

Res. 347

AGREEMENT

THIS AGREEMENT is entered into as of this 1st day of July, 2006, by and between the TOWN OF MOUNT CARMEL, TENNESSEE, hereinafter referred to as "Town" and THE FIRST UTILITY DISTRICT OF HAWKINS COUNTY, TENNESSEE, hereinafter referred to as "District."

WITNESSETH:

WHEREAS, Town desires water service for residents of Town; and

WHEREAS, District is authorized by its charter granted pursuant to the Utility District Law of 1937, *Tenn. Code Ann. §§7-82-101 et seq.* to provide water service to the area of eastern Hawkins County, which includes all of Town; and

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

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

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

WHEREAS, *Tenn. Code Ann. §7-35-201* allows District to terminate water service to customers of Town's sanitary sewer system and re-establish water service only upon payment of all arrearage and reconnection fee; and

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

IT IS THEREFORE AGREED:

1. District will do all billing of sewer bills for Town and the functions hereinafter enumerated for a fee of One Dollar (\$1.00) per customer per monthly billing period.
2. Any delinquent sewer bill equaling or exceeding Sixty Dollars (\$60.00) shall be deemed in

arrears and District will cut off water services to said customer until said bill has been paid in full.

3. District will add its disconnect and reconnect charges to the customer's bill.
4. District shall have the discretion to adjust sewer bill, 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. Town agrees to abide by all laws, rules and regulations concerning the discontinuance of water service for failure to pay the charges for sewer bills.
6. Town will hold District harmless from any damages or causes of action, which may arise as a result of District refusing service to or disconnecting any such customer as requested by Town.
7. District agrees to use the water meter readings for each customer and compute, based upon the Mount Carmel Municipal Code, Title 18 and amendments hereto and the formula provided by Town, each customer's sanitary sewer bill. District agrees to, on a form agreed upon by Town, deliver to said customer(s) as it delivers the customer's water bill, the customer's sanitary sewer bill – all in its water bills. Town agrees to compensate District for performing the aforescribed billing function at the rate of One Dollar (\$1.00) per bill.
8. District shall fully repair all streets in Town damaged due to District's servicing activities.
9. In consideration of District complying with the above-stated conditions, Town agrees to allow District to utilize the streets and rights-of-way of Town for its existing water lines and equipment.
10. Prior to District placing lines in any street where no prior lines have been installed, District will apply for prior consent from 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 intention to renegotiate.

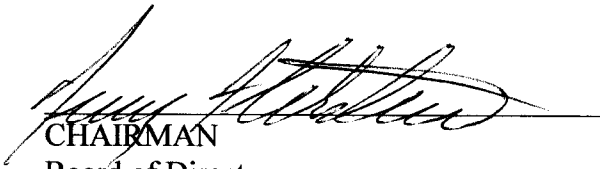
12. Each party pledges good faith toward its dealings with the other – all for the mutual benefit and good of the citizens of Mount Carmel, Tennessee and the customers of The First Utility District of Hawkins County.

13. This agreement shall be null and void upon the dissolution of either municipality.

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

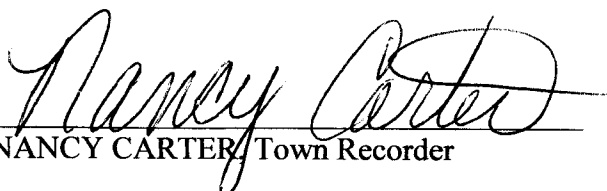
Board of Directors

THE TOWN OF MOUNT CARMEL, TENNESSEE

By:


GARY LAWSON, Mayor

ATTEST:


NANCY CARTER, Town Recorder

APPROVED AS TO FORM:


JOSEPH E. MAY, Town Attorney