

Residential Sewer Expansion Policy

RESERVATION OF CAPACITY. Existing wastewater treatment plant capacity will be reserved, and no new residential sewer mains shall be connected to Dalton Utilities' existing sewer collection system (with the exception of single family dwellings in existing subdivisions inside the city limits of Dalton on the date this policy is implemented) until such time as the new wastewater treatment limits are finalized by the State of Georgia. All existing commitments (i.e. utility availability letters) made on or before the date of implementation will be honored for a period of six months as provided below. Dalton Utilities will evaluate the availability of existing treatment plant capacity at that time and may revise this policy accordingly.

NEW RESIDENTIAL SERVICE. All new residential service which Dalton Utilities determines to provide and which requires a sewer main extension will be provided utilizing pre-engineered, modular wastewater treatment package plants in conjunction with engineered wetlands. These systems will be designed and permitted by Dalton Utilities based on proposed and potential development. The developer will be responsible in advance for all equipment and construction costs for these systems and the accompanying infrastructure including the cost of property, easements, and permits associated with the construction, including, without limitation, costs incurred by Dalton Utilities in receiving and processing applications for service or a utility availability letter, and Dalton Utilities may charge a nonrefundable application fee in connection with such costs. Once installed in accordance with Dalton Utilities' design and specifications, Dalton Utilities will assume ownership of the facilities and infrastructure and maintain and operate the facilities and infrastructure. The developer will receive a 10-year pro-rata agreement for that portion of the waste treatment facilities and infrastructure paid for by the developer but not utilized by or allocated to the developer as determined by Dalton Utilities, pursuant to which agreement, for a period of ten years after completion of the installation of such facilities and infrastructure, the developer shall receive from Dalton Utilities reimbursement in an amount equal to the pro-rata cost of such facilities and infrastructure not utilized by or allocated to the developer that are utilized by or allocated to and paid for by another developer(s) during such term. This agreement shall not be assignable by any developer.

COMPLIANCE. The obligations of Dalton Utilities under this policy and the rights of developers under this policy shall at all times be subject to all applicable laws, regulations, ordinances and agreements pertaining to the subject matter of the policy, including, without limitation, that certain Sewer Service Delivery Agreement among Dalton Utilities and others as the same may be amended from time to time.

EFFECTIVE DATE. This policy shall become effective July 19, 2004 and shall apply to all projects begun after said date. Except for the application fee, which shall apply immediately, this policy shall not apply to projects for which a utility availability letter has been issued as of the effective date, provided that construction of any such project must begin within six months of the effective date of the policy, and if construction is not begun within such period of time, the utility availability letter shall terminate and be of no force and effect, and this policy shall thereafter apply to such projects. All utility

availability letters issued under this policy shall be valid for six months after the date the modular wastewater treatment package plant is permitted, and if construction is not begun within such period of time, the utility availability letter shall terminate and be of no force and effect. The holders of all outstanding utility availability letters shall be sent copies of this policy at their last known address. Any revision of this policy shall be effective as of the date of the adoption of the revision by the Board of Water, Light and Sinking Fund Commissioners, and such revision shall apply to all projects begun after said effective date.