

RESOLUTION NO. 88

A RESOLUTION APPROVING RE-NEGOTIATION OF THE AGREEMENT BETWEEN BETWEEN THE TOWN OF MOUNT CARMEL, TENNESSEE, AND THE FIRST UTILITY DISTRICT OF HAWKINS COUNTY, TENNESSEE, WHICH PROVIDES PROVIDES FOR THE BILLING AND COLLECTION OF SEWER BILLS FOR THE WASTEWATER TREATMENT SYSTEM OF THE TOWN OF MOUNT CARMEL, TENNESSEE AND AUTHORIZING THE MAYOR TO EXECUTE THE RE-NEGOTIATED AGREEMENT ON BEHALF OF THE TOWN

WHEREAS, the Town of Mount Carmel, Tennessee, feels an obligation to provide water service to all residents of the Town; and

WHEREAS, The First Utility District of Hawkins County, Tennessee, is authorized by its charter granted pursuant to the Utility District Law of 1937, T.C.A. §7-82-101 et seq. to provide water service to the area of eastern Hawkins County which includes all of the Town of Mount Carmel, Tennessee; and

WHEREAS, the expanding needs of the Town require the water service supplied by the utility district; and

WHEREAS, the Town has installed a sanitary sewer system, the revenue from which is used to bonds issued or to be issued by the Town; and

WHEREAS, the Town has previously passed a Wastewater Treatment System Ordinance found in the Mount Carmel Municipal Code at Title 18; and

WHEREAS, more particularly, Mount Carmel Municipal Code §18-301 specifically authorizes the Town to enter into a contract with The First Utility District as hereinafter noted; and

WHEREAS, Title 18, Mount Carmel Municipal Code shall be incorporated into this agreement in its entirety by reference thereto; and

WHEREAS, T.C.A. §7-35-201 allows the utility district to terminate water service to customers of the Town's sanitary sewer system and re-establish water service only upon payment of all arrearage and reconnection fees; and

WHEREAS, the utility district desires to cooperate with the Town and promote the health, welfare, and safety of the inhabitants thereof;

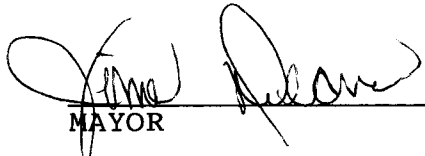
NOW, THEREFORE, BE IT RESOLVED BY THE TOWN OF MOUNT CARMEL, TENNESSEE AS FOLLOWS:

SECTION 1  
FORM OF CONTRACT APPROVED

A contract in substantially the same form as the agreement attached hereto may be executed on behalf of the Town by its Mayor.

SECTION 2

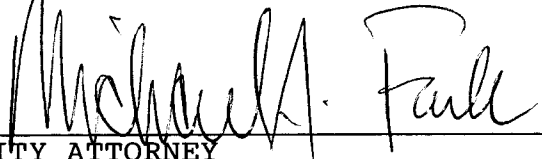
This resolution shall take effect and be enforced from and after its passage, the public welfare requiring.

  
MAYOR

ATTEST:

  
CITY RECORDER

APPROVED AS TO FORM:

  
CITY ATTORNEY

Passed 1st reading 3-4-93

AYES: 7  
NAYES: 0

AGREEMENT

THIS AGREEMENT is entered into this 4th day of March, 1993, by and between the TOWN OF MT. CARMEL, TENNESSEE, hereinafter referred to as "Town" and THE FIRST UTILITY DISTRICT OF HAWKINS COUNTY, TENNESSEE, hereinafter referred to as "utility district."

WITNESSETH:

WHEREAS, the Town of Mt. Carmel, Tennessee, feels an obligation to provide water service to all residents of the Town; and

WHEREAS, the utility district is authorized by its charter granted pursuant to the Utility District Law of 1937, T.C.A. §7-82-101 et seq. to provide water service to the area of eastern Hawkins County, which includes all of the Town of Mt. Carmel, Tennessee; and

WHEREAS, the expanding needs of the Town require the water service supplied by the utility district; and

WHEREAS, the Town has installed a sanitary sewer system, the revenue from which is to be used to pay bonds issued or to be issued by the Town; and

WHEREAS, the Town has passed a Sewer Use Ordinance, Mt. Carmel Municipal Code, Title 18, which shall be incorporated into this agreement in its entirety; and

WHEREAS, T.C.A. §7-35-201 allows the utility district to terminate water service to customers of the Town's sanitary sewer system and re-establish water service only upon payment of all arrearage and reconnection fee; and

WHEREAS, the utility district desires to cooperate with the Town and promote the health, welfare, and safety of the inhabitants thereof;

IT IS THEREFORE AGREED:

1. The First Utility District of Hawkins County, Tennessee will do all billing of sewer bills for the Town and the functions hereinafter enumerated for a fee of sixty cents (60¢) per customer per monthly billing period.

2. Any delinquent sewer bill equaling or exceeding Sixty Dollars (\$60.00) shall be deemed in arrears and the utility district will cut off water service to said customer until said bill has been paid in full.

3. The utility district will add its disconnect and reconnect charges to the customer's water bill.

4. The utility district shall have the discretion to adjust sewer bills, just as it adjusts water bills in the event of good cause shown by the customer, but to no greater or lesser extent than it adjusts water bills. Such adjustments will be for waterline breakages and similar type exigencies.

5. The Town agrees to abide by all laws, rules and regulations governing the discontinuance of water service for failure to pay the charges for sewer bills.

6. The Town will hold the utility district harmless from any damages or causes of action, which may arise as a result of the utility district refusing service to or disconnecting any such customer as requested by the Town.

7. The utility district agrees to use the water meter readings for each customer and compute, based upon the Mt. Carmel Municipal Code, Title 18 and amendments hereto and the formula provided by the Town, each customer's sanitary sewer bill. The utility district agrees to, on a form agreed upon by the Town, deliver to said customer(s) as it delivers the customer's water bill and at the same time as it delivers the customer's water bill, the customer's sanitary sewer bill--all in substantially the same manner as the utility district delivers its water bills. The Town agrees to compensate the utility district for performing the aforescribed billing function at the rate of sixty cents (60¢) per bill.

8. The utility district shall fully repair all streets in the Town damaged due to utility district servicing activities.

9. In consideration of the utility district's complying with the above-stated conditions, the Town agrees to allow the utility district to utilize the streets and rights-of-way of the Town for its existing water lines and equipment.

10. Prior to the utility district placing lines in any street where no prior lines have been installed, utility district will apply for prior consent from the Town to be given in writing only to be effective.

11. This agreement shall take effect immediately and shall remain in effect until this agreement is renegotiated at any time upon the mutual agreement of the parties, but in the absence of mutual agreement either party wishing to renegotiate shall give the other six (6) months notice of its intention to renegotiate.

12. Each party pledges good faith toward its dealings with the other--all for the mutual benefit and good of the citizens of Mt. Carmel, Tennessee and the customers of The First Utility District.

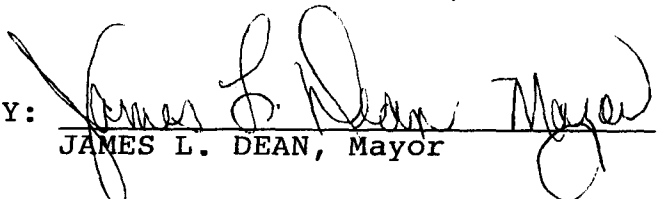
13. This agreement shall become null and void upon the relinquishment or dissolution of the Charter for the Town of Mt. Carmel, Tennessee.

WITNESS the signatures of the parties hereto this the day and date first above-written.

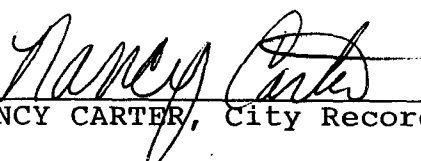
THE FIRST UTILITY DISTRICT OF  
HAWKINS COUNTY, TENNESSEE

BY:   
CHAIRMAN  
Board of Directors

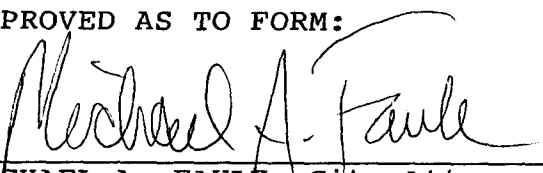
THE TOWN OF MT. CARMEL, TENNESSEE

BY:   
JAMES L. DEAN, Mayor

ATTEST:

  
NANCY CARTER, City Recorder

APPROVED AS TO FORM:

  
MICHAEL A. FAULK, City Attorney