



**DEVELOPMENT AGREEMENT**

**This Development Agreement** is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between CLEVELAND UTILITIES AUTHORITY (hereinafter “Cleveland Utilities”), and \_\_\_\_\_ (hereinafter “Developer”), whose office and principal place of business is at \_\_\_\_\_ (address).

**WITNESSETH**

**WHEREAS**, Developer desires to establish a development within the boundary service area of Cleveland Utilities, to be known as \_\_\_\_\_, located at \_\_\_\_\_ (hereafter “the development”), and

**WHEREAS**, the parties hereto recognize that a development agreement setting forth the responsibilities of the parties hereto is needed for several reasons, which include, but are not limited to:

- (1) The development needs to receive water and/or wastewater service from Cleveland Utilities, and
- (2) in order to insure that the water and/or wastewater system(s) installed within the development function satisfactorily, and
- (3) in order to insure that the water and/or wastewater system(s) installed within the development may be fully integrated into the Cleveland Utilities system, and
- (4) in order to insure that the developer understands the developer’s responsibilities in connection with the water and/or wastewater system(s) installed within the development.

**THEREFORE**, parties hereby agree:

**Article 1 – System Design**

Plans must be designed and stamped by an engineer licensed in the State of Tennessee. All designs must be in compliance with Cleveland Utilities’ standard specifications and the rules and regulations of the State of Tennessee Department of Environment and Conservation (TDEC). Cleveland Utilities shall designate connection points to the existing water and/or wastewater lines that will interface with the development. All cost of design shall be borne by the developer unless otherwise agreed in a written supplemental agreement.

Cleveland Utilities has been granted the authority to approve drinking water plans and wastewater plans with certain conditions. With this delegated authority, Cleveland Utilities can provide “TDEC Approval” for most development projects. For construction drawings that include water booster pump station or wastewater lift stations, those drawings must be submitted directly to TDEC for TDEC review and approval of the construction drawings. Prior to



submittal to TDEC, Cleveland Utilities will review, approve, and sign the drawings per TDEC requirements.

#### *Developments Requiring Wastewater Lift Stations*

Plans and specifications for wastewater lift stations will be designed by an engineering consultant selected by Cleveland Utilities. Cleveland Utilities will pay for the design of the pump station. Cleveland Utilities will also publicly advertise and bid the pump station construction and subsequently hire the qualified contractor. The Developer will be charged the construction cost unless otherwise agreed.

#### *Developments Requiring Water Booster Pump Stations*

Plans and specifications for water booster pump stations can be designed by the Developer's engineering design consultant. To standardize pump stations across the Cleveland Utilities system, Cleveland Utilities can provide design criteria and example projects. Cleveland Utilities desires for all customers to receive 50 psi at the meter with a minimum of 40 psi. If areas in the development are at such elevation that a minimum of 40 psi cannot be maintained, then a booster pump station for the development will be required. If Cleveland Utilities constructs (or hires for the construction) of the water booster pump station, the Developer will be charged the construction cost unless otherwise agreed.

### Article 2 – Plans Review

Two (2) sets of plans along with the basis of design calculations shall be submitted for initial review. For final approval, submit electronic (pdf format) copies.

### Fee Schedule for Development

Plans for water and wastewater systems must be submitted to Cleveland Utilities for review and approval. The developer shall pay to Cleveland Utilities a plans review fee equal to the fee charged by the Tennessee Department of Environment and Conservation for plan review. Plans will not be reviewed by Cleveland Utilities until this fee has been paid in full by the developer.

### Article 3 – Review of Materials

Prior to the commencement of construction, the Developer shall submit to Cleveland Utilities, for review and approval, electronic copies of shop drawings (i.e. engineering data, operations and maintenance data, etc.) for all materials to be used in the construction of the water and/or wastewater systems.

Each submittal must be noted as reviewed by the Developer. Cleveland Utilities will return electronic copies of the reviewed materials to the developer noted as "Approved" or "Approved



as Noted.” All unacceptable submittals will be noted as “Not Approved” and these submittals must be revised and resubmitted to Cleveland Utilities prior to the beginning of any construction.

Cleveland Utilities will not provide inspection or accept any work until all materials submittals have been approved by Cleveland Utilities.

#### Article 4 – Contractor Approval

The Developer must contract with a contractor approved by Cleveland Utilities. A list of approved contractors is available from Water Division Engineering. The Contractor chosen by the developer is the agent of the developer, and the developer shall be responsible for all of the work performed by its contractor.

#### Article 5 – Construction

Construction shall not occur until plans and materials have been approved by Cleveland Utilities. Developer must notify Water Division Engineering prior to start of construction. All easements must be secured prior to the start of construction. Water Division Engineering shall provide inspection of all work as deemed necessary. Developer’s contractor shall coordinate all work with the inspector. All construction must be in compliance with Cleveland Utilities’ standard specifications and the rules and regulations of the State of Tennessee Department of Environment and Conservation.

Cleveland Utilities shall notify the contractor and/or design engineer of any construction which does not conform to the approved plans and specifications. Cleveland Utilities may issue a stop work order until any discrepancies are resolved. Cleveland Utilities shall have the final authority on the resolution of any discrepancies.

All applicants for water meters must also pay the prevailing water and sewer access fee based on size of water meter service requested.

All cost of construction must be borne by the developer.

#### **Pre-Stubs For Water Services to Lots**

All lots within a subdivision will be “pre-stubbed” with a water main tap, service line and meter box and lid for each lot prior to paving in the subdivision. The “pre-stub” location will be selected by CU-Engineering staff. The pre-stubbed lots will include both “long-sides” (where the water main is on the opposite side of the road from the lots) and “short-sides”.

#### *Construction of Pre-Stubs*

Installation of the water service line (including tapping the main, service line material, and meter box and lid) will be performed by Cleveland Utilities or CU-hired contractor. Often, the construction contractor installing the mains for the developer will be hired directly by Cleveland Utilities for the construction of the service line pre-stubs.



Materials (corporation stops, service line material (PEX), wyes, meter boxes, angle valves, etc.) for the water main service lines will be provided by Cleveland Utilities. The materials will be placed on pallets available for pickup at Cleveland Utilities’ Water Division offices. Materials will not be released until payment for pre-stubs is received from the Developer.

Fees for Pre-Stubs

The developer agrees to pay the prevailing cost for the pre-stub for each lot in the subdivision (long side and short side) in accordance with the Cleveland Utilities – Water & Sewer, Access Fees & Service Charges adopted in the annual budget and in accordance with the table below.

<b>Pre-Stubbed Water Service Line Per Lot</b>	
7-1-2024 to 6-30-2025 (FY2025)	\$250/lot
7-1-2025 to 6-30-2026 (FY2026)	\$375/lot
7-1-2026 to 6-30-2027 (FY2027)	\$500/lot <sup>1</sup>
<sup>1</sup> Updated annually for future years per CU approved budget.	

**Sewer Service Stubs to All Lots**

All lots will be pre-stubbed for sewer service by the developer’s contractor during construction. The cost of pre-stubbing will be borne by the developer.

Article 6 – Final Acceptance

Upon completion of the construction of any water or wastewater system, the water and sewer infrastructure must be tested per the Cleveland Utilities standard specifications.

Water - Upon completion of the disinfection process, Cleveland Utilities personnel shall obtain samples from the new system for the purpose of testing for the presence of bacteria. Two (2) consecutive days of acceptable samples must be obtained prior to connection of any water customer.

Wastewater - Upon completion of installation of the wastewater collection system the lines shall be flushed, mandrelled and pressure tested in accordance with CU's specifications. Upon successful completion of the activities CU will televise the sewer mains. The contractor and/or developer will be notified of any deficiencies and repairs will be made by the contractor. Cleveland Utilities will re-televise the lines once the repairs have been completed one additional time. If additional repairs are still necessary, the contractors will complete specified repairs and the lines will be re-televised at a time and materials cost to the developer.

Article 7 – System Warranty



Upon satisfactory completion of all required items, Cleveland Utilities will assume responsibility for the operation and maintenance of the system(s). However, the developer's contractor shall be responsible for correction of all defects in material and workmanship including the restoration of properties for a period of one (1) year. Cleveland Utilities shall furnish developer and contractor with a letter documenting the beginning and ending date of this warranty.

If the developer's contractor is unable or unwilling to correct defects during the warranty period, the developer shall assume responsibility. Developer shall be responsible, for a period of one year, for the relocation or restoration of any water meter or the relocation, raising or lowering of any fire hydrant or manhole due to revisions in lot layout from the approved plans or construction of any roads, driveways, or other utilities. The work must be performed by a contractor approved by Cleveland Utilities and within the time specified by Cleveland Utilities. If this work is not performed within the period of time specified by Cleveland Utilities, the work will be performed by Cleveland Utilities and the developer will be billed for time and materials. Developer shall pay Cleveland Utilities within 15 days of the date of the bill. If developer fails to do so, Cleveland Utilities shall then have the right to place the bill in the hands of an attorney for collection, and the developer shall pay to Cleveland Utilities, in addition to the amount of the bill, all attorney's fees and expenses incurred by Cleveland Utilities, along with any other costs or expenses incurred by Cleveland Utilities in collecting the bill, including, but not limited to court costs or any other litigation expenses.

Cleveland Utilities shall perform an 11 month inspection of the water or wastewater system.

#### Article 8 – Final Plat & Utility Easements

Water and wastewater lines shall be depicted on both rights-of-way and within utility easements for the project. The final plat recorded with the Bradley County Register of Deeds office shall contain the following statement:

“A fifteen (15') foot utility easement exists seven and one-half feet (7 ½') either side of all installed water and wastewater lines.”

For “off-site” utility easements, not within the platted development whereby easements are shown, the Developer shall furnish an exhibit map and legal description prepared by a TN- licensed registered land surveyor (RLS) or engineering firm to Cleveland Utilities for use in preparing and recording a utility easement document.

#### Article 9 – Record Drawings

The developer's contractor shall maintain accurate record documents related to furnishing and installation of equipment, materials, and products at the site of the project during the course of the work.

One set of approved project plans shall be stored in a file in a location satisfactory to Cleveland Utilities and shall be available at all times to Cleveland Utilities. The plans shall be maintained

in a clean, dry, legible condition and shall not be used for construction purposes. One (1) set of approved plans shall be used for Project Record Drawings.

The developer's contractor shall label one (1) set of drawings "Project Record" in one-inch high letters. Record documents shall be kept current and work shall not be permanently concealed until the required information has been recorded.

- A. Contract Drawings: The developer's contractor shall legibly mark to record the actual construction on the project record set of prints of the Contract Drawings, the following:
1. Any and all changes or revisions to the original drawings for both water and sewer.
  2. Plan view and profile of the sewers and any revisions.
  3. Location of all tees or wyes as measured from the nearest downstream manhole.
  4. Location of all valves and blowoffs shall be located by measurement from two separate, easily identifiable, stationary points. These points shall be manholes, power poles, electric vaults, telephone pedestals, buildings, or any other permanent type items which are not subject to change in size, shape, or location. Property pins may be used if no other reference point is available.
  5. Length of the sewer service line measured from the center of the collector line to the end of the pipe.
  6. Approximate depth of the end of each sewer service pipe.
  7. Where the sewer service line is not perpendicular to the centerline of the collector line, a measurement from the downstream manhole must be made to a point located on the collector line that is perpendicular to the end of the sewer service line. The length of the sewer service from this point to end of the pipe must also be noted.
  8. All bench marks used for sewer line design and construction must be shown on both construction and record drawings. Permanent bench marks shall be located adjacent to every third manhole on the project and the description and elevation noted on the construction plans.
  9. Changes made by change order or field order.
  10. After completion of the work, the developer shall have prepared a set of project record drawings by drafting all noted changes and revisions as described in



Article 9, Section A. These changes shall be submitted as an electronic copy of the drawings in a format acceptable to Cleveland Utilities.

11. Lot numbers must be shown.
12. Record drawings must be submitted no later than 15 days from the date of completion of construction.

B. Location Survey

The developer shall have prepared a location survey of the constructed manholes, end of sanitary sewer service lines, water valves, fire hydrants, and bends. The drawing shall be at a 1" = 200' scale on a 22" x 34" border and shall include the state plane coordinates of all items including the beginning (existing) manholes. Coordinates shall correspond to the geometric center or end of each item. The drawing must be stamped by a licensed surveyor in the State of Tennessee. The developer shall have submitted an electronic copy of the drawing in a format acceptable to Cleveland Utilities.

At the completion of the work and prior to final acceptance by Cleveland Utilities, the developer shall deliver the Project Record Documents to Cleveland Utilities. The Project Record Documents shall be acceptable to and must be approved by Cleveland Utilities before final acceptance of the development by Cleveland Utilities.

With the submittal of the Project Record Documents the developer shall also submit a list of each document submitted and a certification that each document as submitted is complete and accurate.

Article 10 – Confirmation of Cost

The developer shall provide to Cleveland Utilities in the Certificate of Substantial Completion, a statement depicting the total cost of the design and construction of the system(s) along with verification that all costs have been paid in full.

Article 11 – Transfer of Ownership

The developer shall provide to Cleveland Utilities, in an acceptable form, document(s) transferring title and ownership to Cleveland Utilities of all water and/or sewer lines and appurtenances and easements dedicated to such lines and appurtenances free and clear of any encumbrance or mortgage.

It is understood and agreed that any existing encumbrance or mortgage on any easement or interest transferred to Cleveland Utilities shall be subordinated to the easement or interest of Cleveland Utilities.



Article 12 – Service to the Development

The developer understands and agrees that Cleveland Utilities shall not set water meters, locate sewer service connections, perform maintenance or provide any services to the development until:

- (1) all of the terms and conditions and tests set forth in this agreement have been successfully completed by the developer and its contractor, and
- (2) all documents referred to in this Agreement have been delivered to Cleveland Utilities, in a form acceptable to Cleveland Utilities.
- (3) A Certificate of Substantial Completion (See Attachment A) has been executed.

Article 13 – Special Terms and Conditions

*None.*

**OR**

***See Supplemental Development Agreement as Attachment B.***





IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in multiple originals.

CLEVELAND UTILITIES

By: \_\_\_\_\_  
Tim Henderson, President and CEO

\_\_\_\_\_  
Date Signed

DEVELOPER

By: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Date Signed