**CHENIERE DREW WATER SYSTEM, INC.**

**POLICY AND PROCEDURE ON**

**SUBDIVISION DEVELOPMENTS**

# Policy Statement

It is the policy of Cheniere Drew Water System, Inc. (***CDWS***) to work with each Qualified Developer of subdivisions in a fair, effective, and efficient manner while seeking to provide cost-effective, quality water services to the future water consumers in the subdivision, while maintaining quality water services and pressures to our existing customers.

# Procedure

1. Definitions: The following terms will have the listed meaning of this policy and procedure and for any document executed as a requirement of this policy and procedure.
2. ***Act of Servitude*** means a legally binding act of donation of the Servitude(s) and Water Utilities in a form similar to the form attached hereto as Attachment A.
3. ***Qualified Developer*** means the person or entity that has the legal authority to construct a subdivision upon the premises described in the plans for the subdivision plat of dedication which person or entity does not have a past-due account with CDWS and does not have any pending, potential, or threatened litigation with or against CDWS.
4. ***Letter of Intentions*** means an agreement between the Qualified Developer and CDWS indicating the intentions of both parties regarding the rights and responsibilities of both parties for the provision of Water Utilities and water services to the facilities and homes within the subdivision. The Letter of Intentions should be in a form similar to the form attached hereto as Attachment B.
5. ***Subdivision*** means a Subdivision Development for which a plat has been filed of record in the public records of the parish.
6. ***Subdivision Development*** means a tract or parcel of land of which the Qualified Developer intends and plans to develop by clearing and installing site improvements and building structures to enable the land to be utilized for two or more homes within 90 days from application for water service.
7. ***Servitude*** means the granting of a right for CDWS over property of the Developer of a minimum width of 10 feet to own, operate, inspect, maintain, repair, reconstruct, add to, and use as CDWS deems prudent and necessary and all the Water Utilities necessary and prudent for the provision of water services and utilities to the Subdivision Development. This granting of a right shall include a right of passage to and from the premises burdened by the Servitude over either a public right of way or other property in the Subdivision Development for the inspection, maintenance, repair, reconstruction, making of additions, and use of the Water Utilities as CDWS deems prudent and necessary.
8. ***Water Service Assemblies*** shall include but shall not be limited to at least the following for each water service connection: tapping saddle, corporation stop, PE service tubing, meter valve, check valve, and meter box.
9. ***Water Utilities*** means the entire construction of water service equipment and facilities by the Qualified Developer including but not limited to the Water Service Assemblies, connection/interconnection to CDWS’s water main, all pipes and piping, all pipe connections and valves necessary for the provision of water to the Subdivision Development.
10. Procedure
11. Pre-Construction
12. A Qualified Developer or owner of property who intends to develop a subdivision and who is not a Qualified Developer may request that CDWS notify it of CDWS’s requirements for becoming a Qualified Developer within the definition of this procedure. CDWS shall respond to any such request within ten (10) days of receipt of the request.
13. The Qualified Developer or a duly authorized representative thereof shall set an appointment with a representative of CDWS to review initial plans and specifications for the water utility construction. Qualified Developer will make application with CDWS and provide CDWS with two sets of plans and/or specifications.
14. Each Qualified Developer shall be provided with a copy of this policy and procedure before the signing of the Letter of Intentions.
15. CDWS will submit plans and/or specifications to the consulting engineer for his review, approval and recommendations.
16. CDWS will provide a list of the required materials and specifications or requirements for the construction of the Water Utilities to the Qualified Developer.
17. The Qualified Developer shall execute an Act of Servitude to CDWS, which will convey a valid Servitude and all future water utilities to CDWS.
18. The Qualified Developer and CDWS shall enter into a Letter of Intentions regarding each subdivision development planned.
19. Within ten (10) days of the receipt of the executed Letter of Intentions and Act of Servitude, CDWS will issue a letter to the Qualified Developer or its designee indicating CDWS’s intent to own, maintain, and operate the Water Utility.
20. CDWS shall require a deposit sufficient to cover the price of individual water meters for each individual structure and facilities in the Subdivision Development (i.e., playrooms, pool houses, freestanding restrooms, other common-use structures, etc.).
21. The Qualified Developer shall provide CDWS with a meter deposit within three (3) days before the beginning of any and all water utility construction activities in an amount set by CDWS for the purchase of water meters. CDWS shall install a water meter for each individual water service customer upon approval of the individual’s application for water service.
22. The Qualified Developer shall have the subdivision plat approved and filed in the public records of the parish which plat shall reflect the Servitudes described herein.
23. Construction
24. Qualified Developer shall provide CDWS with a Meter Deposit within three (3) days before the beginning of any and all Water Utility construction activities in an amount set by CDWS for the purchase of water meters. CDWS shall install a water meter for each individual water service customer upon approval of the individual’s application for water service.
25. Developer shall provide and install the complete Water Utilities within the Subdivision Development including Water Service Assemblies, in full compliance with material specification provided with the Letter of Intentions and approved plans and specifications. The Qualified Developer shall incur all costs of materials and installation unless otherwise specified in the Letter of Intentions.
26. Qualified Developer shall construct Water Utilities in full compliance with specifications and plans previously approved by CDWS. Any changes to the previously approved plans and specifications shall be in writing and approved by CDWS.
27. Qualified Developer shall pay for all costs associated with the extension of water mains and interconnection to water mains of CDWS. If interconnections and cross-ties exist at that time of signing a letter of intentions, CDWS shall charge the Qualified Developer the actual cost of the construction of the extensions or the cost, according to a CDWS consultant, that it would cost to conduct that construction at the time that the construction is necessary for the development of the subdivision. Unless otherwise noted in the Letter of Intentions, CDWS will make the interconnection with the water main and extend a main to the nearest point of the Qualified Developer's property line; however, the costs of such provision shall be paid by the Qualified Developer as a connection charge. The Qualified Developer shall be responsible for the extension of the water main form the point of the nearest water main line to the property line of the Subdivision Development site, in accordance with CDWS specifications.
28. CDWS shall inspect the construction as deemed appropriate by CDWS and shall notify the Qualified Developer of any deficiencies in the construction and requirements for correction of the deficiencies within the time frame provided in CDWS’s notice of the deficiencies.
29. Post-Construction
30. Qualified Developer shall provide three (3) sets of “As Built” drawings to CDWS within 30 days of the construction completion. The drawings shall include the size and location of all components of the Water Utility.
31. After review by CDWS’s consulting engineer, CDWS shall approve the Water Utilities construction or provide notice to the Qualified Developer of corrections required for approval of the Water Utilities construction within five (5) days of notification by the Developer of completion of construction and receipt of the certification by the Qualified Developer’s consulting engineer certifying that the Water Utilities have been constructed and installed in full compliance with the plans and specifications approved by CDWS, or any revisions thereto as agreed to by CDWS.
32. CDWS will accept such Servitude and Water Utilities after review and approval of the same by legal counsel. The Qualified Developer shall have the Act of Servitude and Donation filed with the Recorder of Mortgages within 48 hours of acceptance of the donation by CDWS.
33. CDWS will require and Qualified Developer shall produce copies of all letters upon receipt of approval from regulatory agencies whose approval is necessary for the operation of the Water Utility (i.e., Ouachita Parish Police Jury, Department of Health and Hospitals and Department of Public Works, etc.).
34. CDWS shall provide individual water service, for each lot or parcel upon which a home is planned to be placed upon the application and approval of the individual applicant for water services in accordance with CDWS’s Rules and Regulations.
35. CDWS shall reserve the right to terminate or refuse service to any water service customer in the Subdivision Development if the Qualified Developer does not comply with any obligation or requirement in this policy or Letter of Intentions within fifteen (15) days of notice requiring correction of the deficiency.
36. General Provisions
37. Qualified Developer shall indemnify and hold harmless CDWS for any damages or injuries incurred during, in relation to, or as a result of Qualified Developer or any of its contractor’s construction and during, in relation to, or as a result of any and all warranty work on the Water Utilities.
38. Should an existing meter be located in a place that is inaccessible to CDWS for whatever reason, the Qualified Developer shall be responsible for the relocation of the Water Utilities to an accessible location approved by CDWS.
39. CDWS shall designate a utility supervisor who shall maintain all correspondence, maps, plats, and drawings for each development.
40. Any variance from this procedure requires approval of the Board of Directors of CDWS.
41. Should a Qualified Developer become disqualified by reason of no longer meeting the definition of a Qualified Developer as defined herein, CDWS may, in its sole discretion, refuse to provide taps or terminate water services to the homes or facilities within the Subdivision.

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Wayne E. Allen September 15, 1998

Cheniere Drew Water System, Inc.

Board of Directors

President