

**CITY OF MANCHESTER
BOARD OF MAYOR AND ALDERMEN
AGENDA**

June 2, 2026, at 6:30 pm

Work Session at 5:30 pm

City Hall Board Room

BOMA Executive Session at 5 pm in Conference Room

1. ROLL CALL:

2. INVOCATION:

3. PLEDGE TO THE FLAG

4. APPROVAL OF AGENDA

5. MINUTES

5-5-26 BOMA Meeting Minutes & BOMA Beer Board Meeting Minutes

6. COMMENTS FROM CITIZENS

7. COMMENTS FROM MAYOR

8. COMMITTEE AND COMMISSION REPORTS

*Safety *Finance *Street *Water & Sewer *Recreation *Tourism *Planning & Zoning
*Historic Zoning

9. RESOLUTIONS AND ORDINANCES

Resolutions:

- a) A resolution updating the MWSD Industrial Pretreatment Program Enforcement Response Plan; sponsored by Vice Mayor Messick.
- b) A resolution approving a contract with Dukes Root Control, Inc., in the amount of, and not to exceed, \$263,760.00 for Flow Monitoring, and other services; sponsored by Alderman Crosslin.
- c) An initial resolution authorizing the issuance of not to exceed \$20,000,000.00 Water and Sewer System Revenue and Tax Bonds of the City of Manchester, Tennessee; sponsored by Mayor Hobbs.
- d) A resolution authorizing the issuance of not to exceed \$20,000,000.00 in aggregate principal amount of Water and Sewer Revenue and Tax Bonds, Series 2026 of the City of Manchester, Tennessee; making provision for the issuance, sale and payment of said Bonds; establishing the terms thereof and the disposition of proceeds therefrom; providing for the collection and disposition of revenues from the Water and Sewer system of the municipality; and making provision for the operation of said system; sponsored by Mayor Hobbs.

Ordinances:

- a) 1st reading of an ordinance rezoning property owned by Sven Leif Swanson on 1310, 1312, 1314, and 1316 McArthur Street from R-3 to C-3; sponsored by Vice Mayor Messick.
- b) 1st reading of an ordinance rezoning property owned by Jeanne Ball and Jane Melton on 1309 Hills Chapel Road, From R-2 to R-3; sponsored by Vice Mayor Messick.
- c) 1st reading of an ordinance to amend Manchester Municipal Code 18-201, 18-202, and 18-203 regarding Water, Sewer, Service, and Equipment Fees; sponsored by Alderman Parsley.
- d) 1st reading of an ordinance for the City of Manchester, Tennessee amending Budget Ordinance No. 1743 for FY 2025-2026; sponsored by Alderman Crosslin.
- e) 1st reading of an ordinance of the City of Manchester, Tennessee adopting a Budget for the Fiscal Year July 1, 2026 through June 30, 2027; sponsored by Mayor Hobbs.
- f) 1st reading of an ordinance amending provisions to Manchester Municipal Code 1-111 regarding Citizens Comments; sponsored by Alderman Crosslin.

10. OLD BUSINESS

11. NEW BUSINESS

- Duck River Utilities Commission Board Appointment

12. ITEMS FROM THE BOARD OF MAYOR AND ALDERMAN

13. ADJOURNMENT: Beer Board to Follow

RESOLUTION NO. _____

**A RESOLUTION UPDATING THE MWSD INDUSTRIAL PRETREATMENT
PROGRAM ENFORCMENT RESPONSE PLAN**

WHEREAS the City of Manchester Water and Sewer Commission believe it to be in the best interest of Manchester to update its Enforcement Response Plan to effectively serve the goals of its Industrial Pretreatment Program; and

WHEREAS the Director of the Water and Sewer Department agrees and was tasked to update said plan; and

WHEREAS the plan attached as Exhibit "A" has been updated to fairly administer the enforcement of said program.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that the Enforcement Response Plan attached as Exhibit "A" is adopted for the use of the Manchester Water and Sewer Department and the City of Manchester, Tennessee and is in its best interest.

Resolved this _____ day of _____ 2026.

Joey Hobbs, Mayor

Anthony Burrows, Finance Director

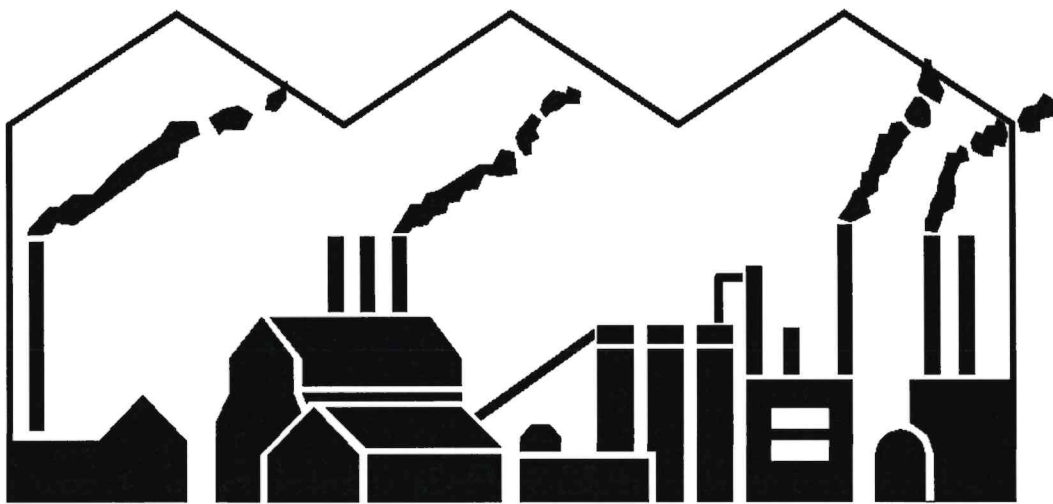


DRAFT

MANCHESTER WATER AND SEWER DEPARTMENT

INDUSTRIAL PRETREATMENT PROGRAM

ENFORCEMENT RESPONSE PLAN



REVISED APRIL 14, 2026

MANCHESTER, TENNESSEE 37355



1.0 INTRODUCTION

The Environmental Protection Agency (EPA) requires all Publicly Owned Treatment Works (POTW's) to adopt an enforcement response plan (ERP) as part of their approved pretreatment programs. The requirement as stated in 40 CFR 403.8(f)(5) is as follows:

The POTW shall develop and implement an enforcement response plan. This plan shall contain detailed procedures indicating how a POTW will investigate and respond to instances of industrial user noncompliance. The plan shall, at a minimum:

1. Describe how the POTW will investigate instances of noncompliance
2. Describe the types of escalating enforcement responses the POTW will take in response to all anticipated types of industrial user violations and the time periods within which responses will take place
3. Identify (by title) the official(s) responsible for each type of response
4. Adequately reflect the POTW's primary responsibility to enforce all applicable pretreatment requirements and standards, as detailed in 40 CFR 403.8(f)(1) and (f)(2).

The ERP outlines the procedures that will be used to identify, document, track and respond to noncompliance. The ERP also provides guidance for selecting the enforcement action most appropriate for a given violation.

2.0 PURPOSE

The purpose of the ERP is to provide consistent enforcement responses for similar violations and circumstances. The ERP describes violations, defines a range of appropriate enforcement actions based on the nature and severity of the violation and other relevant factors, and identifies personnel responsible for finalizing enforcement responses.

3.0 ADMINISTRATION AND JURISDICTION

All entities discharging nondomestic waste to the POTW are subject to the provisions of the ERP. The Control Authority consistently administers and implements all elements of the ERP. The ERP does not preclude the Control Authority from taking any, all, or any combination of actions against a noncompliant industrial user.

4.0 ABBREVIATIONS

AO: Administrative Order
CA: Control Authority
ERG: Enforcement Response Guide
ERP: Enforcement Response Plan
IU: Industrial User
NOV: Notice of Violation
POTW: Publicly Owned Treatment Works
WL: Warning Letter

5.0 ENFORCEMENT RESPONSE GUIDE

The Enforcement Response Guide (ERG) designates several enforcement options for each type (or pattern) of noncompliance. The intent of the ERG is to provide direction for appropriate enforcement response and to ensure consistent enforcement for similar violations and circumstances. Factors that will be evaluated when determining the appropriate response are as follows:

- good faith of the user
- compliance history of the user
- previous success of the enforcement actions against the user (e.g. If historically NOV's have not been effective in returning the user to compliance in a reasonable period of time, an administrative order would be a more appropriate response.)
- violations effect on the environment and/or public health
- violations effect on the POTW
- pollutants of particular importance to the POTW

5.1 Violations resulting in Significant Noncompliance

- Most violations that results in Significant Noncompliance (SNC) will be addressed through formal enforcement action. An example of a case that will not necessarily be addressed through formal enforcement action is an isolated local limit violation that results in SNC solely due to a small number of sample results for the parameter.

5.2 Escalating Enforcement Response

- Escalating enforcement response will be used for recurring violations and failure to achieve compliance subsequent to informal or formal enforcement. A recurring violation is one in which the same type of violation occurs on consecutive reporting periods, the violation occurs seasonally, or any other pattern of noncompliance is shown. For example, the same type of violation would include violations of the same parameter. Violations of different parameters could be considered of the same type if the cause of the violation is determined to be the same.

5.3 Violations Falling Under more than one Category

- Violations that fall under more than one category in the enforcement response guide will be addressed through the more severe enforcement response. All alleged violations will be included in the more severe response.

5.4 Timeframes for Enforcement Responses

- All violations will be identified and documented within ten days of receiving compliance information.
- Initial enforcement responses (informal or formal) will occur within 15 days of identifying a violation.

- Follow up actions for continuing or recurring violations will be taken within 60 days of the initial enforcement response or within 15 days of determining that the violation is continuing or recurring.
- Violations which threaten health, property, or environmental quality are considered emergencies and will receive immediate response such as halting the discharge or terminating service.
- Violations meeting the criteria for significant noncompliance, and that require formal enforcement action, will be addressed within 30 days of the identification of significant noncompliance.

6.0 DEFINITIONS

CONTROL AUTHORITY

- The entity directly administering and enforcing Pretreatment Standards and requirements against industrial users. The City of Manchester Water and Sewer Department.

DOMESTIC WASTEWATER

- wastewater from normal residential activities including, but not limited to, wastewater from kitchen, bath and laundry facilities, or
- wastewater from the personal sanitary conveniences (toilets, showers, bathtubs, fountains, non-commercial sinks, and similar structures) of commercial, industrial or institutional buildings, provided that the wastewater exhibits characteristics which are similar to those of wastewater from normal residential activities. Specifically excluded from this definition is wastewater from commercial, industrial, or institutional laundries or food preparation facilities.

INDUSTRIAL USER

- Any source that introduces pollutants into a POTW from any non-domestic source.

PUBLICLY OWNED TREATMENT WORKS (POTW)

- Devices and systems used in the storage, treatment, recycling and reclamation of municipal sewage or industrial wastes of a liquid nature. It also includes sewers, pipes and other conveyances only if they convey wastewater to a POTW treatment plant.

7.0 PERSONNEL RESPONSIBILITIES

7.1 Industrial Pretreatment Coordinator: The Pretreatment Coordinator (PC) is responsible for the day-to-day implementation and enforcement of the industrial pretreatment program. The enforcement responses carried out by the PC are as follows:

- informal notices (verbal and written)
- notices of violation

- informal meetings
- referrals to the Water and Sewer Director, the Tennessee Division of Water Resources, or the EPA for criminal action

7.2 *Water and Sewer Director* - The Water and Sewer Director has the responsibility to monitor the PC's actions and to initiate the following enforcement actions at the recommendation of the PC:

- show cause hearings - consent agreements - referrals to the city attorney for civil litigation - referrals to the state or EPA for criminal action

7.3 *City Attorney* - The City Attorney will provide legal consultation as requested by the Water and Sewer Director on consent agreements and on all referrals for civil litigation and POTW initiated criminal investigations.

8.0 IDENTIFYING AND INVESTIGATING INSTANCES OF NONCOMPLIANCE

There are many activities associated with the identification and investigation of noncompliance. A brief description of these activities is provided in this ERP. The activities that facilitate the identification and investigation of noncompliance are as follows:

8.1 *Industrial User Inventory* - An essential step for identifying noncompliance is knowing who is discharging nondomestic waste to the POTW, where they are located, and the nature of the nondomestic waste being discharged. The Pretreatment Coordinator maintains a current inventory of all nondomestic sources of waste to the POTW.

8.2 *Monitoring and Inspection* - The Pretreatment Coordinator monitors the wastewater from each Significant Industrial User (SIU) at least once every twelve months. The Control Authority requires all sampling and analysis to be performed in accordance with 40 CFR Part 136. Control Authority sampling procedures, including Quality Assurance/Quality Control procedures, as discussed in the pretreatment ordinance, are followed to maximize sample integrity.

The Pretreatment Coordinator at least once per year conducts a comprehensive inspection of each SIU. Information gathered during Control Authority industrial user monitoring and inspections is used to verify industrial user compliance status and to determine if enforcement response must be initiated or continued.

8.3 *Compliance Screening* - All reports from Industrial Users and reports generated by the Control Authority are carefully reviewed, on an as-received basis for timeliness, completeness and accuracy. The screening process includes an evaluation of compliance with report due dates, numerical standards, sample handling and analysis requirements, signatory certification requirements, monitoring frequency etc.

All violations are clearly documented and addressed in accordance with the Enforcement Response Guide.

9.0 DESCRIPTION OF ENFORCEMENT ACTIONS

9.1 Informal Notice

Verbal Notification:

- Verbal notifications by telephone or in person provide an immediate notification of violations. In general, verbal notifications are used for minor isolated violations or as an initial step leading to an escalated enforcement response. All verbal notifications related to enforcement or the investigation of suspected violations are documented in writing and placed in the respective Industrial User file.

Informal Meeting:

- An informal meeting is used to gather information concerning noncompliance, discuss steps to alleviate noncompliance, and determine the commitment level of the industrial user. All informal meetings are documented in the City's files. Informal meetings for parameter violations will be followed by a more formal form of enforcement, such as a Notice of Violation.

9.2 Notice of Violation:

- A Notice of Violation (NOV) is a written notice to the noncompliant industrial user that a pretreatment violation has occurred. A NOV includes a statement detailing the legal authority under which the Control Authority issued the NOV, a description of the violation(s), and the date(s) the violation(s) occurred. The NOV requires a response from the Industrial User that details the causes of the violation(s), and the corrective actions taken to correct the violation and prevent similar violations from occurring. A NOV is used to notify the industrial user and document the violation. The NOV is not used to assess administrative penalties or to require any specific action of the user, other than the submittal of a response. Since no specific actions are being required or penalties assessed, the NOV is not considered to be an appealable enforcement action.

9.3 Administrative Order

- Administrative Orders (AO's) are enforcement documents that direct Industrial Users to undertake and/or to cease specified activities by specified deadlines. The terms of an AO may or may not be negotiated with Industrial Users. AO's may incorporate compliance schedules, administrative penalties, termination of service and show cause orders. It is not necessary that an AO be preceded by a NOV. Since the AO does require specific action, other than a response, by the user and may include penalties, the AO is considered to be an appealable enforcement action.

Consent Order

- The Director may enter into consent orders, assurances of compliance, or other similar documents establishing an agreement with any user responsible for noncompliance. Such documents shall include specific action to be taken by the user to correct the noncompliance within a time period specified by the

document. Such documents shall have the same force and effect as the administrative orders issued pursuant to §§ 18-710(4) and (5) of the Pretreatment Ordinance and shall be judicially enforceable.

Compliance Order

- When the Director finds that a user has violated, or continues to violate, any provision of the Pretreatment Ordinance, a wastewater discharge permit, or order issued hereunder, or any other pretreatment standard or requirement, the Director may issue an order to the user responsible for the discharge directing that the user come into compliance within a specified time. If the user does not come into compliance within the time provided, sewer service may be discontinued unless adequate treatment facilities, devices, or other related appurtenances are installed and properly operated. Compliance orders also may contain other requirements to address the noncompliance, including additional self-monitoring and management practices designed to minimize the amount of pollutants discharged to the sewer. A compliance order may not extend the deadline for compliance established for a pretreatment standard or requirement, nor does a compliance order relieve the user of liability for any violation, including any continuing violation. Issuance of a compliance order shall not be a bar against, or a prerequisite for, taking any other action against the user.

Cease and Desist Order

- When the Director finds that a user has violated, or continues to violate, any provision of the Pretreatment Ordinance, a wastewater discharge permit, or order issued hereunder, or any other pretreatment standard or requirement, or that the user's past violations are likely to recur, the Director may issue an order to the user directing it to cease and desist all such violations and directing the user to: (a) Immediately comply with all requirements; and (b) Take such appropriate remedial or preventive action as maybe needed to properly address a continuing or threatened violation, including halting operations and/or terminating the discharge. Issuance of a cease and desist order shall not be a bar against, or a prerequisite for, taking any other action against the user.

9.4 Show Cause Hearing

- A Show Cause Hearing is a formal meeting requiring the Industrial User to appear, explain its noncompliance, and show cause as to why more severe enforcement actions against the user should not go forward. The meeting may also serve as a forum to discuss corrective action and compliance schedules. An example of when a Show Cause Hearing will be utilized would be when a requirement is not completed on time and an administrative penalty is being considered. The Department is not, however, required to hold a Show Cause Hearing prior to assessing an administrative penalty.

9.5 Termination of Service

- Termination of service is the revocation of an Industrial User's privilege to discharge nondomestic wastewater into the sewer system. Termination of service is used when the

discharge from an industrial user presents imminent endangerment to the health or welfare of persons, or the environment, or threatens to interfere with the POTW's operations, or as an escalating enforcement action to a significant violation when a noncompliant industrial user fails to respond adequately to previous enforcement actions. Termination of service may be accomplished by physical severance of the industrial users connection to the collection system or water system, issuance of an AO (cease and desist order), which compels the IU to immediately terminate its discharge, revocation of the IU's discharge permit, or a court ruling.

9.6 Administrative Penalties

- An administrative penalty is a punitive monetary charge assessed by the Control Authority rather than a court. The penalty amount must be authorized in the pretreatment ordinance. The purpose of the penalty is to recover the economic benefit of noncompliance and to deter future violations. The maximum penalty allowed by the Manchester Pretreatment Ordinance is \$10,000 per violation per day. When assessing an administrative penalty the following factors are considered:
 1. type and severity of the violation
 2. number of violations cited
 3. duration of noncompliance
 4. impact of the violation on the receiving water, sludge quality, and POTW operation
 5. whether the violation threatened public health
 6. the economic benefit or savings the industrial user gained from the noncompliance
 7. compliance history of the industrial user
 8. whether the industrial user is making a good faith effort to comply
- Please refer to Appendix 1 for more information regarding penalty calculations.

9.7 Civil Litigation

- Civil Litigation is the formal process whereby the Control Authority files a lawsuit against the industrial user to secure court ordered action to correct violations and to secure penalties for the violations including recovery of costs to the POTW for the noncompliance. Civil litigation also includes enforcement measures which require involvement or approval of the court, such as injunctive relief.

10.0 Enforcement Response Guide Table

*refer to Appendix 1 for information regarding penalty calculation

UNAUTHORIZED

<i>Type of Noncompliance</i>	<i>Circumstance</i>	<i>Suggested Enforcement</i>
Discharge Without a Permit	IU unaware of requirement; no harm to POTW or environment	NOV with Application Form
Failure to Submit Permit Application or Reapplication with Intent of Discharge	IU has not submitted application within 10 days of due date	Phone call; Site Visit; NOV
	IU has not submitted application after notice by the POTW	NOV; AO; AO with penalty
Discharge Through Manhole, RV Dump Site, Car Wash etc.	No harm to POTW or environment	NOV; AO; AO with penalty; Civil Action; Criminal Investigation
	Harm to POTW or environment	AO with penalty; Civil Action; Criminal Investigation
	Recurring	Criminal Investigation
Permitted User Discharging Waste not Authorized by Permit	No harm to POTW or environment	NOV; AO; AO with penalty; Civil Action; Criminal Investigation
	Harm to POTW or environment	AO with penalty; Civil Action; Criminal Investigation
	Recurring	Criminal Investigation

**DISCHARGE
LIMIT**

**REPORTING
VIOLATIONS**

<i>Type of Noncompliance</i>	<i>Circumstances</i>	<i>Suggested Enforcement</i>
Exceedance of Discharge Limitation or Prohibition in Permit or Local Legal Authority	Results in Violation of Pass Through or Sludge Limits or causes Interference of POTW operations	NOV; AO; AO with penalty; Civil Action; Termination of Service
Exceedance of Discharge Limitation or Prohibition in Permit or Local Legal Authority	Isolated incident; No known problems caused at POTW	Phone Call; Site Visit; NOV
Document is Improperly Signed or Certified	Isolated incident	Phone call; Site Visit; NOV
	Previous notice by POTW	NOV; AO; AO with penalty
Document is Incomplete or Inaccurate	Isolated Incident	Phone call; Site Visit; NOV
	Recurring problem	NOV; AO; AO with penalty
Document is Late	5-days to 29-days	Phone call; Site Visit; NOV
	30-days or more	NOV; AO; AO with penalty
	Documents are repeatedly late	AO with penalty; Civil Action
Failure to Report Violation, Spill/Slug or Changed Discharge	No actual or potential harm to POTW or environment	NOV; AO
	Actual or potential harm to POTW	AO; AO with penalty; Civil Action
	Recurring problem	AO with penalty; Civil Action; Terminate Service
Failure to Report Additional Monitoring	Isolated Incident	Phone Call; Site Visit; NOV
	Recurring	NOV; AO; AO with penalty
Falsification of Information or Data	Any instance	Criminal Investigation; Terminate Service

MONITORING VIOLATIONS

MONITORING VIOLATIONS	Failure to Monitor for all Required Parameters	Isolated	Phone call; Site Visit; NOV
		Recurring	NOV; AO; AO with penalty; Civil Action
	Improper Sample Handling/Analytical Procedures	Isolated	Phone call; Site Visit; NOV
		Recurring	NOV; AO; AO with penalty
	Failure to Resample within Required Timeframe	Isolated	Phone call; Site Visit; NOV
		Prior Notification from CA	AO; AO with penalty
		Recurring	AO; AO with penalty
	Failure to Install Monitoring Equipment/Sampling Point	Delay less than 30 days	NOV
		Delay greater than 30 days	AO with penalty; Civil Action
	Tampers with Monitoring Equipment/Sample	Any incident	NOV; AO; AO with penalty
		Recurring	AO with penalty; Civil Action; Criminal Investigation
COMPLIANCE SCHEDULES	Missed Milestone	Less than 30 days late or will not affect final compliance date	NOV; AO
	Not in Compliance as of Final Compliance Date	Less than 30 days late	NOV; AO
		Greater than 30 days late; reasonable cause for delay	AO; AO with penalty
		Greater than 30 days late, no reasonable cause for delay	AO with penalty; Civil Action; Termination of Discharge

**INADEQUATE
RECORDKEEPING**

**OTHER
VIOLATIONS**

Files Incomplete or Missing (No Evidence of Intent)	Isolated	NOV
	Recurring	AO; AO with penalty
	Any Instance	AO with penalty; Obtain Warrant and Return to IU; Termination of Discharge
Entry Denied or Consent Withdrawn		

Appendix 1: Penalty Calculation

How Does the Pretreatment Program Prioritize Its Enforcement Work?

It is the City of Manchester's objective to acknowledge all violations. When determining which types of violations take priority in enforcement, we use the following criteria. Generally, Category 1 receives the highest priority attention while Category 3 receives the lowest priority.

- ❑ Category 1 violations: Actual, imminent or acute threats to public health or the environment.
- ❑ Category 2 violations: Chronic or potential threat to human health, or the environment.
- ❑ Category 3 violations: Low potential for threat to public health and/or the environment.

How Do I Determine the Size of a Penalty? Use the Penalty Matrix contained in the recommendation for enforcement action and shown in Tables 1 and 2 below, to determine the size of the penalty. There is a decision flow process that you should use with the civil penalty matrix. The decision flow process consists of a series of questions that are found in the matrix and the following guidance on how to select the appropriate answer to the questions. The amount of a penalty is based upon a set of criteria. These are:

1) Did the violation result in a public health risk?

- ❑ Answer —**no** if there is no evidence to support a claim of public health risk.
- ❑ Answer —**possibly** if a public health risk can be inferred from evidence and knowledge of the effects of the violation.
- ❑ Answer —**probably** if evidence supports a claim of public health risk and there is a plausible connection between this violation and the health or effect.
- ❑ Answer —**definitely** if there is direct evidence linking public health risk or adverse effects with the violation.

2) Did the violation result in environmental damage?

- ❑ Answer —**no** if there is no evidence to support a claim of environmental damage or impairment of beneficial uses.
- ❑ Answer —**possibly** if environmental damage or impairment of beneficial uses can be inferred from evidence and knowledge of the effects of the violation.
- ❑ Answer —**probably** if evidence supports a claim of environmental damage or impairment of beneficial uses and there is a plausible connection between this violation and the damage or impairment.
- ❑ Answer —**definitely** if there is direct evidence linking environmental damage or impairment of beneficial uses with the violation.

3) Was it a knowing violation?

- Answer—**no** if the violator did not know that the action or inaction constituted a violation.
- Answer—**possibly** if it is likely the violator knew that the action or inaction constituted a violation.
- Answer—**probably** if the violator should have known.
- Answer—**definitely** if the violator clearly knew. If the answer is —definitely, consider consulting with the Water and Sewer Director and City Attorney.

4) Was the responsible party unresponsive in correcting the violation?

- Answer—**no** if the violation was corrected as soon as the responsible person learned of it.
- Answer—**possibly** if the violation was corrected in a less timely and cooperative fashion.
- Answer—**probably** if the responsible person attempted to correct the problem but did not correct it.
- Answer—**definitely** if the responsible person made no attempt to correct the violation.

5) Was the violation the result of improper operation and/or maintenance?

- Answer—**no** if the violation was not the result of improper operation or inadequate maintenance.
- Answer—**possibly** if the facility has an O&M manual, Pollution Prevention Plan or Best Management Practices manual that is out of date or inadequate.
- Answer—**probably** if there is no O&M manual, Pollution Prevention Plan or Best Management Practices manual developed for the facility.
- Answer—**definitely** if the facility has no plans or is not following its plan AND the violation was clearly the result of improper operation or maintenance.

6) Did the facility obtain necessary permits and approvals to operate?

- Answer—**no** if the paperwork was complete and appropriate for the job or task that caused the violation.
- Answer—**definitely** if the facility did not have all the required permits and approvals for the job or task that caused the violation.

7) *Did the facility benefit economically from non-compliance?*

- ☐ Answer —**no** if it is clear that no one obtained an economic benefit.
- ☐ Answer —**possibly** if the facility might have benefited.
- ☐ Answer —**probably** if the facility benefited, but the benefit is not quantifiable.
- ☐ Answer —**definitely** if the economic benefit is quantifiable.

Penalty Calculation

TABLE 1 Gravity Criteria

NO (0)	POSSIBLY (1)
PROBABLY (2)	DEFINITELY (3)

- 1) Public Health Risk? _____
 - 2) Environmental Damage? _____
 - 3) Willful or Knowing Violation? _____
 - 4) Unresponsive in Correcting Violation? _____
 - 5) Improper Operation or Maintenance? _____
 - 6) Failure to obtain necessary permits _____
 - 7) Economic Benefit from Noncompliance? _____
- Total Rating Points _____

TABLE 2

Gravity Component Penalty

Rating	1	2-3	4-5	6-7	8-9	10-11
Penalty	\$500	\$1000	\$2000	\$3000	\$4000	\$5000

Rating	12-13	14-15	16-17	18-19	20-21
Penalty	\$6000	\$7000	\$8000	\$9000	\$10000

If the answer to question #7 in Table 1 is —Definitely, include the estimated dollar amount of economic benefit determined by the EPA BEN computer model or other appropriate method. Attach calculations.

Does the City have discretion in issuing penalties? Yes, the City has discretion. The PC may deviate from the civil penalty matrix provided that he explains his decision in the recommendation for enforcement action and the Director agrees with the decision. In general, the discretion should be implemented in the answering

of the seven penalty questions rather than in adjusting the penalty amount once the calculation has been completed.

Are Penalties Mandatory for Some Violations? Yes, issuance of civil penalties is mandatory in the following general instances.

- ☐ Any Category 1 violation. Category 1 violations pose an actual, imminent or acute threat to public health and/or the environment.
- ☐ A Category 2 or 3 violation is repeated within two (2) years of issuance of a notice of correction, technical assistance site visit notice, penalty, notice of violation or order.
- ☐ The discharge causes upset or interference with a publicly owned treatment works or causes contamination of treatment plant sludges.
- ☐ A knowing violation, such as falsification of records, or a flagrant disregard of reporting requirements.

Are There Exceptions to the Mandatory Penalty Guidelines? Yes, issuance of civil penalties is mandatory in each of the situations noted above, unless:

- ☐ A deviation from these guidelines has been justified in writing by responsible staff and approved by the Director.
- ☐ There is insufficient evidence that a violation occurred.
- ☐ A penalty action would jeopardize an ongoing criminal investigation or prosecution.

Are Public Entities Subject To Penalties? Yes, public entities are subject to issuance of civil penalties to the same extent as any other individual or organization unless specifically exempted by law. Discretion is allowed on the use of penalties for public entities. Penalties to a public entity may have an impact on the treatment plant's operating budget with undesirable environmental consequences. Elevation of the issue within the entities' organization could be more effective in achieving compliance than penalties.

Public entities that are experiencing chronic, as opposed to one-time incident, violations, should be provided with formal or informal written notice of their potential liability for civil penalties prior to the initiation of penalty action. Issuing a Notice of Violation to the entity can satisfy this.

Are Penalties appealable? Yes. The appeals process will be explained to the user when the penalty is issued.

When are penalties due? Penalties are due and payable 30 days from the day they are received.

What happens if the penalty is not appealed and the violator fails to pay the penalty?

Penalty collection is the responsibility of Accounting. If the violator fails to pay the penalty when it is due, the penalty amount may be added to the violator's water bill. Failure to pay the water bill will result in termination of service. Appealing the penalty does not change the due date. If the due date falls prior to the appeal being heard then the penalty is still due. If the penalty is paid and the appeal is successful, then the user will be refunded the amount of the penalty without interest.

Escalation. If a facility, or individual, was penalized for a violation and they repeat that violation the penalty should be escalated to at least two times the amount of the previous penalty. The violation should be the exact same violation for penalty escalation to be employed. We do not generally use penalties over two years old for previous penalty escalation, but a longer time period may be justified for violations with longer monitoring or reporting frequencies.

Economic Benefit. In cases where the economic benefit of a violation can be demonstrated it may be included

in the penalty calculation as long as the total amount of the penalty does not exceed the statutory maximum of \$10,000.00 per violation per day. The EPA computer models BEN and ABLE may be used to calculate economic benefit but their use is not required.

Innovative Settlements. Many times the penalized party will want to use the penalty amount to fix the problem that caused the violation or do other work in their community. There are many reasons this may be considered, but it can only be done with the City Attorney's help after a formal appeal has been made. The settlement moneys cannot be used to meet requirements of a permit or order.

RESOLUTION NO. _____

**A RESOLUTION APPROVING A CONTRACT WITH DUKES ROOT CONTROL, INC,
IN THE AMOUNT OF, AND NOT TO EXCEED, TWO HUNDRED AND SIXTY-THREE
THOUSAND, SEVEN HUNDRED AND SIXTY AND 00/100 DOLLARS (\$263,760.00)
FOR FLOW MONITORING, AND OTHER SERVICES**

WHEREAS the City of Manchester applied for; has historically experienced issues with sewer flow and bottlenecks; and

WHEREAS the City of Manchester has solicited a quote for flow monitoring services through a government cooperative purchasing authority (HGAC); and

WHEREAS the Engineer of the City of Manchester and the MWSD Director evaluated the quote and found the proposal of Dukes Root Control, Inc. provides the City the maximum value within the funds budgeted; and

WHEREAS, in order to fulfill the City of Manchester's needs for flow monitoring and associated services the Manchester Water and Sewer Department and the City Engineer have recommended the services of Dukes Root Control, Inc, listed on Exhibit "A" at a total cost of Two Hundred and Sixty Three Thousand, Seven Hundred and Sixty and 00/100 Dollars (\$263,760.00); and

WHEREAS Manchester Municipal Code 5-703(4) requires any contractual obligation in excess of Thirty-Five Thousand Dollars (\$50,000) be approved by resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that the City of Manchester contract with Dukes Root Control, Inc., to provide the services listed on Exhibit "A" attached hereto and incorporated herein not to exceed a total cost of Two Hundred and Sixty Three Thousand, Seven Hundred and Sixty and 00/100 Dollars (\$263,760.00).

Resolved this _____ day of _____ 2026.

Joey Hobbs, Mayor

Anthony Burrows, Finance Director



Flow Monitoring and Overflow Alert Services

PREPARED FOR

City of Manchester
Attn: Lonnie Foley
City of Manchester
736 W. High St.
Manchester, TN 37355



Headquarters: 400 Airport Rd., Suite E. | Elgin, IL 60123

April 10, 2026

Lonnie Foley
City of Manchester
736 W. High St.
Manchester, TN 37355

PROJECT NAME: Flow Monitoring & Overflow Alert Services

Dear Lonnie,

Duke's Root Control, Inc. is pleased to submit this proposal to City of Manchester for the Flow Monitoring & Overflow Alert Services. All details regarding this project are contained within the pages of this proposal and include sample deliverables, scope of service descriptions, and pricing.

This proposal is being submitted based on interpretations made from the study maps or information we have been provided. Please review for accuracy.

Thank you for your consideration and the opportunity to illustrate our services. Please do not hesitate to contact me with any questions regarding this proposal.

Sincerely,
Duke's Root Control, Inc.

A handwritten signature in black ink, appearing to read "Stu Tillery", is written over the printed name.

Stuart Tillery
National Account Manager
678-232-7706
stu@dukes.com
By: Christina Urbina, CS Team Lead



75

Years of
Underground
Industry
Excellence

2,000

Municipalities/
Customers
Nationwide

45

Million LF of Pipe
Served Coast to
Coast

Proven Flow Monitoring. Actionable Intelligence

Duke's Root Control delivers comprehensive flow monitoring programs that go beyond equipment installation — providing the engineering judgment, field responsiveness, and data quality assurance that translate raw meter readings into decisions your utility can act on.

"When monthly billing reconciliations depend on meter accuracy, data quality is not just important — it is the foundation of every decision downstream."



Our Services

For more than 40 years, Duke's Root Control, Inc. has assisted system operators in assessing the condition of their infrastructure, identifying deficiencies, and implementing targeted improvements. Our comprehensive in-house services include inflow and infiltration (I/I) studies, flow metering and monitoring, rain gauge installation, data collection, sanitary sewer evaluation studies, condition assessment reporting, rehabilitation design, construction inspection and management, CCTV inspection and cleaning, hydro-excavation, directional drilling, and Geographic Information Systems (GIS) development. Our in-house team delivers a full range of design services to develop innovative and effective sanitary sewer solutions tailored to each client's needs.

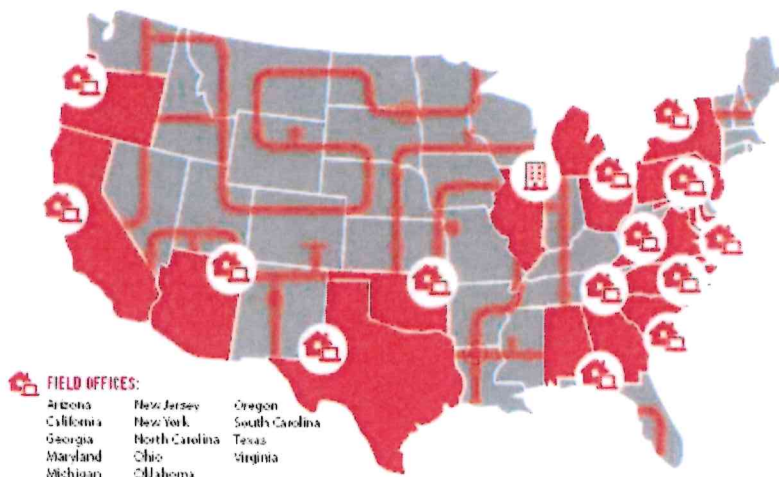
Turning Flow Data Into System Intelligence

Flow monitoring is foundational to effective wastewater system management, but only when the data is accurate, consistent, and supported by the expertise to interpret it. Duke's delivers comprehensive flow monitoring programs that go beyond equipment installation to provide the engineering judgment, field responsiveness, and quality assurance that translate raw data into actionable insight.

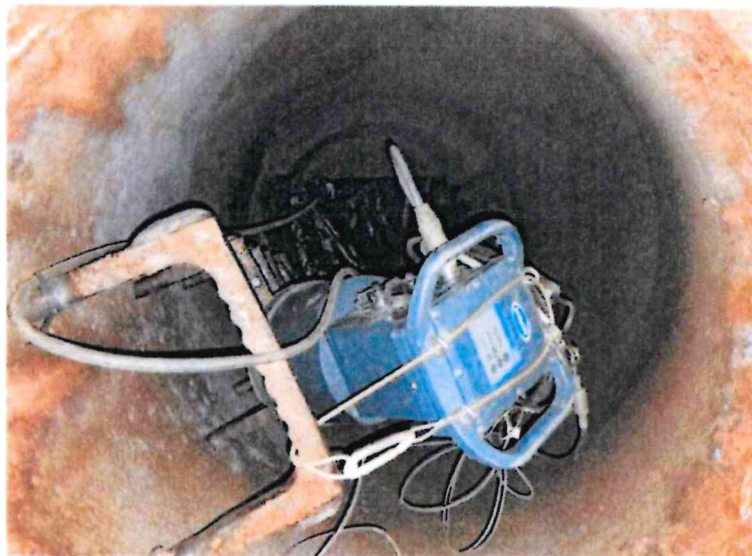
With decades of experience supporting municipal utilities across the eastern United States, Duke's has built a flow monitoring practice capable of meeting the most demanding program requirements, from routine collection system assessments to high-stakes regulatory compliance monitoring.

Precision Data You Can Depend On

Duke's field technicians deploy and maintain area-velocity flow meters, level-only sensors, and rain gauges across collection system networks of any scale. Every installation is documented, calibrated, and verified to meet project-specific accuracy requirements. Our data QA/QC process flags anomalies, identifies equipment issues, and distinguishes between sensor error and genuine system behavior, so clients receive defensible data, not raw numbers.



Insights derived from flow and rainfall data can help manage system capacity and adapt to changing conditions over time allowing for the optimization of capital, day-to-day operations, and maintenance programs.



Programs Scaled to Your System's Needs

Whether a utility requires short-term targeted monitoring or a multi-phase, multi-basin program sustained over years, Duke's structures deployments to match project goals. Our experience includes rotating basin-by-basin programs with 12 to 15 monitors per basin collecting continuous data over 90-day periods, as well as permanent and semi-permanent installations supporting long-term system performance tracking. Equipment is mobilized, relocated, and managed in-house, with no subcontracting and no gaps in accountability.

Engineering Support That Goes Beyond the Field

Flow monitoring programs succeed or fail on the quality of engineering interpretation behind the data. Duke's provides in-house engineering support for data analysis, anomaly investigation, I/I quantification, and technical reporting. Our engineers produce deliverables that support capital planning, rehabilitation prioritization, regulatory compliance documentation, and inter-jurisdictional billing reconciliation, integrating flow data into the larger story of system performance.

Rapid Response When It Matters

Equipment operates in hostile subsurface environments. Issues arise. What separates effective programs from unreliable ones is how quickly problems are identified and resolved. Duke's monitors installations proactively, responds rapidly to equipment failures and data gaps, and communicates transparently with clients throughout program execution. When accuracy is tied to billing, compliance, or investment decisions, clients need a partner who responds in hours, not days.

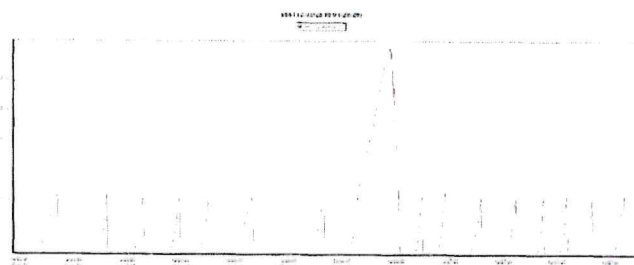
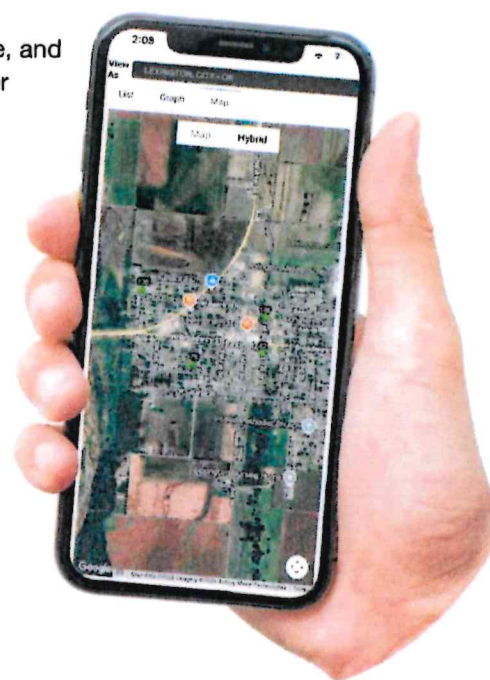
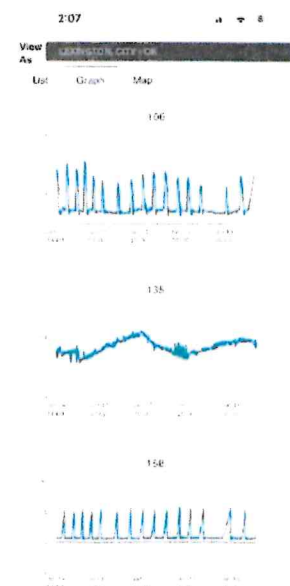
Overflow Alert: Sewer Monitoring and Alert Service

With Duke's 100% turnkey service that includes hardware, installation, maintenance, and hardware failure replacement - you can have a peace of mind knowing if your sewer system goes "out of bounds" requiring your time and energy.

Up and running within 30 days of NTP

- Receive an alert via phone and/or text (as many or few as needed)
- Tap the link in the text message and view the current and historical conditions

No texts = peace of mind knowing your sanitary sewer system is not out of bounds!



Duke's Overflow Alerts provide real-time data on location, history and severity of sewer issues.

Collection System Open Channel Flow Monitoring Services



Installation and Hardware

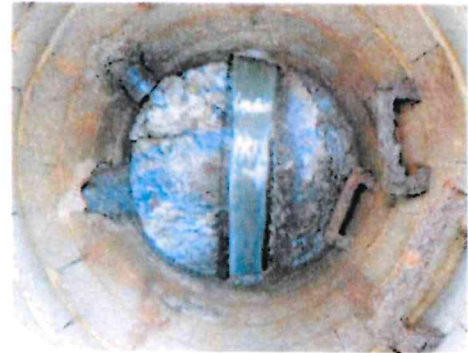


Dukes_RB01

Created: 2023-02-10 20:59:53 UTC by Lucas Amborn
Updated: 2023-02-10 22:45:05 UTC by Lucas Amborn
Location: 25.68793560358114 -76.62367264926434
Status: ■ Installed
Site Name: Dukes_RB01
Project Name: Raleigh Flow Monitoring
Meter Type: Hach AQ

Install

Purpose: Install, Maint, or Removal: Install
Risk to Invert Measurement: 7.26
PICTURE OF INVERT:



FLOWING OR STAGNANT: No
SURCHARGED ABOVE TOP OF PIPE: No
Site: Dukes_RB01
Project: Raleigh Flow Monitoring
Date: 2023-02-10
Time of Measurements: 15:59
Field Personnel: Lucas
Is confined space entry required?: Yes
Installed Logger SN: 181200004250

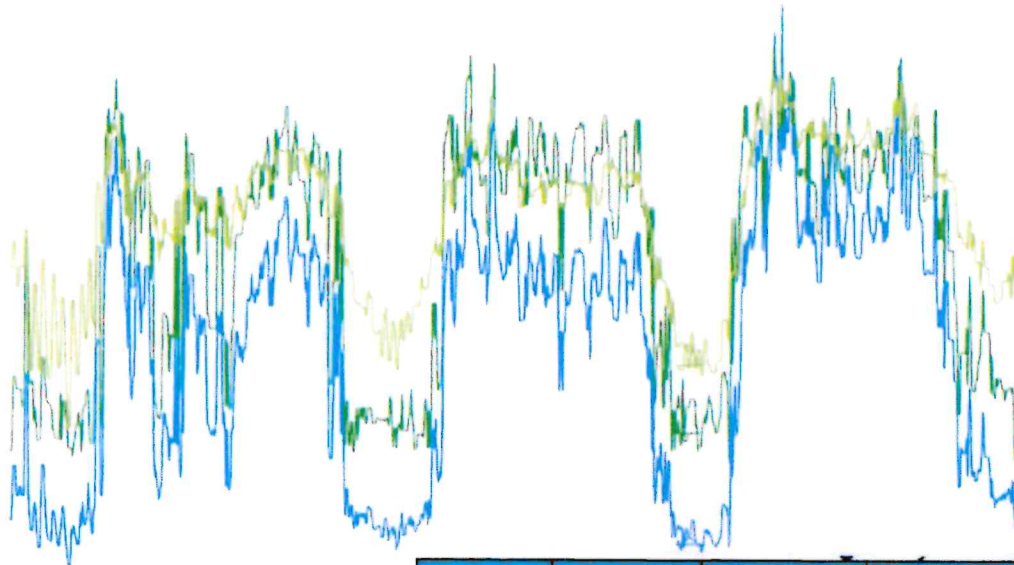
FLOWING: No
Site: Dukes_RB01
Project: Raleigh Flow Monitoring
Date: 2023-02-10
Time of Measurements: 15:59
Field Personnel: Lucas
Is confined space entry required?: Yes
Installed Logger SN: 181200004250

Services Include:

Installation Report

- All hardware, software, and labor to install maintain flow monitors
- Area Velocity, Ultrasonic, and Flo Dar sensors available
- OSHA Confined Space Entry Trained Personnel
- Access to online data in real time 24/7
- All installation and maintenance documentation (one report per site)
- CSV files of all raw and edited data
- Integral Rain Gauges available
- Final Report including Inflow and infiltration analysis
- Advanced Report(s) such as Hydraulic Model available upon request
- Combine with iTracker and Sentinel Pump Station Monitor

Hydrostructures Fleet
CGA-FM1

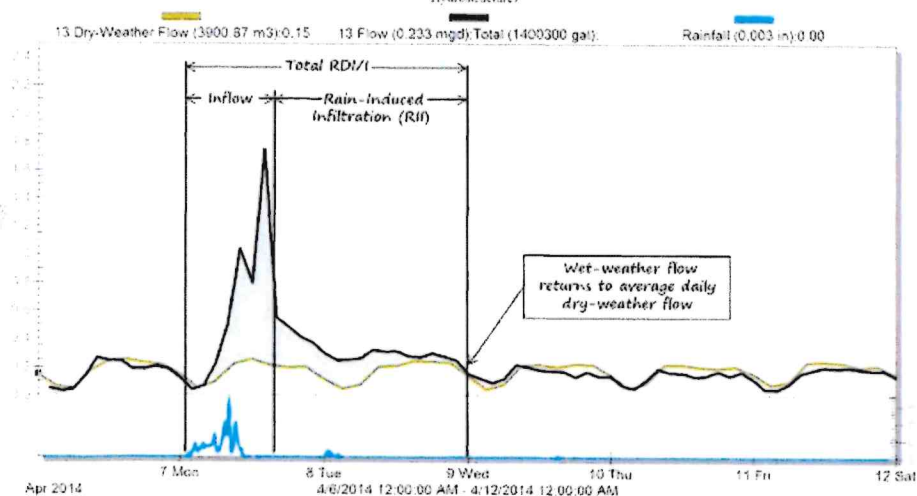


Data Graphs Available Online
in Real Time 24/7

Meter Site Number	Pipe Diameter (inches)	Total Pipe Length (feet)	Average Dry-Weather Flow Rate recorded at Meter (gpd)	Average Dry-Weather Flow Rate in Basin (gpd)*
TH1	18"	8,630	10,080	10,080
TH2	11.25"	15,970	181,440	14,400
TH3	8"	22,880	67,680	67,680
TH4	8"	17,340	40,320	40,320
TH5	8"	19,100	59,040	59,040
TH6	20.5"	21,250	290,880	99,360
TOTAL				290,000

Figure 3 – Components of RDI/I

Example Site
Hydrostructures



Example Tables Included in Report

A Team Built for This Work



Stuart Tillery

Stuart Tillery is the National Account Manager at Duke's and has been with the company for 25 years. During his time, he has helped over 300 utilities achieve their goals of reducing internal costs of maintenance and increasing the return on investment for their collection systems. Stu helps clients extend the life of their infrastructure through chemical root control, FOG control, H2S mitigation and Inflow and Infiltration abatement. Stu has served as NASSCO President and has introduced innovative technologies to the company allowing Duke's to increase their service offerings nationwide. Stu is also a recipient of the Golden Manhole Award and was inducted into the GA 5S Society. Stu remains active in several state associations throughout the seven states he manages.

25 years of experience • NASSCO Past President



Mike Ping, PE

Mike Ping is the Technical Manager at Duke's and has been with the company since 2021, when his prior company Hydrostructures, was acquired by Duke's. Mike is a licensed Professional Engineer in the states of South Carolina and North Carolina and a graduate of Clemson University. Since 2001, Mike has gained a comprehensive understanding of both water and wastewater systems. Mike's key expertise includes sewer collection system assessment, sewer flow monitoring, modeling, pipeline acoustic assessment and CCTV. In Mike's current role with Duke's, he serves as technical advisor and subject matter expert on sanitary sewer collection assessment and rehabilitation.

20 years of experience • Licensed Professional Engineer in NC and SC • NASSCO PACP/LACP/MACP Certified



David Johnston, PE

David is a senior engineering leader with more than 30 years of experience in collection system assessment, flow monitoring, hydraulic modeling, and infrastructure rehabilitation. He provides executive-level oversight and technical leadership focused on data integrity, system performance evaluation, and coordination between engineering and field operations. David has guided long-term monitoring programs and rehabilitation planning efforts for organizations across the region. He holds a BS in Civil Engineering from North Carolina State University and is a licensed Professional Engineer in North Carolina.

30+ Years of Collection System Experience • Licensed Professional Engineer in NC • NASSCO PACP/LACP/MACP Certified



Uthappa Mandepanda

Senior Project Manager

Uthappa is a senior project manager specializing in wastewater system data evaluation, condition assessment, and engineering deliverables. He reviews CCTV, manhole inspection, smoke testing, and pump station data using NASSCO PACP and MACP protocols to identify defects and system vulnerabilities. Uthappa supports QA/QC of field data, performs I/I analysis, and develops engineering recommendations based on observed trends and system performance. He holds an MS in Water Resources and Environmental Engineering from Villanova University and a BS in Chemical Engineering from Ramaiah Institute of Technology.

I/I Analysis and QA/QC • Multi-Source Data Interpretation • NASSCO PACP/LACP/MACP Certified



Kilian Nicholls, PE

Project Manager

Kilian is a project manager and licensed engineer with broad expertise in sewer evaluation, flow monitoring, and wastewater system performance assessment. He coordinates field crews, data analysts, and municipal staff to meet schedule, performance, and reporting requirements across complex programs. Kilian has managed a wide range of flow monitoring and system evaluation projects supporting hydraulic modeling, infrastructure planning, and I/I analysis. He holds a BS in Mechanical Engineering from Old Dominion University and is a licensed Professional Engineer in Virginia.

Flow Monitoring Program Management • Licensed Professional Engineer in VA • NASSCO PACP/LACP/MACP Certified

A Record of Performance

Duke's brings a rare combination of direct, long-term experience with sanitary sewer systems and technically rigorous flow monitoring expertise across the Southeast. Our team is positioned to deliver the full spectrum of services municipal utilities require, from meter installation, maintenance, and telemetry management to defensible data analysis, regulatory reporting, and I/I evaluation. Few firms can demonstrate both the deep infrastructure knowledge and the dedicated flow monitoring program management that demanding collection system contracts require. Duke's offers both.

Our regional experience spans sanitary sewer evaluation studies, inspection and condition assessment of gravity sewers, critical large-diameter mains, and sewer siphons; design of rehabilitation programs for gravity sewers, service laterals, and manholes; investigation of hydrogen sulfide corrosion at siphon structures; and targeted smoke testing, dye testing, and CCTV inspection across a wide range of municipal systems. Collectively, this work has encompassed thousands of manholes, hundreds of thousands of linear feet of pipeline inspection, multiple flow monitoring and rain gauge deployments supporting hydraulic modeling efforts, and rehabilitation designs addressing high-risk assets. This breadth of field experience gives Duke's a working understanding of collection system configuration, condition trends, and infrastructure challenges that directly informs the quality and interpretive value of our flow monitoring programs.

Duke's knows how to build, operate, and maintain a flow monitoring program that consistently produces reliable data, and we are ready to serve as a capable, informed partner for utilities at any stage of their monitoring program.

Gravity Flow Monitoring Services

Hampton Roads Sanitation District | Virginia Beach, Virginia

26

flow meters maintained

260

weeks of program duration

YEAR 4

of 5 year program

Duke's is providing comprehensive gravity flow monitoring services, leveraging advanced flow metering technology to collect critical data for system performance evaluation and hydraulic model development. With a focus on accuracy and reliability, Duke's installed and currently maintains 26 flow meters at key points within HRSD's collection system, allowing continuous data transmission through Telog recording telemetry units. The monitoring program, which is ongoing and spans 260 weeks, (currently in year 4 of 5-year contract) includes site investigations, equipment calibration, and data validation to maintain high-quality data integrity. Duke's expertise in confined space entry, traffic control, and utility coordination supported the project execution.

Duke's supports HRSD's efforts in optimizing sewer system performance and planning future infrastructure improvements. Monthly reporting and ongoing calibration verification provided actionable insights for capacity planning and system assessments. By integrating real-time data access with HRSD's enterprise Telog system, Duke's facilitates efficient analysis and informed decision-making, providing support to HRSD as a trusted partner in wastewater flow monitoring and infrastructure management.

Flow Monitoring Services

Cape Fear Public Utility Authority (sub to Carollo Engineers) | Wilmington, North Carolina

28

flow meters deployed

8

months monitoring period

2

weather conditions captured

Duke's provided flow monitoring services as a subconsultant to Carollo Engineers in support of hydraulic model calibration for the Cape Fear Public Utility Authority. The project included deployment and operation of 28 flow monitors over an eight month monitoring period to capture dry weather and wet weather system behavior across targeted basins. Duke's responsibilities included field installation, routine maintenance, data collection, and quality control to support accurate and reliable hydraulic model calibration. Flow data was reviewed for anomalies, validated through field confirmations, and prepared for use by the engineering design team to improve model accuracy and system performance assessments.

Flow Monitoring and I/I Report

City of Rock Hill | Rock Hill, South Carolina

15

flow meters deployed

60

day monitoring period

2

weather conditions captured

Duke's performed a targeted flow monitoring program for the City of Rock Hill to support I/I evaluation and system performance analysis. The project included deployment and monitoring of 15 flow meters over a 60-day period to capture dry weather and wet weather conditions within selected areas of the collection system. Duke's was responsible for field installation, routine maintenance, data collection, and data validation throughout the monitoring effort.

Following completion of the monitoring period, Duke's prepared a comprehensive I/I Report documenting flow response, rainfall correlation, and observed system behavior. Results can be used by the City to support planning discussions and evaluation of future rehabilitation needs.

2025 iInspect and Flow

City of Fort Oglethorpe | Fort Oglethorpe, Georgia

235

MicroDetections deployed

1,392

manhole inspections

24

flow monitors placed

This comprehensive multi-service project is currently underway and represents Duke's integrated approach to infrastructure assessment. The deployment of 235 MicroDetections provides continuous level monitoring in 15-minute increments to identify I/I sources. The 1,392 Level 2 MACP manhole inspections follow standardized assessment protocols to evaluate structural conditions. Twenty-four strategically placed flow monitors capture detailed hydraulic data during both dry and wet weather periods. Smoke testing services complement these technologies by identifying illegal connections and system defects.

Flow Monitoring and I/I Study

Town of Rocky Mount | Rocky Mount, Virginia

4

flow meters deployed

7

month program

5

minute data collection intervals

Duke's provided comprehensive gravity sewer flow monitoring services to support sanitary sewer capacity analysis for the Rocky Mount, Virginia collection system. Using Hach FL900 area-velocity flow metering technology, Duke's installed and maintained four flow meters at key locations to collect high-resolution flow, depth, and velocity data under both dry- and wet-weather conditions. Continuous data collection with cellular telemetry supported reliable data transmission and efficient access for analysis.

The monitoring program, conducted from December 2024 through June 2025, included site investigations, confined space entry, equipment calibration, routine maintenance, and rigorous data validation to confirm data accuracy and reliability. Monthly field visits, manual flow verification, and engineering review supported high-quality datasets suitable for hydraulic modeling and I/I evaluation.

Duke's supported system performance assessment by delivering calibrated dry- and wet-weather flow data, rainfall-dependent I/I analysis, and wet-weather peaking factors across multiple storm events. Through disciplined quality control and transparent data delivery, Duke's provided actionable insights to support capacity planning, system evaluation, and future infrastructure improvement decisions for the Rocky Mount service area.

Flow Monitoring and I/I Study

Town of Woodstock | Woodstock, Virginia

12

flow meters installed

4

months of data collected

5

minute real-time data intervals

The Town of Woodstock, Virginia contracted Duke's to conduct a Flow Monitoring and I/I Analysis to evaluate excessive wet-weather flows that were causing the wastewater treatment plant (WWTP) to operate near or above capacity during rainfall events. Duke's performed the work to quantify extraneous flows, identify contributing sewer basins, and prioritize areas for further investigation and rehabilitation.

The project included updating the Town's GIS data, reviewing historical WWTP and pump station flows, and installing 12 temporary flow monitors to isolate individual sewer basins. Flow, level, and velocity data were recorded at five-minute intervals and transmitted in real time, while a rain gauge captured rainfall depth and intensity. Four months of data were collected between February and May 2023 and analyzed using defined dry-weather and wet-weather periods.

The analysis focused on inflow and rain-derived infiltration (RDII), calculated as the difference between dry- and wet-weather flows. Basin severity was normalized using inch-miles of pipe to allow direct comparison. Results identified significant wet-weather response across several basins.

Duke's recommended targeted SSES activities beginning with the highest-priority basins. Recommended actions included smoke testing, manhole inspections, cleanout cap installation, and CCTV inspections to identify structural defects and direct inflow sources. These efforts were subsequently performed by Duke's to further guide rehabilitation projects and achieve the greatest I/I reduction per dollar invested.

Flow Monitoring and I/I Study

Town of Warrenton, Virginia | Warrenton, Virginia

18

flow meters deployed

4

rain gauges installed

18

sub-basins isolated and analyzed

Duke's completed a comprehensive Flow Monitoring and I/I Study for the Town of Warrenton, Virginia to quantify wet-weather impacts on the sanitary sewer system and identify priority areas for corrective action. The Town initially estimated 200,000 to 800,000 gpd of extraneous flow at the WWTP; the study provided a defensible, data-driven assessment to refine these estimates and guide capital planning.

The project included GIS updates, review of historical WWTP and pump station data, and deployment of 18 temporary flow meters and four rain gauges to isolate eight sewer basins into 18 sub-basins. Flow, level, and velocity data were collected at 15-minute intervals over a four-month monitoring period and analyzed under dry- and wet-weather conditions. Two representative rain events were evaluated to quantify inflow and RDII and normalize results using gallons per day per inch-mile of pipe, allowing objective comparison and ranking of basin severity.

The analysis identified significant system-wide RDII during the analyzed storm events, exceeding prior estimates. Sub-basins were ranked based on the most severe inflow response and prolonged elevated flows indicative of infiltration.

Duke's also developed a prioritized SSES program focused on the highest-severity basins. Recommended services included smoke testing, manhole inspections and rehabilitation, cleanout repairs, and targeted CCTV inspections to maximize I/I reduction. Duke's performed the smoke testing and manhole inspections to support the Town's rehabilitation design efforts.

Fee Estimate

The prices quoted herein will remain in effect for the length of this contract, unless changes are agreed upon in writing by both parties.

TYPE OF SERVICE	Qty (Monitors)	Price/Monitor	Qty (Months)	Subtotal
Flow Monitor Installation • Mobilization and Installation of 1" Flow Monitors	1	\$30,000.00	1	\$30,000.00
Flow Monitoring Service • Includes hardware, software, maintenance, and hardware removal at Area Velocity Flow Meters • Online data viewing in real time upon request • Access to site to be provided by owner	11	\$1,210.00	12	\$159,720.00
Flow Monitoring Service - Year 2	11	\$1,210.00	12	\$159,720.00
Flow Monitoring Service - Year 3	11	\$1,210.00	12	\$159,720.00
				\$189,720.00
Overflow Alert Installation • Mobilization and Installation of 1" O-Alert Monitors	1	\$12,000.00	1	\$12,000.00
Overflow Alert Overflow Alert service provides level measurements and reliable notification of lower level changes via text and/or email. Includes: • Service includes all hardware, installation, and maintenance for the duration of the contract period. • Installation of hardware at one location (Hardware can be moved at an additional cost). • Programming of hardware • Data access is provided via website without the need for software installations. Access to data and website is included and available 24/7. • Data access training • Alarm and control zones	10	\$517.00	12	\$62,040.00
Overflow Alert - Year 2	10	\$517.00	12	\$62,040.00
Overflow Alert - Year 3	10	\$517.00	12	\$62,040.00
				\$74,040.00

Total \$263,760.00

A PDF copy of a Purchase Order made out to Duke's Root Control, Inc. is required prior to mobilization for all HGAC requests.

Proposal pricing is valid for 90 days.

Non-Prevailing Wage Rates Applied

Monthly progress invoices will reflect the value of field work completed to date and are due upon receipt.

Agreement of Service

By signing below, City of Manchester agree to all provisions set forth in this proposal. Any requirements not listed in this proposal may be subject to additional fees.

City of Manchester

Lonnie Foley
Water and Sewer Director



400 Airport Road, Suite E
Elgin, Illinois 60123



info@dukes.com
www.dukes.com



800-447-6687

Thank you!

At Duke's, our mission is to provide unparalleled personal service with the knowledge and expertise of our team, offering cost-effective solutions and innovative design.

We strive to provide quality service, products and support that will assist our customers in making their collection systems run efficient and cost effectively so they can provide citizens with the best service possible.

Resolution # _____

**INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED
TWENTY MILLION AND NO/100 DOLLARS (\$20,000,000) WATER AND
SEWER SYSTEM REVENUE AND TAX BONDS OF THE CITY OF
MANCHESTER, TENNESSEE**

BE IT RESOLVED by the Board of Mayor and Aldermen (the "Governing Body") of the City of Manchester, Tennessee (the "Municipality") that for the purpose of financing, in whole or in part, (i) the acquisition and construction of improvements and extensions to the Municipality's water and sewer system (the "System"); (ii) the acquisition of all other property, real and personal, appurtenant to the foregoing (the "Projects"); (iii) the payment of legal, fiscal, administrative, architectural and engineering costs incident to the Projects and incident to the indebtedness described herein; (iv) the payment of capitalized interest during construction of the Projects and for up to six months thereafter; (v) the reimbursement to the Municipality for funds previously expended for any of the foregoing; and (vi) the payment of costs incident to the issuance and sale of the bonds, there shall be issued, in one or more series, bonds in the aggregate principal amount of not to exceed \$20,000,000, which bonds shall bear interest at a rate or rates not to exceed six percent (6.00%) per annum. The bonds shall be payable from and secured by a pledge of the revenues of the System and, in the event of a deficiency in such revenues, from unlimited ad valorem taxes to be levied on all taxable property within the Municipality.

BE IT FURTHER RESOLVED by the Governing Body of the Municipality that the City Recorder of the Municipality be, and is, hereby directed and instructed to cause the foregoing initial resolution relative to the issuance of not to exceed \$20,000,000 water and sewer system revenue and tax bonds to be published in full in a newspaper having general circulation in the Municipality, for one issue of said paper followed by the statutory notice:

N O T I C E

The foregoing resolution has been adopted. Unless within twenty (20) days from the date of publication hereof a petition signed by at least ten percent (10%) of the registered voters of the Municipality shall have been filed with the City Recorder of the Municipality protesting the issuance of the bonds, such bonds will be issued as proposed.

Anthony Burrows, Finance Director/City Recorder

Adopted and approved this 2nd day of June, 2026.

Joey Hobbs, Mayor

ATTEST:

Anthony Burrows, Finance Director

STATE OF TENNESSEE)

COUNTY OF COFFEE)

I, Anthony Burrows certify that I am the duly qualified and acting City Recorder of the City of Manchester, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the Municipality held on June 2, 2026; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to an initial resolution relating to not to exceed \$20,000,000 Water and Sewer System Revenue and Tax Bonds of said Municipality.

WITNESS my official signature on this the 2nd day of June, 2026

City Recorder

Resolution No. _____

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$20,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER AND SEWER REVENUE AND TAX BONDS, SERIES 2026 OF THE CITY OF MANCHESTER, TENNESSEE; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; PROVIDING FOR THE COLLECTION AND DISPOSITION OF REVENUES FROM THE WATER AND SEWER SYSTEM OF THE MUNICIPALITY; AND MAKING PROVISION FOR THE OPERATION OF SAID SYSTEM.

WHEREAS, the City of Manchester, Tennessee (the "Municipality") owns and operates a water and sewer system; and

WHEREAS, the Municipality believes it to be necessary and advisable and in the public interest to issue bonds and use the proceeds to finance, in whole or in part, (i) the acquisition and construction of improvements and extensions to the Municipality's water and sewer system (the "System"); (ii) the acquisition of all other property, real and personal, appurtenant to the foregoing (the "Projects"); (iii) the payment of legal, fiscal, administrative, architectural and engineering costs incident to the Projects and incident to the indebtedness described herein; (iv) the payment of capitalized interest during construction of the Projects and for up to six months thereafter; (v) the reimbursement to the Municipality for funds previously expended for any of the foregoing; and (vi) the payment of costs incident to the issuance and sale of the bonds; and

WHEREAS, said bonds will be payable from and secured by the revenues of the System and, in the event of a deficiency in such revenues, from unlimited ad valorem taxes to be levied on all taxable property within the Municipality; and

WHEREAS, the Board of Mayor and Aldermen of the Municipality has adopted on the date hereof an initial resolution (the "Initial Resolution") authorizing the issuance of not to exceed \$20,000,000 for the purposes described above; and

WHEREAS, the Initial Resolution, together with the notice required by Section 9-21-206, Tennessee Code Annotated, as amended, will be published as required by law; and

WHEREAS, it is the intention of the Board of Mayor and Aldermen of the Municipality to adopt this resolution for the purpose of authorizing not to exceed \$20,000,000 in aggregate principal amount of bonds for the purposes described above; establishing the terms of the bonds; and providing for the issuance, sale and payment of said bonds in one or more series, the disposition of proceeds therefrom, and the collection of revenues from the System and the application thereof to the payment of principal of, premium, if any, and interest on said bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Manchester, Tennessee, as follows:

ARTICLE I. DEFINITIONS

The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

“Acquired System” shall mean any water and/or sewer systems acquired by the Municipality and/or any such facilities hereafter constructed or otherwise established by the Municipality pursuant to the Act.

“Act” shall mean, collectively, Sections 7-34-101 et seq., and Sections 9-21-101, et seq., Tennessee Code Annotated.

“Balloon Indebtedness” shall mean any bonds, notes or other indebtedness, other than Short-Term Indebtedness, 25% or more of the initial principal amount of which matures (or must be redeemed at the option of the holder) during any twelve month period, if such 25% or more is not to be amortized to below 25% by mandatory redemption prior to the beginning of such twelve month period.

“Bond Fund” shall mean the Principal and Interest Sinking Fund established pursuant to Section 6.1(b) hereof.

“Bonds” means the Series 2026 Bonds and any Parity Bonds.

“Capital Appreciation Bonds” shall mean bonds which bear interest at a stated interest rate of 0.0% per annum, have a value on any applicable date equal to the Compound Accreted Value thereof on that date, and are payable only at maturity or earlier redemption.

“Code” means the Internal Revenue Code of 1986, as amended, and any lawful regulations promulgated or proposed thereunder.

“Compound Accreted Value” shall mean the value at any applicable date of any Capital Appreciation Bonds computed as the original principal amount thereof for each maturity date plus an amount equal to interest on said principal amount (computed on the basis of a 360-day year of twelve 30-day months) compounded semiannually on such dates as shall be established by the resolution authorizing Capital Appreciation Bonds, from the dated date to said applicable date at an interest rate which will produce at maturity the Maturity Amount for such maturity date.

“Construction Fund” means the Series 2026 Construction Fund established pursuant to Article XI of this resolution.

“Consulting Engineer” means (i) an engineering firm or individual engineer employed by the Municipality with substantial experience in advising water and sewer systems as to the construction and maintenance of such systems and in the projection of costs of expansion of such systems or (ii) an engineer or engineers who are employees of the Municipality whose reports or projections are certified by a Municipal Advisor.

“Credit Facility” means any municipal bond insurance policy, letter of credit, surety bond, line of credit, guarantee, or other agreement under which any person other than the Municipality provides additional security for any Bonds and guarantees timely payment of or purchase price equal to the principal of and interest on all or a portion of any Bond and shall include any Reserve Fund Credit Facility.

“Debt Service Requirement” means the total principal, Maturity Amounts and interest coming due, whether at maturity or upon mandatory redemption (less any amount of interest that is capitalized and payable with the proceeds of debt on deposit with the Municipality or any paying agent for the Bonds or other obligations of the Municipality payable from all or some portion of Gross Earnings), for any period of 12 consecutive calendar months for which such a determination is made, provided:

(a) The Debt Service Requirement with respect to Variable Rate Indebtedness shall be determined as if the variable rate in effect at all times during future periods equaled either (A) the average of the actual variable rate which was in effect (weighted according to the length of the period during which each such variable rate was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period), or (B) the current average annual fixed rate of interest on securities of similar quality having a similar maturity date, as certified by a Municipal Advisor.

(b) For the purpose of calculating the Debt Service Requirement on Balloon Indebtedness and Short-Term Indebtedness, (i) the actual principal and interest on such Balloon Indebtedness and Short Term Indebtedness shall be included in the Debt Service Requirement, subject to the other assumptions contained herein, or (ii) such Balloon Indebtedness and Short Term Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of 20 years from the date of issuance at an assumed interest rate (which shall be the interest rate certified by a Municipal Advisor to be the interest rate at which the Municipality could reasonably expect to borrow the same amount by issuing bonds with the same priority of lien as such Balloon Indebtedness and Short Term Indebtedness and with a 20-year term); provided, however, that if the maturity of such Balloon Indebtedness is in excess of 20 years from the date of issuance, then such Balloon Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of years equal to the number of years from the date of issuance of such Balloon Indebtedness to maturity and at the interest rate applicable to such Balloon Indebtedness; provided further that this paragraph shall not be applicable for purposes of determining the Debt Service Requirement for purposes of Section 7.4 of this resolution unless the Municipality has a written commitment from a bank, underwriting firm or other financial institution to refinance at least 90% of the principal amount of such Balloon Indebtedness or Short-Term Indebtedness coming due in the relevant Fiscal Year.

“Defeasance Obligations” shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

“Financial Guaranty Agreement” shall mean any Financial Guaranty Agreement authorized herein to be executed in connection with a Reserve Fund Credit Facility.

“Fiscal Year” means the twelve-month period commencing July 1st of each year and ending June 30th of the following year.

“Governing Body” means the Board of Mayor and Aldermen of the Municipality.

“Gross Earnings” means all revenues, rentals, earnings and income of the System from whatever source, determined in accordance with generally accepted accounting principles; proceeds from the sale of System property; proceeds of System-related insurance and condemnation awards and compensation for damages, to the extent not applied to the payment of the cost of repairs, replacements and improvements; and all amounts realized from the investment of funds of the System, including money in any accounts and funds created by this resolution, and resolutions authorizing any Parity Bonds or subordinate lien bonds (excluding any investment earnings from construction or improvement funds created for the deposit of bond

proceeds pending use, to the extent such income is applied to the purposes for which the bonds were issued, and funds created to defease any outstanding obligations of the System); provided, however, at the election of the Governing Body, the term “Gross Earnings” as used herein shall not include any revenues, rentals, earnings or other income received from the operation of an Acquired System, and any bonds or other obligations issued in connection with such Acquired System shall not be payable from or secured by Net Revenues or be deemed to be Parity Bonds.

“Loan Agreement” shall mean any agreement or contract entered into by the Municipality whereby a third party agrees to advance funds to the Municipality and the Municipality agrees to repay those funds with interest from all or a portion of Gross Earnings.

“Maturity Amount” shall mean the Compound Accreted Value on the stated maturity date of a Capital Appreciation Bond.

“Maximum Annual Debt Service Requirement” means the maximum annual Debt Service Requirement for any Fiscal Year.

“Municipal Advisor” means an investment banking or financial/municipal advisory firm, commercial bank, or any other person who or which is retained by the Municipality for the purpose of passing on questions relating to the availability and terms of specified types of debt obligations or the financial condition or operation of the System and is actively engaged in and, in the good faith opinion of the Municipality, has a favorable reputation for skill and experience in providing Municipal Advisory services of the type with respect to which the Municipal Advisor has been retained.

“Municipality” means the City of Manchester, Tennessee.

“Net Revenues” means (i) Gross Earnings, excluding any profits or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets and further excluding non-cash or non-recurring items, including but not limited to, contributions in aid of construction, less (ii) Operating Expenses.

“Operating Expenses” means and shall include but not be limited to, expenses for ordinary repairs, removals and replacements of the System, salaries and wages, employees' health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses (including legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting or technical services not funded with proceeds of bonds, notes or other debt obligations), insurance expenses, taxes, payments in-lieu-of-taxes and other governmental charges, and any payments made by the Municipality during any Fiscal Year to purchase water or sewer supplies, production and/or treatment services. Operating Expenses do not include depreciation or obsolescence charges or reserves therefor, amortization of intangibles or other bookkeeping entries of a similar nature, on bonds, notes or other debt obligations of the System payable from Net Revenues of the System, costs or charges made therefor, capital additions, replacements, betterments, extensions or improvements to or retirement from the System which under generally accepted accounting principles are properly chargeable to the capital account or the reserve for depreciation, and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the System, nor such property items, including taxes and fuels, which are capitalized pursuant to the then existing accounting practices of the Municipality or expenses of an Acquired System if revenues of the Acquired System are not included in Gross Earnings at the election of the Municipality.

“Original Purchaser” means the original purchaser of the Series 2026 Bonds at competitive sale pursuant to the terms of this resolution.

“Other Bonds” means the City’s Series 2017 and Series 2021A General Obligation Refunding Bonds, and any other bonds secured by unlimited ad valorem taxes levied on all property within the Municipality that are additionally payable from, but not secured by, revenues derived by the Municipality’s System.

“Parity Bonds” means bonds, notes, Loan Agreements, and other debt obligations, including Balloon Indebtedness, Short-Term Indebtedness and Variable Rate Indebtedness, issued or entered into by the Municipality on a parity with the Series 2026 Bonds herein authorized in accordance with the restrictive provisions of Article IX hereof, including any bonds or other obligations secured by a pledge of and/or lien on an Acquired System and the revenues derived from the operation of such Acquired System (provided such pledge and lien are subject only to normal and customary expenses of operating, maintaining, repairing and insuring any such System), so long as the Acquired System is not being operated separately from the System as is permitted herein or the revenues from such Acquired System are not excluded from Gross Earnings.

“Project” means improvements and extensions to the System, and the payment of legal, fiscal and administrative costs in connection therewith.

“Rate Covenant Requirement” means an amount of Net Revenues which is equal to the sum of: (a) 120% of the Debt Service Requirement for the forthcoming Fiscal Year on the Bonds plus (b) 100% of (i) the amounts, if any, required by this resolution or any subsequent resolution to be deposited by the Issuer into the Reserve Fund during the forthcoming Fiscal Year, (ii) debt service payable on, or reserve fund funding requirements for, any subordinate lien indebtedness, and (iii) any required payments in lieu of taxes to the Municipality or other governmental entities.

“Rating” means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

“Rating Agencies” or “Rating Agency” means Moody's and S&P, or any successors thereto and any other nationally recognized credit rating agency.

“Registration Agent” means the registration and paying agent appointed by the Mayor of the Municipality, or any successor designated by Municipality.

“Reserve Fund” shall mean any Debt Service Reserve Fund established pursuant to Section 6.1(d) hereof.

“Reserve Fund Credit Facility” means a municipal bond insurance policy, surety bond, letter of credit, line of credit, guarantee or other agreement provided by a Reserve Fund Credit Facility which provides for payment of amounts equal to all or any portion of the Reserve Fund Requirement in the event of an insufficiency of moneys in the Bond Fund to pay when due principal of and interest on all or a portion of the Bonds.

“Reserve Fund Credit Facility Issuer” means the issuer of a Reserve Fund Credit Facility that is, at the time such Reserve Fund Credit Facility is procured by the issuer, assigned a financial strength rating of at least “AA-” by S&P or “Aa3” by Moody's.

“Reserve Fund Requirement” means an amount determined from time to time by the Municipality as a reasonable reserve, if any, for the payment of principal of and interest on a series of Bonds pursuant, which shall be set forth in the supplemental resolution authorizing such Bonds.

“Revenue Fund” shall have the meaning ascribed in Section 6.1 hereof.

“Series 2026 Bonds” means the Water and Sewer System Revenue and Tax Bonds authorized to be issued by this resolution.

“Short-Term Indebtedness” means bonds, notes, Loan Agreements or other debt obligations, including Variable Rate Indebtedness, maturing five years or less from their date of issuance, issued by the Municipality as Parity Bonds in accordance with the restrictive provisions of Article IX hereof.

“State” means the State of Tennessee.

“System” means the water and sewer system of the City and any water and/or sewer system hereafter acquired, constructed or otherwise established, including all improvements and extensions made by the Municipality while the Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and including all appurtenances, contracts, leases, franchises, and other intangibles; provided, however, at the election of the Governing Body, an Acquired System may be included within the System as defined herein and become a part thereof or, at the election of the Governing Body, not become a part of the System but be operated as a separate and independent system by the Municipality with the continuing right, upon the election of the Governing Body, to incorporate such separately Acquired System within the System.

“Variable Rate Indebtedness” means any Bonds, the interest rate on which is subject to periodic adjustment, at intervals, at such times and in such manner as shall be determined by resolution authorizing such Bonds; provided that if the interest rate shall have been fixed for the remainder of the term thereof, it shall no longer be Variable Rate Indebtedness.

ARTICLE II. AUTHORIZATION AND TERMS OF THE SERIES 2026 BOND

2.1 Authorization and Purpose. For the purpose of financing, in whole or in part, (i) the acquisition and construction of improvements and extensions to the Municipality’s water and sewer system (the “System”); (ii) the acquisition of all other property, real and personal, appurtenant to the foregoing (the “Projects”); (iii) the payment of legal, fiscal, administrative, architectural and engineering costs incident to the Projects and incident to the indebtedness described herein; (iv) the payment of capitalized interest during construction of the Projects and for up to six months thereafter; (v) the reimbursement to the Municipality for funds previously expended for any of the foregoing; and (vi) the payment of costs incident to the issuance and sale of the Series 2026 Bonds, the Governing Body hereby authorizes the issuance of the Series 2026 Bonds. The Series 2026 Bonds are being issued pursuant to the Act.

2.2 General Terms.

(a) The Series 2026 Bonds shall be issued in an aggregate principal amount not to exceed \$20,000,000.

(b) The Series 2026 Bonds shall be known as “Water and Sewer System Revenue and Tax Bonds, Series 2026.”

(c) The Series 2026 Bonds shall be dated their delivery date.

(d) The Series 2026 Bonds shall be issued in fully registered, book-entry form, without coupons, in \$5,000 denominations or integral multiples thereof as shall be requested by the Original Purchaser.

(e) The Series 2026 Bonds shall bear interest payable semi-annually on June 1 and December 1 of each year the Series 2026 Bonds are outstanding, commencing December 1, 2026, at an aggregate true interest rate not to exceed six percent (6.00%) per annum.

(f) The Series 2026 Bonds shall mature on each June 1, commencing no later than June 1, 2027 and ending no later than June 1, 2057, in such amounts as shall be established by the Mayor of the Municipality pursuant to Article X hereof.

2.3 Registration. The Municipality hereby authorizes and directs the Registration Agent to maintain Series 2026 Bond registration records with respect to the Series 2026 Bonds, to authenticate and deliver the Series 2026 Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Series 2026 Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Series 2026 Bonds as provided herein, to cancel and destroy Series 2026 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Municipality at least annually a certificate of destruction with respect to Series 2026 Bonds canceled and destroyed, and to furnish the Municipality at least annually an audit confirmation of Series 2026 Bonds paid, Series 2026 Bonds outstanding and payments made with respect to interest on the Series 2026 Bonds. The Mayor of the Municipality is hereby authorized to execute and the Finance Director/City Recorder is hereby authorized to attest such written agreement between the Municipality and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

2.4 Payment. The Series 2026 Bonds shall be payable, both principal and interest, in lawful money of the United States of America. The Registration Agent shall make all interest payments with respect to the Series 2026 Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Series 2026 Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Series 2026 Bond registration records, without, except for final payment, the presentation or surrender of such registered Series 2026 Bonds, and all such payments shall discharge the obligations of the Municipality in respect of such Series 2026 Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Series 2026 Bonds shall be made upon presentation and surrender of such Series 2026 Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a 360 day year comprised of twelve months of 30 days each. If requested by any registered owner (including DTC) of at least \$1,000,000 in aggregate principal amount of the Series 2026 Bonds, payment of interest on such Series 2026 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

2.5 Defaulted Interest. Any interest on any Series 2026 Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Municipality to the persons in whose names the Series 2026 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of

such Defaulted Interest, which shall be fixed in the following manner: the Municipality shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series 2026 Bond and the date of the proposed payment, and at the same time the Municipality shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than 15 nor less than ten days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, not less than ten days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Series 2026 Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Series 2026 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Municipality to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series 2026 Bonds when due.

2.6 Transfer. The Series 2026 Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Series 2026 Bond(s) to be transferred with the form of assignment contained therein completed in full and signed with the name of the registered owner as it appears upon the face of the Series 2026 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series 2026 Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Series 2026 Bond or Series 2026 Bonds to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series 2026 Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Series 2026 Bonds, nor to transfer or exchange any Series 2026 Bond after the publication of notice calling such Series 2026 Bond for redemption has been made, nor to transfer or exchange any Series 2026 Bond during the period following the receipt of instructions from the Municipality to call such Series 2026 Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. The person in whose name any Series 2026 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series 2026 Bonds shall be overdue. The Series 2026 Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Series 2026 Bonds of the same maturity in any authorized denomination or denominations. No charge shall be made to any registered owner for the privilege of transferring or exchanging any Series 2026 Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer.

2.7 Execution. The Series 2026 Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the Municipality with the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Finance Director/City Recorder.

2.8 Book-Entry Provisions. Unless the Series 2026 Bonds shall be placed directly with a bank as contemplated by Section 10.1, the Series 2026 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Series 2026 Bond or the Series 2026 Bonds shall be construed to mean the Series 2026 Bond or the Series

2026 Bonds that are held under the Book-Entry System. One Series 2026 Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series 2026 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series 2026 Bonds. Beneficial ownership interests in the Series 2026 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series 2026 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series 2026 Bonds. Transfers of ownership interests in the Series 2026 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES 2026 BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2026 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Series 2026 Bonds, so long as DTC is the only owner of the Series 2026 Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Municipality (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The Municipality and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Series 2026 Bonds or (2) to the extent permitted by the rules of DTC, the Municipality determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Series 2026 Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2026 Bonds, the Municipality shall discontinue the Book-Entry System with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Series 2026 Bonds in the form of fully registered Series 2026 Bonds to each Beneficial Owner.

THE MUNICIPALITY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES 2026 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2026 BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE

SERIES 2026 BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series 2026 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2026 Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series 2026 Bonds and provision of notices with respect to Series 2026 Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Series 2026 Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

2.9 Authentication and Delivery. The Registration Agent is hereby authorized to authenticate and deliver the Series 2026 Bonds to the Original Purchaser, upon receipt by the Municipality of the proceeds of the sale thereof and to authenticate and deliver Series 2026 Bonds in exchange for Series 2026 Bonds of the same principal amount delivered for transfer upon receipt of the Series 2026 Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series 2026 Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Series 2026 Bond form.

2.10 Lost and Stolen Bonds. In case any Series 2026 Bond shall become mutilated, or be lost, stolen, or destroyed, the Municipality, in its discretion, shall issue, and the Registration Agent, upon written direction from the Municipality, shall authenticate and deliver, a new Series 2026 Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Series 2026 Bond, or in lieu of and in substitution for such lost, stolen or destroyed Series 2026 Bond, or if any such Series 2026 Bond shall have matured or shall be about to mature, instead of issuing a substituted Series 2026 Bond the Municipality may pay or authorize payment of such Series 2026 Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to the Municipality and the Registration Agent of the destruction, theft or loss of such Series 2026 Bond, and indemnity satisfactory to the Municipality and the Registration Agent; and the Municipality may charge the applicant for the issue of such new Series 2026 Bond an amount sufficient to reimburse the Municipality for the expense incurred by it in the issue thereof.

ARTICLE III. REDEMPTION

3.1 Optional Redemption. The Series 2026 Bonds maturing on or after June 1, 2036 shall be subject to redemption at any time on or after June 1, 2035, in whole or part, at price of par plus interest accrued to the redemption date. If less than all the Series 2026 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Governing Body in its discretion. If less than all of the Series 2026 Bonds within a single maturity shall be called for redemption, the Bonds within the maturity to be redeemed shall be selected as follows:

(a) if the Series 2026 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2026 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(b) if the Series 2026 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2026 Bonds within the maturity to be redeemed shall be selected by

the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

3.2 Mandatory Redemption. Pursuant to Article X hereof, the Mayor of the Municipality, or either of them, is authorized to sell the Series 2026 Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the Mayor of the Municipality, or either of them. In the event any or all the Series 2026 Bonds are sold as term bonds, the Municipality shall redeem term bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts set forth herein for each redemption date, as such maturity amounts may be adjusted pursuant to Article X hereof, at a price of par plus accrued interest thereon to the date of redemption. The term bonds to be so redeemed shall be selected in the manner described in Section 3.1 above.

At its option, to be exercised on or before the 45th day next preceding any such mandatory redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Series 2026 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2026 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series 2026 Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2026 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the 45th day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this Section are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

3.3 Redemption Notice. Notice of any call for redemption shall be given by the Registration Agent on behalf of the Municipality not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the Municipality pursuant to written instructions from an authorized representative of the Municipality (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the Municipality to make funds

available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository, if applicable, or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

ARTICLE IV. SOURCE OF PAYMENT AND SECURITY

The Bonds shall be payable from and secured by a pledge of the Net Revenues and, in the event of a deficiency in such revenues, from unlimited ad valorem taxes to be levied on all taxable property within the Municipality. The punctual payment of principal of and premium, if any, and interest on the Bonds shall be secured equally and ratably by the Net Revenues without priority by reason of series, number or time of sale or delivery. The Net Revenues are hereby irrevocably pledged to the punctual payment of such principal, premium, if any, and interest as the same become due. The Bonds do not constitute a debt of the State of Tennessee.

ARTICLE V. FORM OF SERIES 2026 BONDS

The Series 2026 Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Series 2026 Bonds are prepared and delivered:

REGISTERED
Number

REGISTERED
\$

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF COFFEE
CITY OF MANCHESTER, TENNESSEE
WATER AND SEWER SYSTEM REVENUE AND TAX BONDS, SERIES 2026

Maturity Date:

Date of Bond:

Registered Owner:

Principal Amount:

The City of Manchester, Tennessee, duly incorporated pursuant to the laws of the State of Tennessee (the "Municipality"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date, said interest being payable on December 1, 2026, and semi-annually thereafter on the first day of June and December in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the designated trust office of _____, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said bond registration records (unless the registered owner

is DTC, as defined herein, in which case payment shall be in accordance with the policies of DTC), without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Municipality to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the persons in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten days prior to such Special Record Date. Payment of principal of and premium, if any, on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Notwithstanding anything herein or in the Resolution (as defined below) to the contrary, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Municipality and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the Municipality nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Municipality determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Municipality may discontinue the book-entry system with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Municipality nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

This Bond is one of a total authorized issue aggregating \$_____ and issued by the Municipality for the purpose of providing funds for (i) the acquisition and construction of improvements and extensions to the Municipality's water and sewer system (the "System"); (ii) the acquisition of all other property, real and personal, appurtenant to the foregoing (the "Projects"); (iii) the payment of legal, fiscal, administrative, architectural and engineering costs incident to the Projects and incident to the indebtedness described herein; (iv) the payment of capitalized interest during construction of the Projects and for up to six months thereafter; (v) the reimbursement to the Municipality for funds previously expended for any of the foregoing; and (vi) the payment of costs incident to the issuance and sale of the bonds under and in

full compliance with the constitution and statutes of the State of Tennessee, including Sections 7-34-101, et seq., and Sections 9-21-101, et seq., Tennessee Code Annotated and pursuant to a resolution duly adopted by the Board of Mayor and Aldermen of the Municipality on June 2, 2026 (the "Resolution").

This Bond is payable from and secured by a pledge of revenues to be derived from the operation of the Municipality's System, subject to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the System, and, in the event of a deficiency in such revenues, from unlimited ad valorem taxes to be levied on all taxable property within the Municipality. As provided in the Resolution, the punctual payment of principal of and interest on the series of the Bonds of which this Bond is one, and any other bonds hereafter issued on a parity therewith, shall be secured equally and ratably by said revenues without priority by reason of series, number or time of sale or delivery. Said revenues are required by law and by the proceedings pursuant to which this Bond is issued to be fully sufficient to pay the cost of operating, maintaining, repairing and insuring the System, including reserves therefor, and to pay principal of and interest on this Bond and the issue of which it is a part promptly as each becomes due and payable. The Municipality has covenanted and does hereby covenant that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of and interest on this Bond and the issue of which it is a part as each becomes due. For a more complete statement of the revenues from which and conditions under which this Bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this Bond, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

The Bonds of the issue of which this Bond is one shall be subject to redemption prior to maturity on or after _____ as a whole or in part at any time at the redemption price of par plus interest accrued to the redemption date. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Municipality, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(a) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(b) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Subject to the credit hereinafter provided, the Municipality shall redeem Bonds maturing _____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Final <u>Maturity</u>	Redemption <u>Date</u>	Principal Amount of Bonds <u>Redeemed</u>
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***Final Maturity**

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.

Notice of any call for redemption shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and it notice has been duly provided as set forth in the Resolution. In the case of a Conditional Redemption, the failure of the Municipality to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bond called for redemption and not so paid remain outstanding.

If this Bond is no longer registered in the name of Cede & Co. as nominee for DTC, this Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the designated trust office of the Registration Agent, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to

the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Municipality to call such Bond for redemption.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by its Mayor and attested by its Finance Director/City Recorder, all as of the date hereinabove set forth.

CITY OF MANCHESTER, TENNESSEE

By: _____
Joey Hobbs, Mayor

ATTESTED:

Anthony Burrows, Finance Director/City Recorder

Transferable and Payable at the
Following designated trust office of: _____

Date of Registration: _____, 202__

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

Registration Agent

By: _____
Authorized Trust Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____ (Please insert Federal Identification of Social Security Number of Assignee _____), the within Bond of the City of Manchester, Tennessee, and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said bond on the records kept for registration thereof with full power of substitution in the premises.

Dated:

Notice: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without enlargement or alteration, or any change whatsoever.

ARTICLE VI.
APPLICATION OF REVENUES

6.1 Application of Revenues. From and after the delivery of the Series 2026 Bonds hereunder, and as long as any of the Bonds shall be outstanding and unpaid either as to principal or as to interest, or until the discharge and satisfaction of all the Bonds, the Gross Earnings of the System shall be deposited to the Revenue Fund hereby established (the "Revenue Fund"). The funds so deposited in the Revenue Fund created under this resolution shall be used only as described in (a), (b), and (e) below:

(a) Operating Expenses. The money in the Revenue Fund shall be used first from month to month for the payment of Operating Expenses.

(b) Bond Fund. The money thereafter remaining in the Revenue Fund shall next be used to make deposits into a separate and special fund, to be known as the "Principal and Interest Sinking Fund" (the "Bond Fund") to be kept separate and apart from all other funds of Municipality and used to pay principal of and interest on the Bonds as the same become due, either by maturity or mandatory redemption. Such deposits shall be made monthly until the Bonds are paid in full or discharged and satisfied pursuant to Article XII hereof, beginning in the month next following delivery of the Series 2026 Bonds.

For the period commencing with the month next following the delivery of any Bonds, to and including the month of the next interest payment date for such Bonds, each monthly deposit as to interest shall be an amount that, together with all other monthly deposits of approximately equal amounts during such period and amounts otherwise in said Fund, will be equal to interest due on such Bonds on the next interest payment date, and for each six month period thereafter, each monthly deposit as to interest for such Bonds shall be an equal to not less than one-sixth (1/6th) of the interest coming due on such Bonds on the next interest payment date net of any interest earnings on such amounts.

For the period commencing with the month next following the delivery of any Bonds to and including the month of the next principal payment for such Bonds, each monthly deposit as to principal shall be an amount that, together with all other monthly deposits during such period and amounts otherwise in said Fund, will be equal to the principal due on such Bonds on the next principal payment date (provided that, in the event that the next principal payment date is more than 12 months following the month next following delivery of such Bonds, monthly deposits to the Bond Fund in respect of principal shall begin in the month which is 12 months prior to the month of the next principal payment date), and for each twelve-month period thereafter, each monthly deposit as to principal for such Bonds shall be an amount equal to not less than one-twelfth (1/12th) of the principal amount or Maturity Amount, as the case may be, coming due on such Bonds, whether by maturity or mandatory redemption, on the next principal payment date net of any interest earnings on such amounts.

No further deposit shall be required as to any Bonds when the Bond Fund balance is equal to or greater than the amount needed to pay interest on the next interest payment date, the total of the principal amounts payable, either by maturity or mandatory redemption, during the applicable twelve-month period. Notwithstanding the foregoing, deposits for payment of interest and principal on Variable Rate Indebtedness shall be made as such payments become due or as is otherwise agreed upon with the holder of the Series 2026 Bond, and if interest is not paid semi-annually and/or principal is not paid annually with respect to any Bonds, the deposits may be adjusted by the Municipality as provided in the resolution authorizing the issuance of such Bonds. Money in the Bond Fund shall be used and is hereby expressly pledged for the purpose of paying principal of and interest on the Bonds.

(c) Repayment of Reserve Fund Credit Facility Issuers. The next available money in the Revenue Fund shall be paid to any Reserve Fund Credit Facility Issuer or Issuers (pro rata, if more than one) to the extent needed to reimburse the Reserve Fund Credit Facility Issuer for amounts advanced by the Reserve Fund Credit Facility Issuer or Issuers under the Reserve Fund Credit Facility, including any amounts payable under any Financial Guaranty Agreement, together with reasonable related expenses incurred by the Reserve Fund Credit Facility Issuer and interest as provided in the Financial Guaranty Agreement.

(d) Reserve Fund. To the extent any series of the Bonds has a Reserve Fund Requirement and such Reserve Fund Requirement is not fully satisfied by a Reserve Fund Credit Facility or Facilities or funds of the Municipality, or a combination thereof, the next available money in the Revenue Fund shall be used to make deposits into the applicable subaccount of the Reserve Fund. No deposit shall be required to be made to the Reserve Fund unless the amount in the Reserve Fund, together with the Reserve Fund Credit Facility or Facilities, if any, becomes less than the applicable Reserve Fund Requirement. In the event deposits to the Reserve Fund shall be required pursuant to the preceding sentence, said deposits shall be payable monthly as hereafter provided and each deposit shall be in a minimum amount equal to 1/24th of the difference between the Reserve Fund Requirement and the amount in each subaccount of said Fund, together with the Reserve Fund Credit Facility or Facilities, if any, immediately following the occurrence of such deficiency, so that any deficiency in any subaccount of said Fund shall be replenished over a period of not greater than twenty four (24) consecutive months; provided, any monthly payments in excess of said minimum payments shall be a credit against the next ensuing payment or payments. Any

deposits required to be made hereunder shall be made monthly at the same time as deposits are made to the Bond Fund, commencing the first month in which the amount in the Fund, together with the Reserve Fund Credit Facility or Facilities, if any, is less than the Reserve Fund Requirement. All deposits to the Reserve Fund shall be made from the first money in the Revenue Fund thereafter received which shall not then be required to pay Current Expenses, be transferred into the Bond Fund, or to be paid to the Reserve Fund Credit Facility Issuer or Issuers as above provided. Money in the Reserve Fund shall be used solely for the purpose of paying principal of or interest on the Bonds for the payment of which funds are not available in the Bond Fund. Funds in excess of the Reserve Fund Requirement may be released to be used by the Municipality for legally permissible purposes.

At the option of the Municipality, the Municipality may satisfy the Reserve Fund Requirement applicable to a series of Bonds, or a portion thereof, by providing for the benefit of owners of such series of Bonds a Reserve Fund Credit Facility or Facilities, at any time, in an amount not greater than the Reserve Fund Requirement applicable to such series of Bonds and release an equal amount of funds on deposit in the corresponding subaccount of the Reserve Fund to be used by the Municipality for legally permissible purposes. At any time during the term hereof, the Municipality shall have the right and option to substitute a new Reserve Fund Credit Facility or Facilities for any Reserve Fund Credit Facility or Facilities previously delivered, upon notice to the Registration Agent and the Reserve Fund Credit Facility Issuer or Issuers and delivery of a Reserve Fund Credit Facility or Facilities in substitution therefor. In the event of the issuance of Parity Bonds pursuant to the restrictive provisions of Article IX hereof with a Reserve Fund Requirement or the substitution of a Reserve Fund Credit Facility or Facilities for less than the full amount of the Reserve Fund Requirement, the Municipality shall satisfy the applicable Reserve Fund Requirement by depositing funds to the Reserve Fund or obtaining a Reserve Fund Credit Facility or Facilities, or any combination thereof, in an aggregate amount equal to the applicable Reserve Fund Requirement for the series of Bonds taking into account any funds then held therein or the amount of any Reserve Fund Credit Facility or Facilities then in effect.

In the event of the necessity of a withdrawal of funds from the Reserve Fund during a time when the Reserve Fund Requirement is being satisfied by a Reserve Fund Credit Facility or Facilities and funds of the Municipality, the funds shall be disbursed completely before any demand is made on the Reserve Fund Credit Facility. In the event all or a portion of the Reserve Fund Requirement is satisfied by more than one Reserve Fund Credit Facility, any demand for payment shall be pro rata between or among the Reserve Fund Credit Facilities. If a disbursement is made by demand on a Reserve Fund Credit Facility, the Municipality, from Revenues after payment of Current Expenses and required deposits to the Bond Fund, shall reimburse the Reserve Fund Credit Facility Issuer for all amounts advanced under the Reserve Fund Credit Facility (pro rata, if more than one Reserve Fund Credit Facility), including all amounts payable under any Financial Guaranty Agreement or Agreements, and then replenish the Reserve Fund as provided herein.

In the event the Reserve Fund Requirement, or any part thereof, shall be satisfied with a Reserve Fund Credit Facility or Facilities, notwithstanding the terms of Article XII hereof, the terms, covenants, liability and liens provided or created herein or in any resolution supplemental hereto shall remain in full force and effect and said terms, covenants, liability and liens shall not terminate until all amounts payable under any Financial Guaranty Agreement have been paid in full and all obligations thereunder performed in full. If the Municipality shall fail to pay when due all amounts payable under any Financial Guaranty Agreement, the Reserve Fund Credit Facility Issuer shall be entitled to exercise any and all remedies available at law or under this resolution other than remedies that would adversely affect owners of Bonds.

It shall be the responsibility of the Registration Agent to maintain adequate records, verified with the Reserve Fund Credit Facility Issuer or Issuers, as to the amount available to be drawn at any given time under the Reserve Fund Credit Facility or Facilities and as to the amounts paid and owing to the Reserve

Fund Credit Facility Issuer or Issuers under the terms of any Financial Guaranty Agreement and to provide notice to the Reserve Fund Credit Facility Issuer at least two days before any payment is due. The Reserve Fund Credit Facility Issuer shall receive notice of the resignation or removal of the Registration Agent and the appointment of a successor thereto.

Notwithstanding anything herein to the contrary, the Reserve Fund Requirement for the Series 2026 Bonds shall be \$0, and the Municipality may issue Parity Bonds without a Reserve Fund Requirement, as shall be specified in the bond resolution authorizing such Parity Bonds.

(e) Surplus Funds. The next available money in the Revenue Fund shall be used (i) to make payments in lieu of taxes to the Municipality and other governmental jurisdictions, (ii) for the purpose of the payment of principal of and interest on (including reasonable reserves therefor) any bonds or other obligations payable from revenues of the System, including the Other Bonds and any debt with a subordinate lien on the Net Revenues to the Bonds, and (iii) for any legally permissible purpose, as the Governing Body shall determine.

6.2 Investments and Maintenance of Funds. Money on deposit in the Funds described in this Section may be invested in such investments as shall be permitted by applicable law, as determined by an authorized representative of Municipality, all such investments to mature not later than the date on which the money so invested shall be required for the purpose for which the respective Fund was created. All income derived from such investments shall be regarded as revenues of the System and shall be deposited in the Revenue Fund. Such investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective Fund was created; provided, however, that in no event shall moneys in the Reserve Fund be invested in instruments that mature or are subject to repurchase more than two years from the date the money is so invested. The Municipality is authorized to enter into contracts with third parties for the investment of funds in any of the Funds described herein.

The Revenue Fund, the Bond Fund, and the Reserve Fund (except to the extent funded with a Reserve Fund Credit Facility or Facilities) shall be held and maintained by the Municipality and, when not invested, kept on deposit with a bank or financial institution regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency. All moneys in such Funds so deposited shall at all times be secured to the extent and in the manner required by applicable State law.

ARTICLE VII. COVENANTS

7.1 Charges for Services Supplied by the System. While the Bonds remain outstanding and unpaid, the Municipality covenants and agrees that it will permit no free service to be furnished to any consumer or user whatsoever; that the charges for all services supplied through the medium of the System to all consumers and users shall be reasonable and just, taking into account and consideration the cost and value of the System and the cost of maintaining, operating, repairing and insuring the System, a proper and necessary allowance for the depreciation thereof, and the amounts necessary for the payment of principal of and interest on all obligations payable from revenues of the System; and that there shall be charged against all users of the services of the System such rates and amounts as shall be fully adequate to comply with the covenants of this resolution.

The Municipality covenants that the System will be operated on a fully metered basis and that it will bill customers of the System on a monthly basis and will establish and maintain policies and procedures for discontinuing service to customers with delinquent bills.

7.2 Insurance. The Municipality shall maintain insurance on the properties of the System of a kind and in an amount which would normally be carried by private companies engaged in a similar type and size of business, provided, the Municipality shall not be required to insure beyond the limits of immunity provided by Sections 29-20-101 et seq., Tennessee Code Annotated, or other applicable law. The proceeds of any such insurance, except public liability insurance, shall be used to replace the part or parts of the System damaged or destroyed, or, if not so used, shall be placed in the Revenue Fund.

7.3 Books and Accounts; Audits. The Municipality will cause to be kept proper books and accounts adapted to the System, will cause the books and accounts to be audited in accordance with GAAP at the end of each Fiscal Year by a recognized independent certified public accountant or a firm of such accountant or accountants and, upon written request, will make available to any registered owner of the Bonds the balance sheet and the profit and loss statement of the Municipality as certified by such accountant or accountants.

All expenses incurred in the making of the audits required by this Section shall be regarded and paid as Operating Expenses. The Municipality further agrees to cause copies of such audits to be furnished to the registered owner of any of the Bonds, at the written request thereof, within one year after the close of each Fiscal Year. The registered owner of any of the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the Municipality relating thereto. If the Municipality fails to provide the audits and reports required by this Section, the registered owner or owners of twenty-five percent (25%) in principal amount of the Bonds may cause such audits and reports to be prepared at the expense of the Municipality.

7.4 Rate Covenant. The Municipality shall establish, fix, prescribe and collect rates, charges and fees for the sale or use of System services furnished by the Issuer which, together with other income, are reasonably expected to yield Net Revenues which are at least equal to the Rate Covenant Requirement for the forthcoming Fiscal Year. The Issuer agrees that should the annual financial statement made in accordance with the provisions of Section 7.3 disclose that during the period covered by such financial statement the Net Revenues were not at least equal to the Rate Covenant Requirement, the Issuer shall revise the schedule of rates, charges and fees insofar as is practicable and further revise Operating Expenses so as to produce the necessary Net Revenues as herein required. The Issuer shall revise the schedules of rates, charges and fees as provided in the preceding sentence within 120 days after the filing of the financial statements pursuant to Section 7.3.

7.5 Sale or Disposal of System. The Municipality will not sell, lease, mortgage, or in any manner dispose of the System, or any part thereof, including any and all extensions and additions that may be made thereto, or any facility necessary for the operation thereof; provided, however, the use of any of the System facilities may at any time be permanently abandoned or otherwise disposed of or any of the System facilities sold at fair market value, provided that:

(a) The Municipality are in full compliance with all covenants and undertakings in connection with all bonds, notes and other obligations then outstanding and payable from the revenues of the System and any required reserve funds for such bonds, notes and other obligations have been fully established and contributions thereto are current;

(b) Any sale proceeds will be applied either (A) to redemption of Bonds in accordance with the provisions governing repayment of Bonds in advance of maturity, or (B) to the purchase of Bonds at the market price thereof so long as such price does not exceed the amount at which the Bonds could be redeemed on such date or the next optional redemption date as set forth herein or in the resolutions authorizing the Parity Bonds, or (C) to the construction or acquisition of facilities in replacement of the

facilities so disposed of or other facilities constituting capital improvements to the System, or (D) the deposit to a replacement fund to be used to make capital improvements to the System;

(c) (i) The abandonment, sale or disposition is for the purpose of disposing of facilities which are no longer necessary or no longer useful to the operation of the System or (ii) the operation of the System or revenue producing capacity of the System is not materially impaired by such abandonment, sale or disposition or any facilities acquired in replacement thereof are of equivalent or greater value; and

(d) If the facilities are being sold or disposed to an entity that is not a state or local government and the facilities were financed with the proceeds of Bonds the interest on which is excludable from gross income for federal income tax purposes, the Municipality shall have received an opinion of nationally recognized bond counsel to the effect that such sale, lease, mortgage or other disposition will not jeopardize the exclusion from federal income taxation of interest on any Bonds then outstanding intended to be excludable from gross income for federal income tax purposes.

Nothing herein is intended to prohibit the lease purchase of equipment or facilities of the System hereafter to be put in service or to prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the Municipality is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

Notwithstanding anything elsewhere provided in this resolution, and without being subject to any of the foregoing restrictions, the Municipality shall have the right to sell, lease, transfer, or otherwise dispose of the System, as a whole or substantially as a whole, to any municipal corporation, county, political subdivision, governmental corporation, or governmental agency (each of which shall be included within the term "Transferee" as herein used), provided the Transferee thus acquiring the System from the Municipality will assume the performance of and be bound by all of the obligations of the Municipality to the holders of the Bonds under the covenants and provisions of this resolution.

7.6 Budgets. Prior to the beginning of each Fiscal Year, the Governing Body shall prepare, or cause to be prepared, and adopted an annual budget of estimated revenues, Operating Expenses, and capital expenditures for the System for the ensuing Fiscal Year in compliance with the rate covenant requirement set forth in Section 7.4, and will undertake to operate the System within such budget to the best of its ability. Copies of such budgets and amendments thereto will be made available to any registered owner of a Bond upon written request.

7.7 Franchises. The Municipality will not construct, finance or grant a franchise for the development or operation of facilities that compete for service with the services to be provided by the System or consent to the provision of any such services in the area currently or hereafter served by the Municipality by any other public or private entity and will take all steps necessary and proper, including appropriate legal action to prevent any such entity from providing such service; provided, nothing herein contained shall prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the Municipality is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

7.8 Control of System. That for the purpose of assuring the efficient, impartial and nonpolitical operation of said system for the benefit of the Municipality and the Bondholders of the Bonds from time to time outstanding, the complete and independent control and operation of the system shall be vested in the Governing Body, subject, however, to the obligation and duty on the part of said Governing Body to carry out and perform faithfully all of the covenants and agreements contained in this resolution. Notwithstanding anything herein to the contrary, all obligations of the Municipality hereunder

with respect to the Bonds and the System shall be exercised and fulfilled by the Municipality. Nothing in this Section 7.8 is intended to limit the ability of the Municipality to dispose of the System in the manner described in Section 7.5.

ARTICLE VIII. REMEDIES OF BOND OWNERS

Any registered owner of any of the Bonds may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Municipality by the provisions of this resolution, including the making and collecting of sufficient rates, the proper application of and accounting for revenues of the System, and the performance of all duties imposed by the terms hereof.

If any default be made in the payment of principal of, premium, if any, or interest on the Bonds, then upon the filing of suit by any registered owner of said Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System in behalf of the Municipality with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of Operating Expenses, and to apply the income and revenues thereof in conformity with the provisions of this resolution.

ARTICLE IX. PROHIBITION OF PRIOR LIEN; PARITY BONDS

9.1 Prohibition of Prior Liens. The Municipality will not issue other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the System having priority over the Bonds.

9.2 Parity Bonds. Additional bonds, notes, Loan Agreements or obligations may hereafter be issued on a parity with the Bonds under the following conditions but not otherwise:

(a) Any portion (including any maturities or portions thereof whether or not in chronological order and any amounts subject to mandatory redemption) or all of a series of the Bonds may be refunded at maturity, upon redemption in accordance with their terms, or upon payment, prepayment or redemption with the consent of the owners of such bonds, and the refunding bonds so issued shall constitute Parity Bonds secured on a parity with the Bonds thereafter outstanding, if all of the following conditions are satisfied:

(i) The Municipality shall have obtained a report from a Municipal Advisor demonstrating that the refunding is expected to reduce the total debt service payments on the Bonds, including payments on related Credit Facilities; and

(ii) the requirements of subsections (b)(ii) and (iv) below are met with respect to such refunding.

(b) Parity Bonds (including refunding Parity Bonds which do not meet the requirements of (a)) may also be issued on a parity with outstanding Bonds, and the Parity Bonds so issued shall be secured on a parity with such outstanding Bonds, if all of the following conditions are satisfied:

(i) There shall have been procured and filed with the Municipality a report by a Municipal Advisor to the effect that the historical Net Revenues for either (i) a period of 12 consecutive months of the most recent 18 consecutive months prior to the issuance of the proposed Parity Bonds or (ii) the most recent audited Fiscal Year, were equal to at least 120% of the Maximum Annual Debt Service Requirement on all Bonds which will be outstanding immediately after the issuance of the proposed Parity Bonds, in the then current and each succeeding Fiscal Year, provided, however, (w) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to the increased annual amount of Net Revenues attributable to improvements to the System that had been placed in service prior to the delivery of the proposed Parity Bonds and that are not fully reflected in the historical related Net Revenues actually received during such historical period used, (x) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of delivery of the proposed Parity Bonds and not fully reflected in the historical related Net Revenues actually received during such historical period used; (y) if the Municipality has a contract to purchase or otherwise acquire an Acquired System that will become part of the System, the historical Net Revenues may be adjusted to include the anticipated Net Revenues from the Acquired System; and (z) if the Municipality has entered into a contract to furnish services of the System that is not fully reflected in the historical Net Revenues of the System, such historical Net Revenues may be adjusted to include the anticipated Net Revenues from such contract.

(ii) The Municipality shall have received, at or before issuance of the Parity Bonds, a report from a Municipal Advisor to the effect that (x) the payments required to be made into the Bond Fund have been made and the balance in the Bond Fund is not less than the balance required hereby as of the date of issuance of the proposed Parity Bonds; and (y) the Reserve Fund is funded to the Reserve Fund Requirement and will be funded to the Reserve Fund Requirement immediately following the issuance of the proposed Parity Bonds.

(iii) The resolution authorizing the proposed Parity Bonds must require the proceeds of such proposed Parity Bonds to be used to make capital improvements to or capital acquisitions for the System, to fund interest on the proposed Parity Bonds, to refund other obligations issued for such purposes (whether or not such refunding Parity Bonds satisfy the requirements of (a)), for any other legal purpose under applicable law as evidenced by an opinion of Bond Counsel, and/or to pay expenses incidental thereto and to the issuance of the proposed Parity Bonds.

(iv) The Mayor of the Municipality shall have certified, by written certificate dated as of the date of issuance of the Parity Bonds, that the Municipality is in compliance with all requirements of this resolution.

(c) Upon the determination of the Municipality to combine an Acquired System into the System, all outstanding Bonds and any bonds, notes and other obligations of the Acquired System outstanding upon such combination may, at the election of the Governing Body, be payable from Net Revenues of the combined System on a parity and equality of lien with each other, provided that there shall be filed with the Municipality:

(i) a report by a Municipal Advisor to the effect that the Net Revenues of such combined System for a period of 12 consecutive months of the most recent 18 consecutive months prior to such combination were equal to at least 120% of the Maximum Annual Debt Service Requirement on all Bonds and any bonds, notes and other obligations of the Acquired System which will be outstanding immediately after the combination, provided, however, (w) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to the increased annual amount of Net Revenues

attributable to improvements to the System that had been placed in service prior to the combination and that are not fully reflected in the historical related Net Revenues actually received during such historical period used, (x) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of the combination and not fully reflected in the historical related Net Revenues actually received during such historical period used; and (y) if the Municipality has entered into a contract to furnish services of the System that is not fully reflected in the historical Net Revenues of the System, such historical Net Revenues may be adjusted to include the anticipated Net Revenues from such contract.

(ii) A certificate of the Mayor of the Municipality, as of the date of the combination, that the Municipality is in compliance with all requirements of this resolution.

9.3 Applicability of Resolution to Parity Bonds. All the provisions and covenants of this resolution relating to negotiability and registration of Bonds, creation and investment of funds and the application of revenues, the operation of the System and charges for services of the System, the remedies of owners of the Bonds, the issuance of additional bonds, modification of this resolution, the defeasance of Bonds, and such other provisions hereof as are appropriate may be incorporated by reference into supplemental resolutions authorizing additional bonds, and said provisions, when so incorporated, shall be equally applicable to the additional bonds issued pursuant to the terms of this Article IX in all respects and with like force and effect as though said provisions were recited in full in said supplemental resolutions and shall continue to be applicable so long as any such bonds remain outstanding.

ARTICLE X. SALE OF THE SERIES 2026 BOND

10.1 Sale of Bonds. The Series 2026 Bonds shall be offered for competitive public sale, in one or more series, a price of not less than ninety-nine percent (99%) of par, exclusive of original issue discount, as shall be determined by the Mayor of the Municipality, in consultation with the Municipal Advisor. The Mayor of the Municipality is authorized to award the Series 2026 Bonds to the bidder whose bid results in the lowest true interest cost to the Municipality, provided the aggregate true interest rate the Series 2026 Bonds shall not exceed the maximum rate permitted by applicable law. The award of the Series 2026 Bonds by the Mayor of the Municipality to the lowest bidder shall be binding on the Municipality and no further action of the Governing Body with respect thereto shall be required.

10.2 Establishment and Amendment of Terms. In connection with the sale of the Series 2026 Bonds, the Mayor of the Municipality is further authorized to:

- (a) Reduce the par amount of the Series 2026 Bonds to account for any original issue premium received from the winning bidder;
- (b) change the dated date of the Series 2026 Bonds to a date other than their delivery date;
- (c) change the first interest payment date on the Series 2026 Bonds to a date other than December 1, 2026;
- (d) establish the principal and interest payment dates for the Series 2026 Bonds; provided that the resulting debt service structure shall not require the approval of the Division of Local Government Finance.

(e) designate maturity amounts of, the Series 2026 Bonds, provided that the final maturity date is not later than June 1, 2057;

(f) adjust or remove the Municipality's optional redemption provisions with respect to the Series 2026 Bonds; and

(g) sell the Series 2026 Bonds in one or more emissions; and.

(h) sell the Series 2026 Bonds or any maturities thereof as term bonds with mandatory redemption requirements.

The form of the Series 2026 Bonds set forth in Article V hereof shall be conformed to reflect any changes made pursuant to this Section 10.2 hereof.

10.3 Authentication and Delivery of Bonds: Closing Certificates and Agreements. The Mayor of the Municipality and the Finance Director/City Recorder, or either of them, are authorized to cause the Series 2026 Bonds to be authenticated by the Registration Agent and delivered to the Original Purchaser thereof, and to execute, publish, and deliver all certificates and documents, as they shall deem necessary in connection with the sale and delivery of the Series 2026 Bonds.

10.4 Bond Insurance. The Mayor shall, in consultation with the Municipal Advisor cause, if advantageous to the Municipality, all or a portion of the Series 2026 Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company. The Mayor is authorized to enter into agreements required by the bond insurance company with respect to the Series 2026 Bonds to the extent not inconsistent with this Resolution.

10.5 Engagement of Municipal Advisor and Bond Counsel. The City is hereby authorized to take any steps as may be necessary to engage Cumberland Securities Company, Inc. as municipal advisor, and Bass Berry & Sims PLC as bond counsel, with respect to the issuance of the Series 2026 Bonds.

10.6 Findings in Connection with the Issuance of the Series 2026 Bonds.

(a) In conformance with the directive of the State Funding Board of the State of Tennessee, the Municipality has heretofore adopted its Debt Management Policy. The Governing Body hereby finds that the issuance and sale of the Series 2026 Bonds, as proposed herein, is consistent with the Municipality's Debt Management Policy.

(b) The estimated interest expense and costs of issuance of the Series 2026 Bonds have been made available to the Governing Body.

(c) No Bonds shall be issued until the passage of twenty (20) days from the date of publication of the Initial Resolution, and in no event shall the Bonds be issued if a legally sufficient petition, as defined by Section 9-21-207, Tennessee Code Annotated, is filed within such twenty-day period.

ARTICLE XI. DISPOSITION OF BOND PROCEEDS

The proceeds of the sale of the Series 2026 Bonds shall be deposited in a special fund of the Municipality known as the "Series 2026 Construction Fund" to be kept separate and apart from all other funds of the Municipality. Moneys in the Construction Fund shall be disbursed solely to pay the costs of

the Project and pay costs of issuance of the Series 2026 Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Series 2026 Bond and construction of the Project. Notwithstanding the foregoing, costs of issuance of the Series 2026 Bonds may be withheld from the good faith deposit, if any, or purchase price of the Series 2026 Bonds and paid to the Municipal Advisor to be used to pay costs of issuance of the Series 2026 Bonds. Money in the Construction Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in the Construction Fund. Money in the Construction Fund shall be expended only for the purposes authorized by this resolution. Any funds remaining in the Construction Fund after completion of the Project and payment of authorized expenses shall be deposited to the Bond Fund. Moneys in the Construction Fund shall be invested by the Municipality in such investments as shall be permitted by applicable law.

ARTICLE XII. DISCHARGE AND SATISFACTION OF BONDS

If the Municipality shall pay and discharge the indebtedness evidenced by all or any portion of the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the Municipality shall also pay or cause to be paid all other sums payable hereunder by the Municipality with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Municipality to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Municipality shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such

Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Municipality as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Municipality, as received by the Registration Agent.

ARTICLE XIII MODIFICATION OF RESOLUTION

13.1 Amendment Without Bondholder Consent. This resolution may be amended without the consent of or notice to the registered owners of the Bonds for the purpose of curing any ambiguity or formal defect or omission herein; provided such amendment shall not adversely affect the registered owners, without taking into account any bond insurance policy.

13.2 Other Amendments. In addition to the amendments to this resolution without the consent of registered owners as referred to in Section 13.1 above, the registered owners of a majority in aggregate principal amount of the Bonds at any time outstanding (not including in any case any Bonds which may then be held or owned by or for the account of the Municipality but including such refunding bonds as may have been issued for the purpose of refunding any of such Bonds if such refunding bonds shall not then be owned by the Municipality) shall have the right from time to time to consent to and approve the adoption by the Governing Body of a resolution or resolutions modifying any of the terms or provisions contained in this resolution; provided, however, that this resolution may not be so modified or amended in such manner, without the consent of 100% of the registered owners of the Bonds, as to:

- (a) Make any change in the maturities or redemption dates of the Bonds;
- (b) Make any change in the rates of interest borne by the Bonds;
- (c) Reduce the amount of the principal payments or redemption premiums payable on the Bonds;
- (d) Modify the terms of payment of principal of or interest on the Bonds or impose any conditions with respect to such payments;
- (e) Affect the rights of the registered owners of less than all of the Bonds then outstanding; or
- (f) Reduce the percentage of the principal amount of the Bonds the consent of the registered owners of which is required to effect a further modification.

13.3 Procedure for Modification. Whenever the Municipality shall propose to amend or modify this resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be mailed by first-class mail, postage prepaid, to the owner of each Bond then outstanding. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the Municipality for public inspection.

Whenever at any time within one year from the date of mailing of said notice there shall be filed with the Secretary an instrument or instruments executed by the registered owners of at least a majority in aggregate principal amount of the Bonds then outstanding as in this Section defined, which instrument or instruments shall refer to the proposed amendatory resolution described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the Municipality may adopt such amendatory resolution and such resolution shall become effective and binding upon the owners of all Bonds.

If the registered owners of at least a majority in aggregate principal amount of the Bonds outstanding as in this section defined, at the time of the adoption of such amendatory resolution, or the predecessors in title of such owners, shall have consented to and approved the adoption thereof as herein provided, no registered owner of any Bonds, whether or not such owner shall have consented to or shall have revoked any consent as in this Section provided, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the Municipality from taking any action pursuant to the provisions thereof

Any consent given by the registered owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice above provided for and shall be conclusive and binding upon all future registered owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of publication of such notice by the registered owner who gave such consent or by a successor in title by filing notice of such revocation at the Municipality office, but such revocation shall not be effective if the registered owners of a majority in aggregate principal amount of the Bonds outstanding as in this Section defined shall have, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

ARTICLE XIV OFFICIAL STATEMENT

The Mayor of the Municipality, working with the Municipal Advisor, is hereby authorized and directed to provide for the preparation and distribution of Preliminary Official Statement describing the Series 2026 Bonds and the Municipality. The Mayor of the Municipality shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Mayor of the Municipality shall arrange for the delivery to the Original Purchaser of a reasonable number of copies of the Official Statement within seven business days after the Series 2026 Bonds have been sold for delivery by the winning bidder to each potential investor requesting a copy of the Official Statement.

The Mayor of the Municipality is authorized, on behalf of the Municipality, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Municipality except for the omission in the Preliminary Official Statement of such pricing and other information.

**ARTICLE XV.
FEDERAL TAX COVENANTS**

The Municipality expects that the holder of the Series 2026 Bonds will have accepted them Series 2026 Bonds on the understanding that interest thereon is excluded from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Series 2026 Bonds. Accordingly, if the Series 2026 Bonds are issued on a tax-exempt basis, the Municipality agrees that they shall take no action that may render the interest on the Series 2026 Bonds subject to federal income taxation. It is the reasonable expectation of the Municipality that the proceeds of the Series 2026 Bonds will not be used in a manner which will cause the Series 2026 Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended (the “Code”), including any lawful regulations promulgated or proposed thereunder, and to this end the proceeds of the Series 2026 Bonds and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein.

It is reasonably expected that the Municipality will reimburse itself for certain expenditures made by it in connection with the Project by issuing the Bonds. This resolution shall be placed in the minutes of the Governing Body and shall be made available for inspection by the general public at the office of the Governing Body. This resolution constitutes a declaration of official intent under Treas. Reg. §1.150-2.

The Municipality further covenants and represent that in the event they shall be required by Section 148(f) of the Code to pay any investment proceeds of the Series 2026 Bonds to the United States government, they will make such payments as and when required by said Section and will take such other actions as shall be necessary or permitted to prevent the interest on the Series 2026 Bonds from becoming subject to inclusion in the gross income for purposes of federal income taxation. The Mayor of the Municipality, the Finance Director/City Recorder, or any one of them, is authorized and directed to make such certifications in this regard in connection with the sale of the Series 2026 Bonds as any or all shall deem appropriate, and such certifications shall constitute a representation and certification of the Municipality.

The Governing Body hereby delegates to the Mayor the authority to designate, and determine whether to designate, the Bonds as “qualified tax-exempt obligations,” as defined in Section 265 of the Code, to the extent the Bonds are not deemed designated as such and may be designated as such.

**ARTICLE XVI
CONTINUING DISCLOSURE**

The Municipality hereby covenants and agrees that it will provide financial information and event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Series 2026 Bonds. The Mayor of the Municipality is authorized to execute at the closing of the sale of the Series 2026 Bonds, an agreement for the benefit of and enforceable by the owners of the Series 2026 Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the Municipality to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series 2026 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Municipality to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specified performance.

**ARTICLE XVII.
MISCELLANEOUS**

17.1 Resolution a Contract. The provisions of this resolution shall constitute a contract between the Municipality and the registered owners of the Bonds, and after the issuance of the Series 2026 Bonds, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner, except as provided in Article XIII hereof, until such time as the Bonds shall have been paid in full or discharged pursuant to Article XII hereof.

17.2 Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

17.3 Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

(signature page follows)

Adopted and approved this 2nd day of June, 2026.

By: _____
Joey Hobbs, Mayor

ATTESTED:

Anthony Burrows, Finance Director/City Recorder

ORDINANCE NO. _____

**AN ORDINANCE REZONING PROPERTY OWNED BY SVEN LEIF SWANSON ON
1310, 1312, 1314 AND 1316 MCARTHUR STREET FROM R-3 TO C-3**

WHEREAS the City of Manchester has a currently enacted a Zoning Ordinance and a Zoning Map; and

WHEREAS, pursuant to Tennessee Law, since the zoning of real estate is accomplished by ordinance: it must be amended by ordinance rather than by resolution; and

WHEREAS the Manchester Planning Commission, at its meeting May 18, 2026, considered the rezoning request that the property owned by Sven Leif Swanson at 1310,1312,1314, and 1316 McArthur St. described below, be rezoned from R-3 to C-3, and voted to send that request to the Board with a positive recommendation; and

BE IT THEREFORE ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that Title 14, Chapter 6, Section 6, Section 1 of the Manchester Municipal Code be, and it is hereby amended to apply the zoning classification of C-3 to the following described property owned by Sven Leif Swanson at 1310, 1312, 1314, and 1316 McArthur Street:

Map 085H, Group A, Parcels 012.00, 013.00, 014.00, and 015.00

Beginning at a ½" Iron Rod found being a point on the westerly boundary of McArthur Street [TN Highway 55] (100' R/W), the northeasterly corner of L. Cleveland (255/224), the southeasterly corner of the herein described tract and also the **POINT OF BEGINNING**; thence leaving the westerly boundary of McArthur Street and along the northerly boundary of Cleveland, S 88°38'04" W a distance of 182.60 feet to a ½" Iron Rod found being a point on the northerly boundary of Cleveland, the southwesterly corner of M. Omoumi (437/433) and the southwesterly corner of the herein described tract; thence leaving the northerly boundary of Cleveland and along the easterly boundary of Omoumi the following calls: N 17°29'39" E a distance of 115.28 feet to a ½" Iron Rod found, N 25°45'15" E a distance of 185.37 feet to a ½" Iron Rod found and N 07°17'15" W a distance of 63.54 feet to a ½" Iron Rod found being a point on the southerly boundary of Willow Drive (50' R/W) and a point on the easterly boundary of Omoumi; thence leaving the easterly boundary of Omoumi and along the southerly boundary of Willow Drive the following calls: with a curve to the left having an arc length of 35.34 feet and a radius of 60.00 feet [chord: N 38°57'27" E a distance of 34.83 feet] and N 19°51'58" E a distance of 11.10 feet to a ½" Iron Rod found being a point on the southerly boundary of Willow Drive, a point on the southerly boundary of R. Howard (246/553) and the northwesterly corner of the herein described tract; thence leaving the southerly boundary of Willow Drive and along the southerly boundary of Howard, S 89°43'58" E a distance of 194.74 feet to a ½" Iron Rod found being a point on the westerly boundary of McArthur Street, the

southeasterly corner of Howard and the northeasterly corner of the herein described tract; thence leaving the corner of Howard and along the westerly boundary of McArthur Street the following calls: S 22°16'47" W a distance of 100.13 feet to a ½" Iron Rod found, S 21°00'46" W a distance of 99.88 feet to a ½" Iron Rod found, S 20°59'04" W a distance of 99.98 feet to a ½" Iron Rod found and S 20°51'35" W a distance of 99.47 feet to the Point of Beginning and containing 1.59 Acres of Land [69,114 SqFt] (more or less) according to a survey (Job # 260020) by John A. Best (TN RLS # 2444), 273 Haynes Hollow Road, Winchester, Tennessee, on 6 February, 2026.

BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that Title 14, Chapter 6, Section 2 of the Manchester Municipal Code entitled Zoning Map be amended to show this property as C-3; and

BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that this ordinance shall take effect on and after its publication and passage and public hearing, the public welfare of the City of Manchester, Tennessee requiring it and that all ordinances in conflict be repealed to the extent of this conflict.

This ordinance is presented and passed with the positive recommendation of the Manchester Planning Commission obtained at its meeting on May 18, 2026.

PASSED FIRST READING: _____, 2026

PASSED SECOND AND FINAL READING: _____, 2026

Joey Hobbs, Mayor

Anthony Burrows, Finance Director

MINOR SUBDIVISION PRELIMINARY/FINAL PLAT
SWANSON / BURCH / MCARTHUR ST

OWNER: LEIF SWANSON
OWNER: ERIC BURCH
ADDRESS: *SEE NOTE 8*
CIVIL DISTRICT: 1ST
CITY: MANCHESTER
COUNTY: COFFEY
STATE: TENNESSEE
ZONED: R-3

OWNER'S ADDRESS:
LEIF SWANSON
200 SOUTH WOODLAND STREET
MANCHESTER, TN 37355

BEING PROPERTY
DE: 376, 6 200
PLAT CAR 1193A
RECORDS'S OFFICE
JOB NUMBER:
260020
FILE NAME:
SWANSON.DWG

TAX MAP:
NOTE 8*
GROUP:
NOTE 8*
PARCEL:
NOTE 8*
SCALE:
1" = 50'

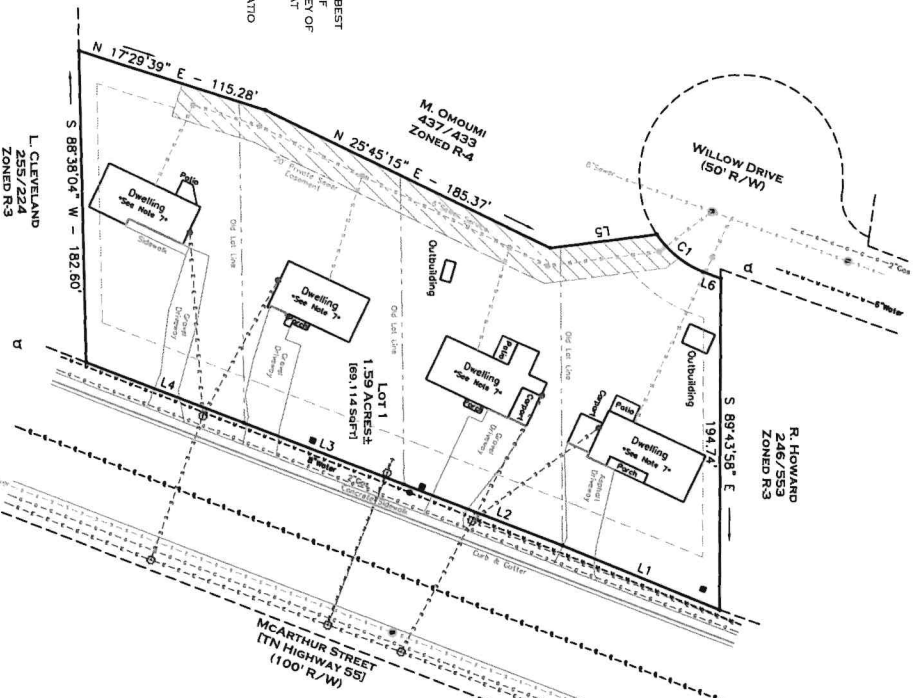
DATE:
6 FEBRUARY 2026
SHEET:
1 OF 1

BEST
LAND SURVEYING
ANDY BEST
2244
931-808-4715
jbestsurvey@gmail.com
www.bestlandsurveying.com
273 HAWES HOLLOW RD
WINCHESTER, TN 37398

LINE	BEARING	DISTANCE
L1	S 27°16'42" W	100.13'
L2	S 21°00'46" W	98.88'
L3	S 20°59'04" W	98.98'
L4	S 20°51'35" W	98.27'
L5	S 20°51'35" W	98.27'
L6	N 19°51'58" E	11.10'



Register's Stamp



- LEGEND**
- THESE STANDARD SYMBOLS WILL BE FOUND IN THE DRAWING.
- SEWER MANHOLE
 - SEWER CLEANOUT
 - UTILITY POLE
 - ELECTRIC METER
 - GUY ANCHOR
 - WATER METER
 - WATER HYDRANT
 - 1/2" IRON ROD FOUND

CURVE	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING	DELTA ANGLE
C1	60.00'	35.34'	34.83'	N 38°57'27" E	33°44'50"

NOTES

- CURRENT SURVEY WAS COMPLETED WITHOUT THE BENEFIT OF A FULL TITLE SEARCH. PARCEL IS SUBJECT TO ANY EASEMENTS, ENCUMBRANCES, OR FURTHER INFORMATION SAID SEARCH WOULD REVEAL.
- BEST LAND SURVEYING IS THE AUTHOR AND OWNER OF THE ATTACHED PLAT AND DRAWINGS, AND HEREBY RETAINS ALL COMMON LAW, STATUTORY AND OTHER RESERVED RIGHTS, INCLUDING COPYRIGHTS. DO NOT COPY, ALTER OR DISTRIBUTE WITHOUT THE EXPRESSED WRITTEN CONSENT OF BEST LAND SURVEYING.
- THIS PLAT IS INVALID IF IT DOES NOT BEAR A STAMPED SEAL AND ORIGINAL SIGNATURE OF THE SURVEYOR.
- PROJECT IS NOT LOCATED IN A DESIGNATED FLOOD ZONE AS SHOWN ON PANEL 47031 CO204C.
- EFFECTIVE DATE OF 4 AUGUST, 2008.
- LOCATION AND SIZE OF UNDERGROUND UTILITIES IS AN ESTIMATE BASED ON MARKINGS FOUND ON-SITE AND INFORMATION SUPPLIED BY THE MANCHESTER SEWER AND WATER DEPARTMENT AND ELK RIVER PUBLIC UTILITY DISTRICT.
- THE OVERHEAD POWERLINES SHOWN HEREON HAVE A 40' UTILITY EASEMENT. 20' BOTH SIDES OF THE EXISTING POWERLINE. ANY UNDERGROUND POWERLINE, EVEN THOSE NOT SHOWN ON THIS PLAT, HAVE A 20' UTILITY EASEMENT. 10' BOTH SIDES OF THE EXISTING UTILITY LINE.
- UNDERGROUND SEWER AND WATER LINES SHOWN HEREON HAVE A 20' UTILITY EASEMENT. 10' BOTH SIDES OF THE EXISTING UTILITY LINE.
- DWELLING AND ACCESSORY STRUCTURES WILL BE REMOVED.
- TAXID & ADDRESSES:
 - 8.1. 085HA012.00: 1310 MCARTHUR STREET
 - 8.2. 085HA013.00: 1314 MCARTHUR STREET
 - 8.3. 085HA014.00: 1314 MCARTHUR STREET
 - 8.4. 085HA015.00: 1316 MCARTHUR STREET

MINIMUM BUILDING
SETBACK REQUIREMENTS

- FRONT = 25'
- REAR = 10'
- SIDE = 15'
- UTILITY & DRAINAGE EASEMENTS
- FRONT = 10'
- SIDE = 10'
- REAR = 10'
- (UNLESS OTHERWISE SPECIFIED)

CERTIFICATE OF OWNERSHIP AND DEDICATION

I (WE) HEREBY CERTIFY THAT I (AM WE AND) THE OWNER(S) OF THE PROPERTY SHOWN AND DESCRIBED HEREIN AS EVIDENCED IN BOOK NUMBER _____ PAGE _____ COUNTY REGISTERS OFFICE, AND THAT I (WE) HEREBY AGREE TO THE PLAN OF MINOR SUBDIVISION SHOWN AND DESCRIBED HEREIN, AND TO THE DEDICATION OF THE PUBLIC STREETS SHOWN AND DESCRIBED HEREIN, AND TO THE DEDICATION OF ALL IRREVOCABLE DEDICATION FOR ALL STREETS, UTILITIES, AND OTHER FACILITIES HAVE BEEN FILED.

CERTIFICATE OF APPROVAL OF PUBLIC STREETS FOR BOND POSTING

I HEREBY CERTIFY, (1) THAT ALL DESIGNATED STREETS ON THIS FINAL SUBDIVISION PLAT HAVE BEEN INSTALLED IN AN ACCEPTABLE MANNER AND ACCORDING TO THE SPECIFICATIONS OF THE TENNESSEE HIGHWAY DEPARTMENT, AND (2) THAT THE PLANNING COMMISSION HAS BEEN ADVISED OF THE REQUIRED IMPROVEMENTS IN CASE OF DEFAULT.

NAME, TITLE & AGENCY _____ DATE _____

NAME, TITLE & AGENCY _____ DATE _____

NAME, TITLE & AGENCY _____ DATE _____

NAME, TITLE & AGENCY _____ DATE _____

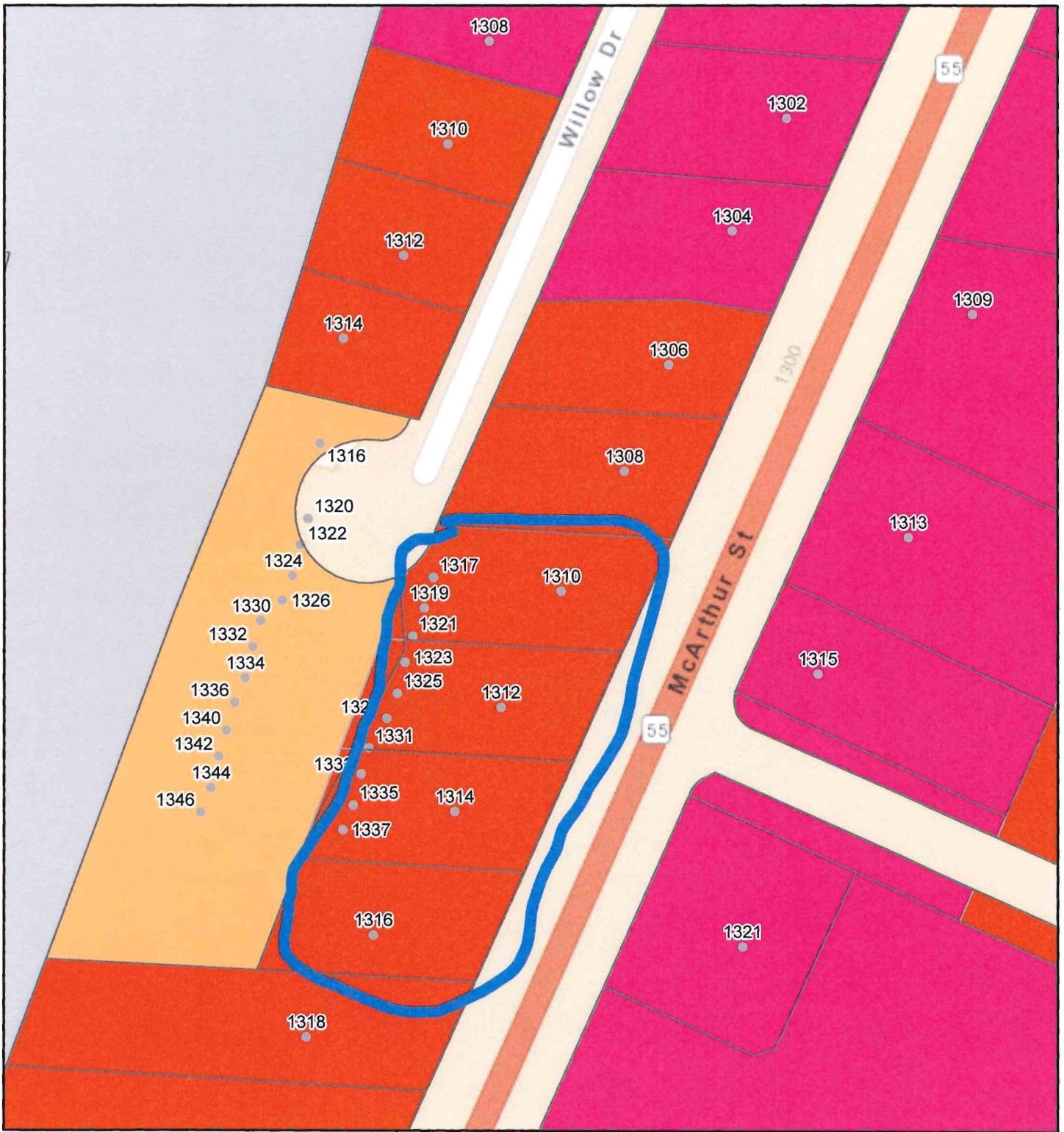
NAME, TITLE & AGENCY _____ DATE _____

NAME, TITLE & AGENCY _____ DATE _____

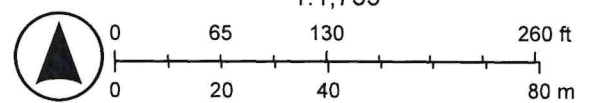
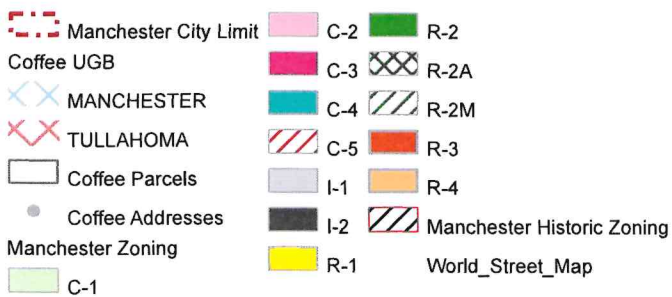
NAME, TITLE & AGENCY _____ DATE _____

NAME, TITLE & AGENCY _____ DATE _____

McArthur St. Zoning

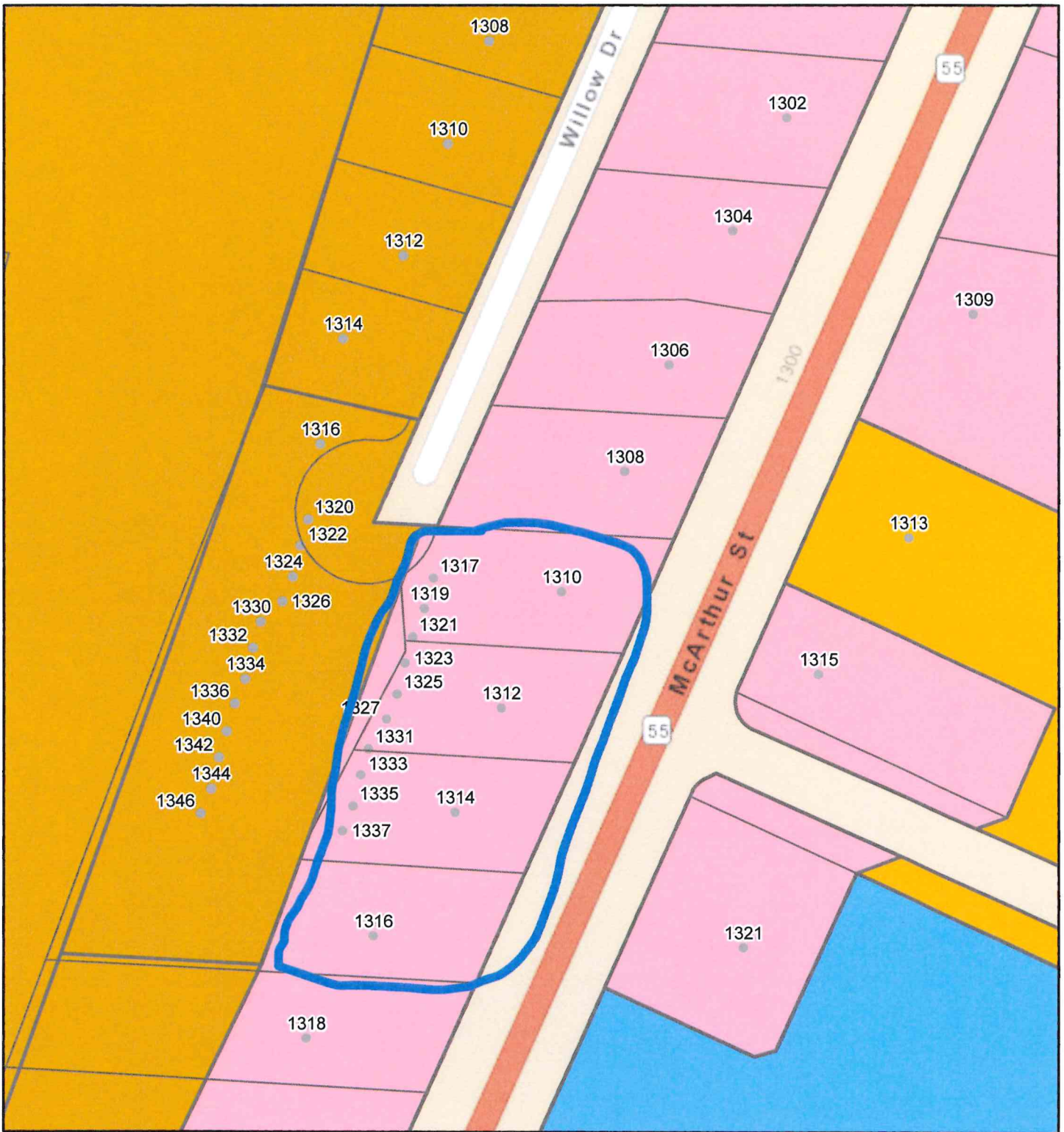


5/19/2026, 9:20:27 AM



Tennessee STS GIS, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS

McArthur St. Land Use



5/19/2026, 9:22:48 AM

Manchester City Limit
Coffee UGB

MANCHESTER

TULLAHOMA

Coffee Parcels

Coffee Addresses

Manchester Historic Zoning

Manchester Landuse

Commercial, Central and General Neighborhood

Industrial, Heavy

Industrial, Light

Institutional and Other Public

Recreational and Open Space

Residential Low Density / Single Family Duplexes

Residential Medium Density / Single Family Duplexes

Residential High Density Multi-Family

High Density Mobile Home

World_Street_Map



0 65 130 260 ft
0 20 40 80 m

1:1,735

Tennessee STS GIS, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS

ORDINANCE NO. _____

AN ORDINANCE REZONING PROPERTY OWNED BY JEANNE BALL AND JANE MELTON ON 1309 HILLS CHAPEL ROAD, FROM R-2 TO R-3

WHEREAS the City of Manchester has a currently enacted a Zoning Ordinance and a Zoning Map; and

WHEREAS, pursuant to Tennessee Law, since the zoning of real estate is accomplished by ordinance: it must be amended by ordinance rather than by resolution; and

WHEREAS the Manchester Planning Commission, at its meeting May 18, 2026, considered the rezoning request that the property owned by Jeanne Ball and Jane Melton, described below, be rezoned from R-2 to R-3, and voted to send that request to the Board with a positive recommendation; and

BE IT THEREFORE ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that Title 14, Chapter 6, Section 6, Section 1 of the Manchester Municipal Code be, and it is hereby amended to apply the zoning classification of R-3 Residential to the following described property owned by Jeanne Ball and Jane Melton at 1309 Hills Chapel Road:

Map 085G, Group A, Parcel 003.00

Being all of the acreage Tract #10 in the L. E. Summers Subdivision as of record in Trust Deed Book 59. Page 486, ROCCT

Being the same property conveyed to the Ball and Melton by deed of record in Deed Book 438, Page 668, Register's Office, Coffee County, Tennessee

BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that Title 14, Chapter 6, Section 2 of the Manchester Municipal Code entitled Zoning Map be amended to show this property as R-3; and

BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that this ordinance shall take effect on and after its publication and passage and public hearing, the public welfare of the City of Manchester, Tennessee requiring it and that all ordinances in conflict be repealed to the extent of this conflict.

This ordinance is presented and passed with the positive recommendation of the Manchester Planning Commission obtained at its meeting on May 18, 2026.

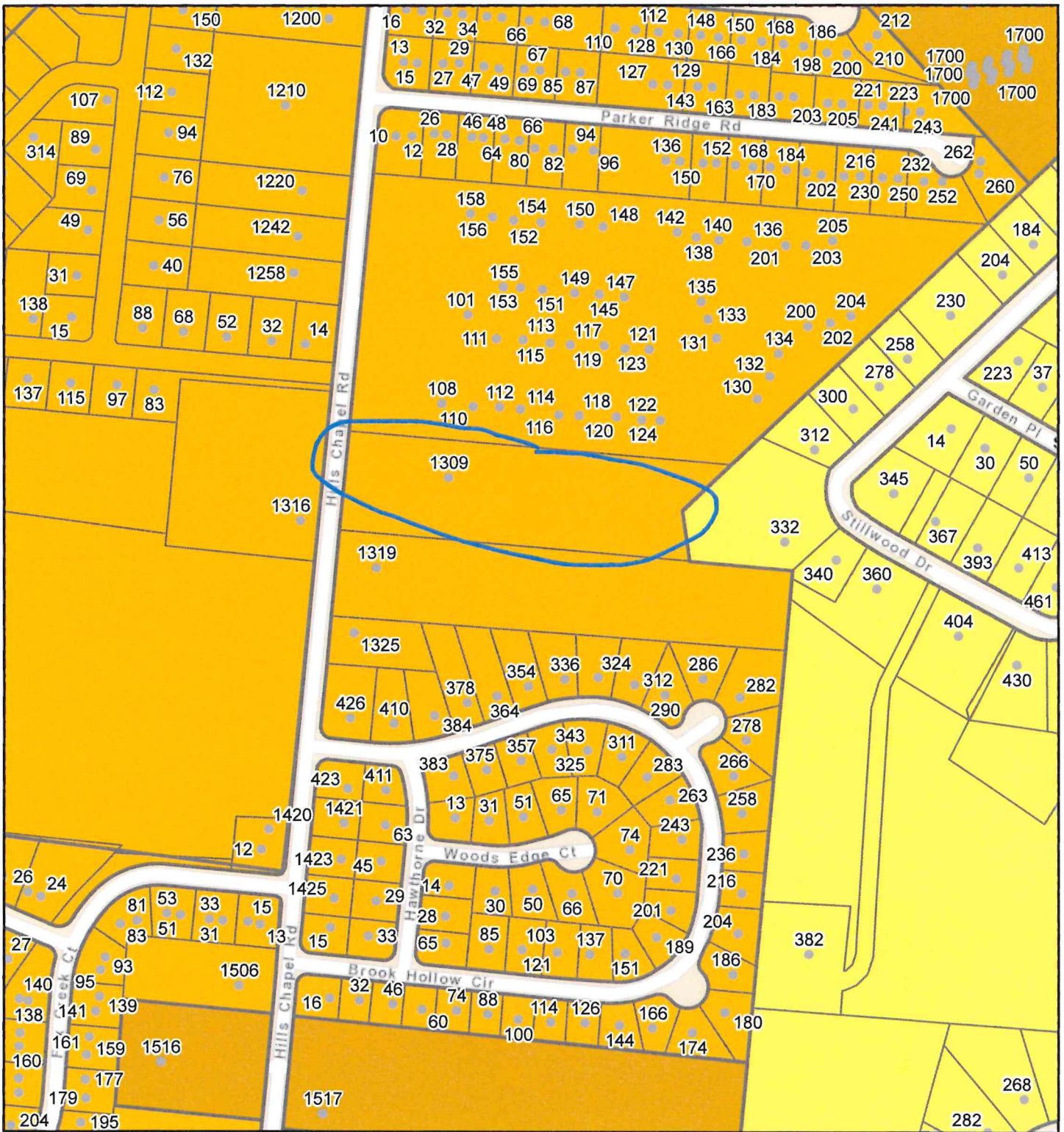
PASSED FIRST READING: _____, 2026

PASSED SECOND AND FINAL READING: _____, 2026

Joey Hobbs, Mayor

Anthony Burrows, Finance Director

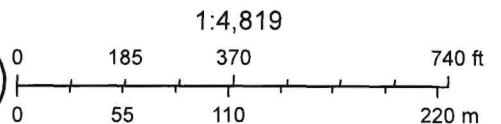
Hills Chapel Land Use



5/19/2026, 9:30:50 AM

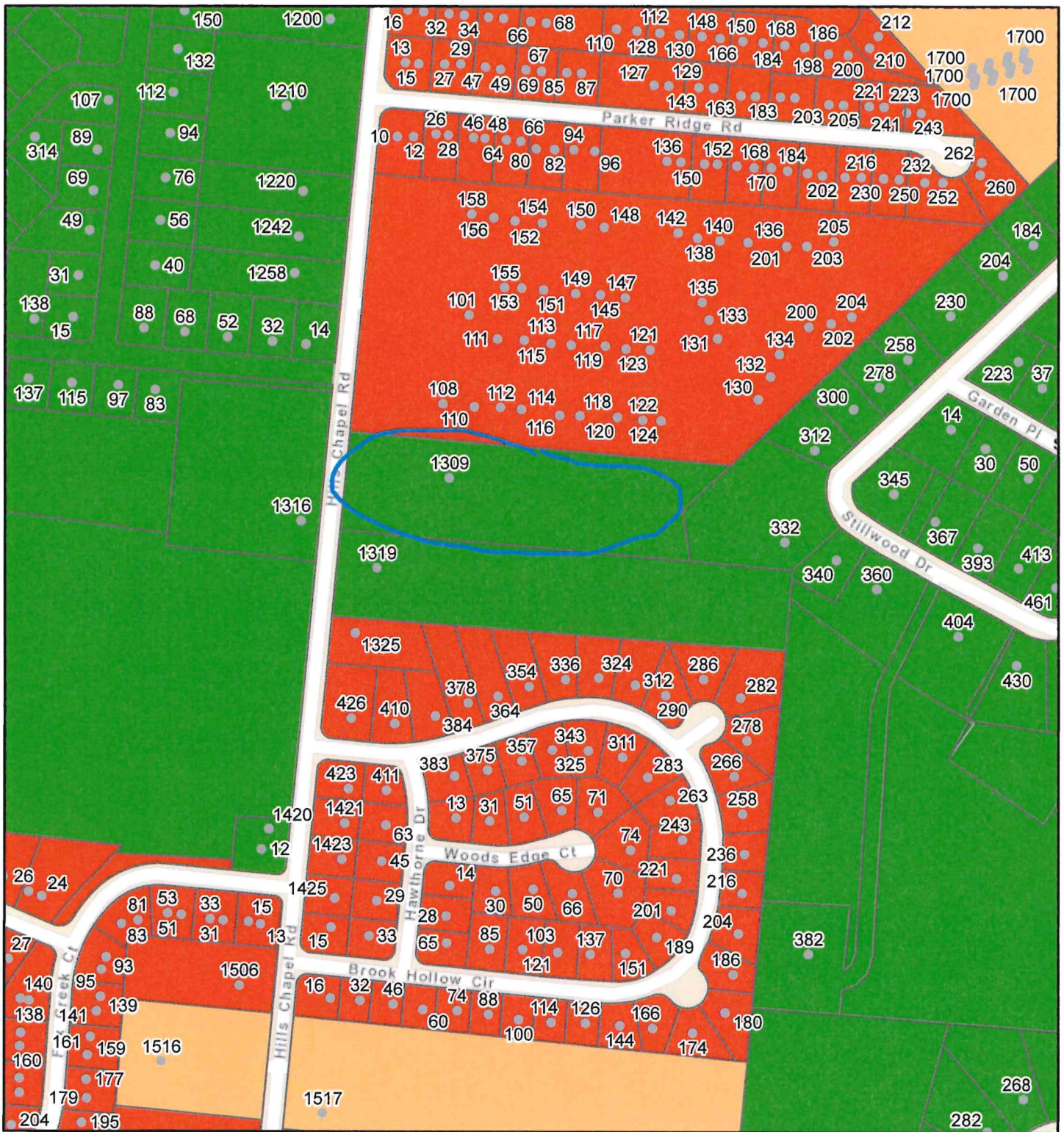
- Manchester City Limit
- X Coffee UGB
- X MANCHESTER
- X TULLAHOMA
- Coffee Parcels
- Coffee Addresses
- Manchester Historic Zoning
- Manchester Landuse
- Commercial, Central and General Neighborhood

- Industrial, Heavy
 - Industrial, Light
 - Institutional and Other Public
 - Recreational and Open Space
 - Residential Low Density / Single Family Duplexes
 - Residential Medium Density / Single Family Duplexes
 - Residential High Density Multi-Family
 - High Density Mobile Home
- World_Street_Map



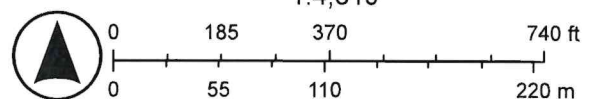
Tennessee STS GIS, Esri, HERE, Garmin, INCREMENT P, NGA, USGS

Hills Chapel zoning



5/19/2026, 9:31:50 AM

- Manchester City Limit
- Coffee UGB
- X MANCHESTER
- X TULLAHOMA
- Coffee Parcels
- Coffee Addresses
- Manchester Zoning
- C-1
- C-2
- C-3
- C-4
- C-5
- I-1
- I-2
- R-1
- R-2
- R-2A
- R-2M
- R-3
- R-4
- Manchester Historic Zoning



Tennessee STS GIS, Esri, HERE, Garmin, INCREMENT P, NGA, USGS

ORDINANCE NO. _____

AN ORDINANCE TO AMEND MANCHESTER MUNICIPAL CODE 18-201, 18-202, and 18-203 REGARDING WATER, SEWER, SERVICE, AND EQUIPMENT FEES

WHEREAS Manchester Municipal Code Section 18, Chapter 2, currently sets forth the policies, and fees governing the provision of water and sewer services; and

WHEREAS, the Manchester Water and Sewer Department (MSWD), upon review and recommendation of the Manchester Water and Sewer Commission, and the Board of Mayor and Alderman of the City of Manchester believes it to be in the best interest of the City to revise those policies and rates due to the costs of administration and operations relative to requests for these services.

BE IT THEREFORE ORDAINED BY THE BOARD OF MAYOR AND ALDERMAN OF THE CITY OF MANCHESTER, TENNESSEE that Manchester Municipal Code 18-201 shall be deleted in its entirety and amended as follows to add:

“18-201. Monthly payments for water and sewer services required.

Every water customer shall pay the established rates for water supplied on or before the due day on the bill. If payment is not received before the next day of the month a charge of fifteen percent (15%) will be added to the net bill (both water and sewer), and if not paid within forty-five (15) days after due date the water will be cut off and shall not be turned on again until all arrearages (both water and sewer) shall have been paid in full and the customer shall have paid a sum of \$100.00 for turning the water on again; said \$100.00 charge to be applicable to and payable where it has been necessary for authorized personnel of the water and sewer department to travel to the customer's premises for the purpose of cutting the water off and said personnel upon arrival accepting payment of all charges and arrearages. Failure of the customer to receive the bill will not be considered an excuse for non-payment.”

BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMAN OF THE CITY OF MANCHESTER, TENNESSEE that Manchester Municipal Code 18-202 shall be amended to delete (1) in its entirety and add the following:

“(1) For temporary service, up to a maximum of thirty (30) days, there shall be a non-refundable service connection fee of one hundred dollars (\$15.00). If service is not terminated within thirty (30) days, the fee for permanent service will be charged.”

BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMAN OF THE CITY OF MANCHESTER, TENNESSEE that Manchester Municipal Code 18-202 shall be amended to delete (2) in its entirety and add the following:

“(2) For each new permanent service, there shall be a non-refundable service connection fee of one hundred dollars (\$100), except when an existing customer transfers service directly to a new location, there will be a non-refundable transfer fee of thirty-five dollars (\$35.00).”

BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMAN OF THE CITY OF MANCHESTER, TENNESSEE that Manchester Municipal Code 18-202 shall be amended to delete the first sentence of (3) and add the following:

“(3) In addition to the non-refundable service connection fee, applicants for residential service must post a non-refundable deposit of one hundred fifty dollars (\$150.00) when requesting service.”

BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMAN OF THE CITY OF MANCHESTER, TENNESSEE that Manchester Municipal Code 18-203 shall be amended to delete the second and third sentences of (3) and add the following:

“...There will be a twenty-dollar (\$20.00) charge for returned checks. In addition, there will be a fee of one hundred dollars (\$100.00) for reinstatement of services ...”

BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMAN OF THE CITY OF MANCHESTER, TENNESSEE, that this ordinance shall take effect on and after its publication, passage, and public hearing, the public welfare of the City of Manchester requiring it, and that all ordinances in conflict herewith are hereby repealed to the extent of such conflict.

PASSED FIRST READING: _____, 2026

PASSED SECOND AND FINAL READING: _____, 2026

Joey Hobbs, Mayor

Anthony Burrows, Finance Director

ORDINANCE NO.

**AN ORDINANCE FOR THE CITY OF MANCHESTER, TENNESSEE
AMENDING BUDGET ORDINANCE NO. 1743
FOR FISCAL YEAR 2025-26**

WHEREAS, pursuant to *Tennessee Code Annotated*, section 6-56-209, the Board of Mayor and Commissioners has the authority to authorize the budget officer to transfer moneys from one appropriation to another within the same fund.

BE IT ORDAINED, by the Board of Mayor and Aldermen of the City of Manchester, Tennessee, that the Budget Ordinance for Fiscal Year 2025-2026, Ordinance No. 1743, be amended as follows:

SECTION 1: To amend the General Fund, the Expenditures are to be changed as follows:

	<u>INCREASE</u>	<u>DECREASE</u>
<u>INFORMATION SYSTEMS</u>		
110-41600-135 Vacation Pay	\$ 24,000	
110-41600-142 Employee Health Insurance	\$ 24,000	
110-41600-143 Retirement	\$ 56,000	
110-41600-255 Data Processing	\$ 29,000	
110-41600-944 Capital Outlay	\$ 17,000	
<u>FIRE DEPARTMENT</u>		
110-42200-130 After Hours Pay	\$ 180,000	
110-42200-131 Holiday Pay	\$ 130,000	
110-42200-132 Sick Pay	\$ 110,000	
110-42200-142 Employee Health Insurance	\$ 140,000	
110-27100 Fund Balance		\$ 710,000

SECTION 2: To amend the Recreation & Parks Fund, the Expenditures are to be changed as follows:

	<u>INCREASE</u>	<u>DECREASE</u>
<u>REC CENTER</u>		
122-44420-121 Part Time Wages	\$ 175,000	
122-44420-141 Social Security	\$ 40,000	
122-44420-262 Repair & Maintenance	\$ 150,000	
122-44420-266 Repair & Maintenance Buildings	\$ 420,000	
122-44420-940 Capital Improvements	\$ 540,000	
<u>PARKS</u>		
122-44720-132 Sick Pay	\$ 80,000	
122-44720-133 Vacation Pay	\$ 12,000	
122-44720-265 Repair & Maintenance	\$ 45,000	
122-27100 Fund Balance		\$ 1,462,000

SECTION 3: To amend the Tourism Fund, the Expenditures are to be changed as follows:

	<u>INCREASE</u>	<u>DECREASE</u>
<u>TOURISM</u>		
130-47210-236.002 Local Activity Support	\$ 24,000	
130-47210-266 building Repair	\$ 80,000	
130-47210-269 Parking Lot Repair	\$ 87,000	
130-47210-270 Repair & Maintenance	\$ 39,000	
130-27100 Fund Balance		\$ 230,000

SECTION 4: To amend the Water & Sewer Fund, the Expenditures are to be changed as follows:

	<u>INCREASE</u>	<u>DECREASE</u>
<u>PURIFICATION</u>		
413-52113-111 Employee Wages	\$ 125,000	
<u>SHOP & MAINTENANCE</u>		
413-52115-259 Professional Services	\$ 470,000	
<u>SEWER TREATMENT</u>		
413-52213-911 Capital Outlay	\$ 971,717	
413-27100 Fund Balance		\$ 1,566,717

SECTION 5. Unless indicated in Section 1 above, to the extent required by the new appropriation, funds shall be drawn from the Fund Balance(s) of the Fund(s) as of June 30, 2026.

SECTION 6. The financial plan shall be used as guidance and generally followed in the implementation of this amendment.

SECTION 7. This Ordinance shall take effect from and after its publication, passage and public hearing.

1st Reading _____.
2nd Reading _____.

Joey Hobbs, Mayor

Attest:

Anthony Burrows, Finance Director

ORDINANCE NO:

**AN ORDINANCE OF THE CITY OF MANCHESTER, TENNESSEE
ADOPTING A BUDGET FOR THE FISCAL YEAR JULY 1, 2026
THROUGH JUNE 30, 2027**

WHEREAS, Tennessee Code Annotated Title 9 Chapter 1 Section 116 requires that all funds of the State of Tennessee and all its political subdivisions shall first be appropriated before being expended and that only funds that are available shall be appropriated; and

WHEREAS, the Municipal Budget Law of 1982 requires that the governing body of each municipality adopt and operate under an annual budget ordinance presenting a financial plan with at least the information required by that state statute, that no municipality may expend any moneys regardless of the source except in accordance with a budget ordinance and that the governing body shall not make any appropriation in excess of estimated available funds; and

WHEREAS, the governing body has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the governing body will consider final passage of the budget.

NOW THEREFORE BE IT ORDAINED BY THE CITY OF MANCHESTER, TENNESSEE AS FOLLOWS:

SECTION 1. That the governing body estimates anticipated revenues of the municipality from all sources to be as follows:

GENERAL FUND	FY25 Audited	FY26 Estimated	FY27 Proposed
Local Taxes	\$ 14,352,268	\$ 13,760,251	\$ 14,638,482
License and Fees	270,690	258,370	495,975
Intergovernmental	3,510,055	4,062,674	4,245,955
Charges for Services	53,435	17,550	42,550
Fines and Forfeitures	177,520	172,200	182,200
Miscellaneous Revenues	702,683	2,674,453	1,428,056
Fund Balance	15,542,124	17,390,185	17,124,898
Total Available Funds	\$ 34,608,775	\$ 38,335,683	\$ 38,158,116
SANITATION			
Charges for Current Services	\$ 1,740,689	\$ 1,871,205	\$ 1,920,600
Transfer from Other Funds	661	3,600	3,600
Unassigned Fund Balance	779,996	984,972	687,228
Total Available Funds	\$ 2,521,346	\$ 2,859,777	\$ 2,611,428
RECREATION FUND			
Local Taxes	\$ 252,932	\$ -	\$ -
Intergovernmental	546,045	-	-
Charges for Current Services	1,050,391	844,051	1,367,500
Other Revenues	(176,784)	158,076	160,000
Transfer from Other Funds	1,800,000	2,048,597	1,013,896
Unassigned Fund Balance	1,025,408	732,658	661,912
Total Available Funds	\$ 4,497,992	\$ 3,783,382	\$ 3,203,308

DRUG CONTROL FUND

Fines and Forfeitures	\$	45,730	\$	33,500	\$	37,000
Other Revenues		53,203		6,275		70,000
Unassigned Fund Balance		306,515		330,580		367,575
Total Available Funds	\$	405,448	\$	370,355	\$	474,575

TOURISM FUND

Local Taxes	\$	126,461	\$	945,865	\$	945,865
Grant Revenue		80,836		428,019		222,500
Unassigned Fund Balance		452,626		508,875		867,295
Total Available Funds	\$	659,923	\$	1,882,759	\$	2,035,660

CAPITAL EQUIPMENT FUND

Transfer from Other Funds		-		-		-
Other Revenues		15,952		-		-
Unassigned Fund Balance		1,569,861		771,122		0
Total Available Funds	\$	1,585,813	\$	771,122	\$	0

GENERAL DEBT SERVICE FUND

Other Revenues	\$	21,400	\$	144,020	\$	144,020
Transfer from Other Funds		1,171,625		1,581,900		1,495,950
Unassigned Fund Balance		1,811,345		1,580,554		1,699,074
Total Available Funds	\$	3,004,370	\$	3,306,474	\$	3,339,044

WATER & SEWER FUND

Current Services	\$	70,677	\$	24,617	\$	24,617
Other Revenues		7,616		11,326		10,930
Non-operating Revenues		3,200,829		1,844,588		1,501,000
Water & Sewer Revenues		8,879,377		10,449,009		11,988,596
Net Position		27,014,594		30,254,740		31,885,462
Total Available Funds	\$	39,173,093	\$	42,584,280	\$	45,410,605

GENERAL PURPOSE SCHOOL FUND

Local Taxes	\$	6,782,971	\$	4,217,710	\$	5,017,110
Licenses and Permits		880		650		650
Charges for Current Services		36,514		51,229		52,000
Other Local Revenues		182,071		29,500		170,500
State Education Funds		12,691,994		12,914,595		13,755,537
Federal Funds Received Thru State		66,403		-		-
Fund Balance		-		6,052,897		1,000,000
Transfer from Other Funds		1,858,467		2,608,467		2,608,467
Total Available Funds	\$	21,619,300	\$	25,875,048	\$	22,604,264

CAFETERIA FOOD SERVICE FUND

Charges for Current Services	\$	194,483	\$	208,280	\$	211,000
Other Local Revenues		24,314		1,300		12,800
State Education Funds		8,326		8,295		7,949
Federal Funds Received Thru State		1,007,699		1,316,613		1,305,506
Unassigned Fund Balance		-		207,555		559,600
Total Available Funds	\$	1,234,822	\$	1,742,043	\$	2,096,855

SECTION 2. That the governing body appropriates from these anticipated revenues and unexpended and unencumbered funds as follows:

GENERAL FUND

General Government	\$	7,809,914	\$	8,677,383	\$	8,653,276
Public Safety		7,213,062		9,071,006		7,957,298
Public Works		2,195,614		3,462,396		4,420,136
Total Appropriations	\$	17,218,590	\$	21,210,785	\$	21,030,709

SANITATION FUND

Sanitation Fund	\$	1,536,374	\$	2,172,549	\$	1,749,058
Total Appropriations	\$	1,536,374	\$	2,172,549	\$	1,749,058

PARKS AND RECREATION FUND

Administration	\$	335,744	\$	190,089	\$	200,916
Rec Center		1,699,074		2,571,124		1,804,709
Park Area		1,730,516		360,257		535,375
Total Appropriations	\$	3,765,334	\$	3,121,470	\$	2,541,000

DRUG CONTROL FUND

Drug Fund	\$	74,868	\$	2,780	\$	166,268
Total Appropriations	\$	74,868	\$	2,780	\$	166,268

TOURISM FUND

Tourism Fund	\$	151,048	\$	1,015,464	\$	1,138,688
Total Appropriations	\$	151,048	\$	1,015,464	\$	1,138,688

CAPITAL EQUIPMENT FUND

Capital Equipment Program	\$	814,691	\$	771,122	\$	-
Total Appropriations	\$	814,691	\$	771,122	\$	-

GENERAL DEBT SERVICE FUND

General Debt Service Fund	\$	1,423,816	\$	1,607,400	\$	1,543,450
Total Appropriations	\$	1,423,816	\$	1,607,400	\$	1,543,450

WATER & SEWER FUND

Purification	\$	2,171,287	\$	2,378,315	\$	2,442,050
Shop & Maintenance		3,591,436		5,827,488		4,923,488
Customer Accounts & Collections		446,173		345,562		127,850
Sewer Treatment & Disposal		2,409,150		1,965,610		2,166,281
Non-operating expenses		216,296		178,813		453,012
All Other		84,011		3,029		4,000
Total Appropriations	\$	8,918,353	\$	10,698,818	\$	10,116,680

GENERAL PURPOSE SCHOOL FUND

Instruction

Instructional Programs	\$	12,489,436	\$	13,310,159	\$	13,676,805
Support Services		5,876,721		7,084,852		6,981,942
Non-Instructional Services		975,499		1,083,537		990,117
Capital Outlay		1,636,330		4,340,000		900,000
Debt Payments		50,400		50,400		50,400
Indirect Cost		6,100		6,100		5,000
Total Appropriations	\$	21,034,486	\$	25,875,048	\$	22,604,264

CAFETERIA FOOD SERVICE FUND

Food Service	\$	1,361,479	\$	1,742,043	\$	2,096,855
Total Appropriations	\$	1,361,479	\$	1,742,043	\$	2,096,855

SECTION 3: At the end of the current fiscal year the governing body estimates balances/(deficits) as follows:

General Fund	\$ 17,124,898
Sanitation Fund	\$ 984,972
Recreation Fund	\$ 732,658
Drug Fund	\$ 330,580
Tourism Fund	\$ 508,875
Capital Equipment Replacement Fund	\$ 0
General Debt Service Fund	\$ 1,580,554
Water & Sewer Fund	\$ 1,500,000
General Purpose School Fund	\$ 2,572,470
Central Cafeteria Fund	\$ 694,232

SECTION 4: That the governing body recognizes that the municipality has bonded and other indebtedness as follows:

Bonded or Other Indebtedness	Debt Redemption	Interest Requirements	Debt Authorized and Unissued	Condition of Sinking Fund
Bonds	985,000	395,950		
Capital Outlay	48,816	1,824		
Capital Leases	30,000	-		
Bonds - Utility	1,780,000	287,476		

SECTION 5: During the coming fiscal year the governing body has planned capital projects and proposed funding as follows:

Proposed Capital Projects	Proposed Amount Financed by Appropriations	Proposed Amount Financed by Debt
Coffee Street Sidewalk Project	\$ 46,712	
Oakdale Street Sidewalk Project	\$ 6,203	
Madison Street Sidewalk Project	\$ 4,683	
Hills Chapel Road Phase 2	\$ 40,000	
Recreation improvements	\$ 69,900	
Sanitation vehicles	\$ 150,000	
Drug fund vehicles	\$ 120,000	
Water & Sewer equipment/vehicles	\$ 250,000	
Water & Sewer improvements	\$ 1,250,000	
Education capital outlay	\$ 900,000	
Total Appropriations	\$ 2,837,498	

SECTION 6: No appropriation listed above may be exceeded without an amendment of the budget ordinance as required by the Municipal Budget Law of 1982 T.C.A. Section 6-56-208. In addition, no appropriation may be made in excess of available funds except to provide for an actual emergency threatening the health, property or lives of the inhabitants of the municipality and declared by a two-thirds (2/3) vote of at least a quorum of the governing body in accord with Section 6-56-205 of the Tennessee Code Annotated.

SECTION 7: Money may be transferred from one appropriation to another in the same fund only by appropriate ordinance by the governing body, subject to such limitations and procedures as it may prescribe as allowed by Section 6-56-209 of the Tennessee Code Annotated. Any resulting transfers shall be reported to the governing body at its next regular meeting and entered into the minutes.

SECTION 8: A detailed financial plan will be attached to this budget and become part of this budget ordinance. In addition, the published operating budget and budgetary comparisons shown by fund with beginning and ending fund balances and the number of full time equivalent employees required by Section 6-56-206, Tennessee Code Annotated will be attached.

SECTION 9: If for any reason a budget ordinance is not adopted prior to the beginning of the next fiscal year, the appropriations in this budget ordinance shall become the appropriations for the next fiscal year until the adoption of the new budget ordinance in accordance with Section 6-56-210, Tennessee Code Annotated provided sufficient revenues are being collected to support the continuing appropriations. Approval of the Director of the Division of Local Finance in the Comptroller of the Treasury for a continuation budget will be requested if any indebtedness is outstanding.

SECTION 10: There is hereby levied a property tax of \$1.5221 per \$100 of assessed value on all real and personal property.

SECTION 11: All unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse and revert to the respective fund balances.

SECTION 12: This ordinance shall take effect upon passage, the public welfare requiring it.

PASSED FIRST READING:

PASSED SECOND READING:

ATTEST:

Joey Hobbs, Mayor

ATTEST:

Anthony Burrows, Finance Director

ORDINANCE NO. _____

**AN ORDINANCE AMENDING PROVISIONS TO MANCHESTER MUNICIPAL CODE
REGARDING CITIZENS COMMENTS**

WHEREAS the Manchester Municipal Code provides for the procedures used during Board, Committee and Commission meetings; and

WHEREAS the Tennessee Legislature has further defined citizen's right to speak and the Board of Mayor and Aldermen believes it in the best interest of the City of Manchester that a certain amendment be made to those procedures in MMC 1-111.

BE IT THEREFORE ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that there be an amendment to MMC 1-111 by deleting the word "relevant" :

BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that this ordinance shall take effect on and after its publication and passage, the public welfare of the City of Manchester, Tennessee requiring it.

PASSED FIRST READING: _____, 2026

PASSED SECOND AND FINAL READING: _____, 2026

Joey Hobbs, Mayor

Anthony Burrows, Finance Director

City of Manchester
Board of Mayor and Alderman
Beer Board Agenda
June 2, 2026

Immediately Following the Mayor and Aldermen Board Meeting

Call the Meeting to Order:

Approval of Agenda:

Citizen Comments:

Application(s):

1. Name of Business: Cracker Barrel # 3; Business Address: 103 Paradise St, Manchester, TN 37355; Previous Name of Business: N/A; Name of Owners: Cracker Barrel Old Country Store Inc., 305 Hartmann Dr., Lebanon, TN 37087; Name and Address of Property Owner: same as owner; Name of Applicant: Brittnei Phillips Murfreesboro, TN 37129: Application is for On-premises consumption and retail.

Adjournment

www.cityofmanchestertn.com
LIVE STREAMING <https://www.youtube.com/@CityOfManchesterTennessee>