

SOUTH CUMBERLAND UTILITY DISTRICT

Commissioners:

Jesse W. Brown, President
Michael Stone, Vice-President
Dr. James Barnawell, Secretary/Treasurer

General Manager
Sandra Brewer

December 20, 2012

Bruce Wyatt, City Manager
Crossville City Hall
392 North Main Street
Crossville, TN 38555-4232

Dear Mr. Wyatt:

We are pleased to make the following proposal for establishing a second connection to the City of Crossville's water system so that we might purchase water through a master meter to be located along Hwy 127 South.

In order to establish a second point of connection to Crossville's distribution system, the South Cumberland Utility District will construct approximately 9,200 L.F. of 10" ductile iron water main along Hwy 127 South from the end of Crossville's existing 8" water main at the entrance to the Cumberland Mtn. State Park (Pigeon Ridge Rd.) to an 8" master meter to be located near the common boundary of Map 151 Parcel 001.00 and Map 151 Parcel 011.00.

The new 8" compound master meter will be constructed along Hwy 127 South at a location mutually agreeable to the City of Crossville and South Cumberland Utility District. The master meter will include a strainer and check valve. The meter will be fitted with telemetry to interface it with South Cumberland's existing SCADA system. The location of the proposed master meter will establish the service area boundary between the City of Crossville and South Cumberland Utility District.

All construction costs are to be borne by South Cumberland Utility District including design, construction permits and easement costs.

Ownership of the water main and master meter will be transferred to the City of Crossville upon satisfactory completion of the work. The work will be subject to a one-year warranty as will be provided in the construction contract.

Beyond the master meter, South Cumberland Utility District will extend an additional 1,970 L.F. of 10" water main to the District's 300,000 elevated storage tank located on Hwy 127 South (Linary Tank). The District will install a 500 GPM pumping station near the base of the tank to fill the Linary Tank from the Hwy 127 South master meter. All costs will be borne by South Cumberland Utility District and the ownership of all facilities beyond the master meter will remain with South Cumberland Utility District.

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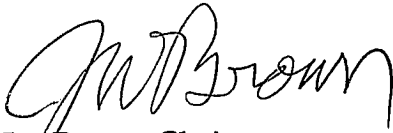
Jesse W. Brown, President
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**General Manager
Sandra Brewer**

This proposal may be modified in writing if signed by both parties.

If this proposal satisfactorily sets forth your understanding of the arrangement between us, we would appreciate your signing the enclosed copy of this letter in the space provided below and returning a copy to South Cumberland Utility District.

Respectfully yours,



**Jay Brown, Chairman
Board of Commissioners
South Cumberland Utility District**

IN AGREEMENT WITH:

**Bruce Wyatt, City Manager
City of Crossville**

Date