

**Memorandum of Understanding
Water and Wastewater Board of the City of Madison (dba Madison Utilities)
and Edgewater Owner's Association**

This memorandum will serve as an understanding between the Water and Wastewater Board of the City of Madison, doing business as Madison Utilities (hereinafter, "MU") and the Edgewater Owners Association (hereinafter "EOA") regarding screening planned to be undertaken by MU between its Quarry Water Treatment Plant (hereinafter "Water Plant") and lots within the Edgewater Subdivision adjacent to the Water Plant, specifically certain lots along Mainsail Way in the City of Madison.

BACKGROUND

When MU constructed the Water Plant in 2006, located on Dunlop Boulevard adjacent to the rear (west) property line of certain lots on Mainsail Way in Edgewater Subdivision, it installed an earth berm near the east property line of the Water Plant site and planted fast-growing evergreen trees on the berm to serve as a natural screen between the Water Plant and the homes located on lots adjacent to the Water Plant site. In the years since the berm and trees were planted, the trees grew to a significant height, providing effective screening of any view of the Water Plant from the adjacent homes.

Since 2006 MU has been engaged in planning, design and securing regulatory approval for a river intake at the Tennessee River which, together with pipelines laid to the Water Plant and certain expansions and improvements to the Water Plant, will allow MU to increase its available water supply as necessary to serve the needs of its ratepayers. The expansion plan is to be executed in two phases. Phase 1 of the Improvements is presently under construction. Phase 2 is expected to be undertaken within several years. Certain part of the Phase 1 expansion and improvements required removal of the berm and trees planted when the Water Plant was initially constructed. Additionally, some older trees located on MU's Water Plant site which were not part of the evergreens planted during original construction also had to be removed. As originally designed, Phase 2 improvements would impact any effective replacement screening installed before MU undertakes construction of Phase 2.

Upon removal of the trees and berm, owners and occupants of the homes adjacent to the Water Plant have expressed concerns about the loss of screening between the Water Plant site and their rear yards. MU's Board of Directors has met with concerned homeowners and occupants and has tasked its staff and consultants with a plan to provide replacement screening along the east boundary of the Water Plant property.

The purpose of this Memorandum of Understanding is to express MU's intent and its plan to revise its design plans to allow for replacement screening between Water Plant site and adjacent lots on Mainsail Way and to install that screening during the Phase 1 Expansion project for the Water Plant.

PRELIMINARY MATTERS RELATING TO SCREENING WATER PLANT SITE

- MU will consider for approval revisions to proposed Phase 2 improvement plans that will eliminate the necessity of certain large, deep water mains near MU's east property line so as to avoid the need to significantly disturb that area during Phase 2 of the Expansion.
- MU has conducted a survey of the boundary between the Water Plant and adjacent Mainsail lots to identify location of remaining trees, fences, etc.
- MU has directed its contractor to mobilize to undertake clean-up of the east boundary area of the Water Plant site.
- MU has received plans from a landscape architect retained by its design engineers for the

purpose of proposing a design plan for appropriate screening on the Water Plant site near its boundary with adjacent Mainsail Way lots.

MU SCREENING PLAN

- Upon or prior to completion of its Phase 1 Expansion Project MU will provide for installation of a berm, approximately 2-3 feet high in the area within approximately thirty (30') feet of the east boundary of the MU Water Plant site, adjusted in height and location as necessary to minimize potential impact of the berm within the dripline of remaining existing trees.
- MU will plant elaeagnus shrubs on the downslope of the berm closest to the Water Plant's eastern boundary, planted with approximate ten foot (10') spacing. The elaeagnus is expected to grow together to heights of approximately 10'-15' and to attain a width of approximately 10'-15' at the base.
- MU will plant Green Giant Arborvitae trees behind the elaeagnus shrubs (between the shrubs and the Water Plant), at initial heights of approximately six to eight feet (6'-8'). These trees are expected to grow to a height of approximately twenty to thirty (20'-30') over time.
- MU will install a chain-link fence between the trees and the Water Plant.
- MU will replace existing lighting at the rear of the Water Plant with low-profile lighting to minimize the exposure of Mainsail Way lots to lighting at the Water Plant.
- The above-referenced improvements are expected to be complete by January 2017.

MU FUTURE PLANS FOR THE WATER PLANT SITE

MU's changes to the original Phase 2 Expansion Project will avoid any impact of that phase of the expansion project on new replacement screening to be installed by MU. With the completion of the Phase 2 expansion the Water Plant site will be at near-full utilization and the likelihood of future expansions that would impact the new replacement screening is minimal. MU cannot predict future Acts of God and MU's use of its Water Plant site is or may become subject to regulatory requirements of the Department of Homeland Security, the Environmental Protection Agency, the Alabama Department of Environmental Management, the City of Madison and other agencies with authority over the site.

However, subject to Acts of God affecting the Water Plant site or regulatory requirements that could require changes, MU will endeavor to maintain the screening installed consistent with this Memorandum of Understanding for the life of the Water Plant. To the extent that Acts of God or regulatory requirements require modification or removal of the berm and landscape screening at any time in the future, MU will make all reasonable efforts to provide appropriate replacement screening between the Plant Site and the adjacent Mainsail Way lots as soon as possible thereafter. In the event any such modifications or removal of the berm or landscape screening becomes necessary, MU will undertake to contact the adjacent property owners to advise them of the circumstances and of planned modifications as soon as reasonably possible after 35% completion of design drawings, provided however, that MU will give at least sixty (60) days notice before modification or removal is scheduled to occur.

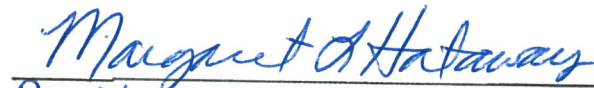
MISCELLANEOUS

This Memorandum of Understanding ("MOU") is provided for the sole purpose of advising the Edgewater Owners Association of the proposed actions by MU to provide screening between homes in the Edgewater Subdivision and MU's Water Plant. This MOU shall not confer any rights or remedies upon any person who is not a party to it.

Dated this 4th day of October, 2016.



Terris Tatum, Board President



President, Edgewater Owners Association