump Service Lines shall have individual shut off valves and check valves located at the property line to each Building lot. Shut-off valves shall be installed 1’ below final grade.
- E. Low pressure sewer system valve boxes shall be constructed with 18” Diameter SDR35 PVC pipe with a cast iron lid. The Cast Iron lid shall have “Sewer” cast into the lid with raised letters. The Cast Iron lid shall have a inner ring on the bottom that will fit the inside diameter of a SDR35 PVC pipe. The SDR-35 pipe shall extend above grade 2’ until completion of all construction and final grading on each lot. Adopted Oct 25th, 2006.

3.13 Developer Reimbursement Policy

- A. Purpose: This policy is intended to ensure adequate water and sewer infrastructure to serve new customers in the growth corridors of the Cabot WaterWorks service area. In most instances, developers of new areas are simply required to install the new water and sewer infrastructure at their expense, connect the new infrastructure to existing Cabot WaterWorks facilities, and donate the new infrastructure to Cabot WaterWorks in exchange for service by Cabot WaterWorks in accordance with the Cabot WaterWorks Developer Policy. In limited instances, however, Cabot WaterWorks recognizes that the entire cost of the new infrastructure should not be borne by the developer and in these limited instances part of the costs of the infrastructure should be paid by future customers of Cabot WaterWorks connecting to the infrastructure previously installed by a developer. This policy is to be used in conjunction with the Cabot WaterWorks Developer Policy and the Developer Reimbursement Agreement attached hereto as Schedule 1.
- B. Developer Reimbursement: In certain instances a developer will install infrastructure that will benefit third parties. In most instances this will occur in either of two ways (or both). In some instances the area of new development is not adjacent to existing Cabot WaterWorks infrastructure. As a result, a developer will be required to run new water and sewer lines from the existing infrastructure across areas not currently served by Cabot WaterWorks to the area of new development. In other instances, a developer may be required to install new infrastructure or upgrade the existing infrastructure to enable the developer to obtain sufficient sewer or water capacity and/or pressure for the uses planned in the geographic area controlled by the developer and in the surrounding geographic areas not controlled by the developer. In such instances, for a period of ten (10) years after acceptance of such improvements from the developer, Cabot WaterWorks will charge a “Developer Reimbursement Fee” to each new customer connecting to the improvements installed by the developer and will submit all Developer Reimbursement Fees collected by Cabot WaterWorks to the developer in accordance with the Developer Reimbursement Agreement.
- C. Geographic Area & Amount of Developer Reimbursement Fee: The geographic area to be assessed the Developer Reimbursement Fee and the amount of the Developer Reimbursement Fee will be determined by the Cabot WaterWorks Commission. In making a determination of the dollar amount of the Developer Reimbursement Fee and the geographic area upon which the Developer Reimbursement Fee is to be imposed, the Commission may consider the recommendation of the Developer and the extent of benefits to existing customers and future customers.
- D. Required Payment of Developer Reimbursement Fee: All new customers applying for water or sewer service within the geographic area to which a Development Reimbursement Fee applies shall not receive water or sewer service until they have paid the applicable Developer Reimbursement Fee in full.
- i). No Guarantee of Collection: In no instance will Cabot WaterWorks guarantee the collection of a minimum amount of Developer Reimbursement Fees.
 - ii). Limitation on Collection of Developer Reimbursement Fees: In no event will a developer be entitled to collect Developer Reimbursement Fees in excess of that portion of the initial costs of the infrastructure installed by the developer to which the Developer Reimbursement Fee applies. Adopted December 14, 2006.

Developer Reimbursement Agreement

Project Name: _____ Developer: _____

Engineer: _____

This Agreement is made this ___ day of _____, ____, between the Cabot Water and Wastewater Board of Commissioners (CWW) and Developer as named above.

1. A plat of the Project, with a complete drawing and legal description of the “Geographic Area” to be served by the Project, prepared by Engineer (as named above) and dated _____, is attached hereto as Exhibit A and incorporated in this Agreement by this reference.

2. CWW and Developer have entered into a Cabot WaterWorks Developer Agreement For Water and Wastewater Facilities (“Developer Agreement”). Developer agrees to furnish all labor and materials for completion of the Project in accordance with the Developer Agreement.

3. CWW will, in accordance with its Operating Policies then in effect, under current rules, and except as otherwise provided in paragraph 4 hereof, levy the amount of the Developer Reimbursement Fee upon new CWW customers or developers who tie-in, tap, extend, or connect to the infrastructure capital improvements contemplated by the Project (the “Improvements”) and assess the amount of the Developer Reimbursement Fee upon any property directly served by the Improvements within the Geographic Area.

4. CWW will not collect Developer Reimbursement Fees for connections to the Improvements to serve any land owned by Developer as of the date of this Agreement provided such land is distinctly marked on the Plat referenced in paragraph 1 hereof and the legal description of such land is excepted from the legal description of the Geographic Area.

5. With regard to Improvements for water, CWW and Developer agree that the Developer Reimbursement Fee for a single connection to the Improvements which will serve a single meter shall be equal to \$ _____ per 5/8” or 3/4” meter installed, payable upon installation

of the meter, with appropriate adjustments being made in accordance with American Water Works Association standards for larger meters. For a connection to the Improvements which will serve multiple meters, the Development Reimbursement Fee shall be calculated at the same rate provided for in the previous sentence for each meter reasonably anticipated to be connected in the foreseeable future, payable upon the initial connection to the Improvements.

6. With regard to Improvements for sewer, CWW and Developer agree that the Developer Reimbursement Fee for sewer connections shall be equal to \$_____, based on a 5/8” or 3/4” water meter serving the property, payable as if such fee was a connection for water service, with appropriate adjustments being made in accordance with American Water Works Association Standards for larger water meter connections.

7. In no event shall CWW be liable to Developer for illegal or unauthorized connections made to the Improvements.

8. Prior to the end of the first quarter of each calendar year, CWW will prepare for Developer a statement showing the number of new tie-ins, taps, extensions, or connections for which Developer Reimbursement Fees have been collected during the previous year and the amount of such collections. CWW shall mail such statement and a check for payment of all Developer Reimbursement Fees collected by CWW due Developer, without interest, no later than the 15th day of April of each year.

9. CWW will remit such Developer Reimbursement Fees to Developer for a period not to exceed the longer of ten (10) years after the date of this Agreement or until Developer has recovered an amount equal to \$_____, whichever occurs first. CWW shall only be responsible for payment of Developer Reimbursement Fees actually paid to and collected by CWW; CWW does not assume risk of collection.

10. CWW reserves the right to add additional Developer Reimbursement Fees within the Geographic Area if needed, but Developer agrees that Developer will not participate in the additional Developer Reimbursement Fees unless CWW and Developer enter into another Developer Reimbursement Agreement for such fees.

11. The parties agree that in the event any term or provision of this Agreement shall be held to be invalid, illegal or unenforceable, all other terms and provisions of this Agreement shall remain in full force and effect, and this Agreement shall be construed as if not containing the particular provision or provisions held to be invalid. Notwithstanding anything contained in the previous sentence, this Agreement shall be null and void and CWW shall not be liable for the collection or payment of any Developer Reimbursement Fees in the event such charges are declared to be unlawful by a court of competent jurisdiction, the State of Arkansas, or the Cabot City Council. Moreover, in the event CWW is required to repay or disgorge any Developer Reimbursement Fees previously collected by it and paid to Developer, Developer agrees to return those funds, with interest if CWW is required to pay interest on such funds.

12. Developer may not assign its rights under this Agreement except with the express written consent of CWW, which shall not be unreasonably withheld, except CWW may withhold its consent to assign Developer's rights under this Agreement to a current or future creditor of Developer for any reason in CWW's sole and absolute discretion.

13. CWW reserves the right to waive, in its sole and absolute discretion, the imposition or collection of Developer Reimbursement Fees on 5/8" and 3/4" connections to serve single family residential customers [who resided at the address to be served prior to installation of the Improvements], provided such new customer constitutes a "low-income household." A low-income household is defined as a domestic/residential customer whose total income for all persons living within the household falls within the guidelines established by the U.S. Department of

Housing and Urban Development for its Community Development Block Grant Program, as amended from time to time. Cabot WaterWorks reserves the right to require such information, affidavits, or reports as it deems necessary (including copies of federal or state income tax returns) for determination of eligibility for assistance as a low-income household. CWW's determination that a customer constitutes a low-income household shall be final and Developer shall have no right to challenge or otherwise question such decision.

14. Except as otherwise provided herein, the parties shall not amend, modify or waive any provision of this Agreement without written consent of both parties hereto. This amendment may not be orally modified or amended.

15. This Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which constitute one and the same instrument.

16. Except as otherwise provided herein, this Agreement embodies the entire agreement and understanding of the parties hereto relating to the subject matter thereof and supersedes all prior agreements, understandings, representations and discussions. Notwithstanding anything contained herein, this Agreement does not alter, amend or supersede any Developer Agreement entered into between CWW and Developer.

17. This Agreement shall be construed and interpreted in accordance with the laws of the State of Arkansas.

18. Nothing contained in this Agreement shall constitute CWW as a joint venture, partner or agent of Developer, or render CWW liable for any debts, obligations, acts, omissions, representations, or contracts of Developer.

19. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than CWW and Developer, any right, remedy or

Cabot WaterWorks – Operating Policy

claim under or by reason hereof, and any covenants, stipulations, obligations, promises and agreements in this Agreement shall be for the sole and exclusive benefit of CWW and Developer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date referred to in the opening paragraph.

BOARD OF COMMISSIONERS

Attest:

CABOT WATERWORKS

Secretary

Chair

DEVELOPER

Authorized Representative

3.14 Developer Project Participation Policy

- A. Purpose. In certain limited instances, Cabot WaterWorks may require a developer to “upsized” certain improvements and Cabot WaterWorks will agree to participate in the costs of such upsizing by either paying the direct costs associated with the upsizing to the developer when the work is completed or by crediting such amount to any Capital Improvement Charges or other fees due by developer to Cabot WaterWorks. Developer should realize that in most instances Cabot WaterWorks will require the developer to install the upsized mains and other infrastructure and then developer will recover the additional costs by utilization of the Developer Reimbursement Policy. But, in limited instances, when Cabot WaterWorks has the available funds and the upsizing is consistent with Cabot WaterWorks’ planned capital investment program, Cabot WaterWorks may participate in such expenses. In the event Cabot WaterWorks agrees to participate in any infrastructure project, developer and Cabot WaterWorks will enter into a Participation Agreement, the form of which is attached hereto as Schedule 1.
- B. Credit for Capital Improvement Charges. Cabot WaterWorks, in its discretion, may offset any amounts due by it pursuant to a Participation Agreement with amounts due by the developer or future customers to be served by the area under development by the developer pursuant to any Capital Improvement Charge assessed against the area pursuant to the Capital Improvement Charge Policy. Adopted December 14, 2006

Participation Agreement

Project Name: _____ Developer: _____

Engineer: _____

This Agreement is made this ___ day of _____, ____, between the Cabot Water and Wastewater Board of Commissioners (CWW) and Developer as named above.

- 1. A plat of the Project prepared by Engineer (as named above) and dated _____ is attached hereto as Exhibit A and incorporated in this Agreement by this reference.
- 2. CWW and Developer have entered into a Cabot WaterWorks Developer Agreement For Water and Wastewater Facilities (“Developer Agreement). Developer agrees to furnish all labor and materials for completion of the Project in accordance with the Developer Agreement.
- 3. Attached hereto as Exhibit B, and incorporated in this Agreement by this reference, is a list of the additional improvements CWW has agreed to participate in the cost of completing (collectively, the “Improvements”) and the estimated cost of each of the Improvements.

4. Upon completion of the Improvements, and Developer's full compliance with the terms and conditions of the Developer Agreement, Developer shall submit a detailed accounting of the cost of the Improvements, complete with all documentation necessary for verification of such detailed accounting by CWW (collectively, the "Final Statement"). Within thirty (30) days of the receipt of the Final Statement, CWW will either (i) pay to Developer an amount equal to \$ _____, or ___ percent of the costs of the Improvements as shown on the Final Statement, whichever is less; or (ii) return the Final Statement to Developer with an explanation of the necessary information required by CWW to payment. If CWW does not pay on the Final Statement as submitted, Developer may resubmit the Final Statement, with the additional documentation requested by CWW, at any time, and such resubmitted Final Statement shall be considered by CWW as if it was the initial submission.

5. Developer may not assign its rights under this Agreement except with the express written consent of CWW, which shall not be unreasonably withheld, except CWW may withhold its consent to assign Developer's rights under this Agreement to a current or future creditor of Developer for any reason in CWW's sole and absolute discretion.

6. The parties agree that in the event any term or provision of this Agreement shall be held to be invalid, illegal or unenforceable, all other terms and provisions of this Agreement shall remain in full force and effect, and this Agreement shall be construed as if not containing the particular provision or provisions held to be invalid.

7. Except as otherwise provided herein, the parties shall not amend, modify or waive any provision of this Agreement without written consent of both parties hereto. This amendment may not be orally modified or amended.

8. This Agreement may be executed in multiple counterparts, each of which shall be considered an original and all of which constitute one and the same instrument.

Cabot WaterWorks – Operating Policy

9. This Agreement embodies the entire agreement and understanding of the parties hereto relating to the subject matter hereof and supersedes all prior agreements, understandings, representations and discussions. This Agreement shall have no effect on any other contract between the parties unless such contract is specifically referred to and amended by this Agreement.

10. This Agreement shall be construed and interpreted in accordance with the laws of the State of Arkansas.

11. Nothing contained in this Agreement shall constitute CWW as a joint venturer, partner or agent of Developer, or render CWW liable for any debts, obligations, acts, omissions, representations, or contracts of Developer.

12. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than CWW and Developer, any right, remedy or claim under or by reason hereof, and any covenants, stipulations, obligations, promises and agreements in this Agreement shall be for the sole and exclusive benefit of CWW and Developer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date referred to in the opening paragraph.

BOARD OF COMMISSIONERS
CABOT WATERWORKS

Attest:

Secretary

Chair

DEVELOPER

Authorized Representative

3.15 Capital Improvement Charge Policy

- A. **Purpose.** In limited circumstances, Cabot WaterWorks will agree to make certain capital improvements to its water or sewer transmissions systems and Cabot WaterWorks may charge all customers benefiting from such improvements a Capital Improvement Charge (“CIC”).
- B. **Implementation.** At times, real estate developers, improvement districts, property owners, or customers (“Beneficiaries”) may request Cabot WaterWorks to invest in certain capital improvements, or Cabot WaterWorks may make such improvements on its own initiative (collectively, “Requested Capital Improvements”), including but not limited to pumping stations, water storage tanks, sewer and water mains or other improvements. In most instances the Requested Capital Improvements will be necessary to enable Beneficiaries to obtain sufficient sewer or water capacity and/or pressure for the uses planned in the geographic area to be served by the Requested Capital Improvements. If Cabot WaterWorks makes the Requested Capital Improvements at its expense, Cabot WaterWorks may assess Capital Improvement Charges in the geographic area served by the Requested Capital Improvements. The geographic area to be assessed Capital Improvement Charges will be determined by the Cabot WaterWorks Commission. In making a determination of the dollar amount of the Capital Improvement Charges and the geographic area served by the Requested Capital Improvements, the Commission may consider the recommendation of the Beneficiaries, the potential economic impact of the Requested Capital Improvements, and the extent of benefits to existing customers and future customers.
- C. **Approval.** All CICs initially imposed after the date of the adoption of this policy must be approved by the Board of Commissioners of the Cabot WaterWorks and the Cabot City Council.
- D. **Segregation of Funds.** In the event Cabot WaterWorks begins the collection of any Capital Improvement Charge prior to incurring costs for such project, Cabot WaterWorks will establish a separate book-entry account for each Requested Capital Improvements project and the monies collected pursuant to the applicable Capital Improvement Charges shall be allocated to the appropriate Requested Capital Improvements account. The funds in each account shall only be used to pay costs associated with the appropriate Requested Capital Improvements. Interest earned on monies allocated to each account shall be considered funds of the account and shall be used solely for the appropriate improvements. Cabot WaterWorks shall establish adequate financial and accounting controls to ensure that the funds disbursed from the account are utilized solely for the purposes authorized. Adopted December 14, 2006.