

CHEATHAM COUNTY WATER & WASTEWATER AUTHORITY

350 FREY STREET

ASHLAND CITY, TN 37015

Ms. Gayle Bowman, CMFO

August 23, 2022

Town of Ashland City

P.O. Box 36 233 Tennessee Parkway, Suite 103

Ashland City, TN 37015

RE: Industrial Sewer Administrative Fee Increase

Dear Ms. Bowman,

We appreciate your patience as our Board reviewed and discussed the proposed increase (6/23/2022) in the Administrative Charges currently in place for the billing and collection of charges due CCWWA.. In our recent Board meeting our discussion centered on providing an alternate proposal to the one submitted by your office in which the fee would be increased from the current ten percent (10%) to a new charge of twenty five percent (25%). It was noted during our meeting that the original fee agreed to in the November 9, 1999 Agreement was set at 1.5%. Since our current Board was not party to those negotiations or subsequent modifications to the original Agreement, we can only assume that prior Boards amended the Agreement to the rate structure in place today.

In trying to arrive at an alternate proposal which we felt would be equitable to both parties, our Board reviewed the Authority's prior year's audit (FYE 6/30/2021) and noted that CCWWA had revenue of \$170,000 on which the city was reimbursed \$17,000 for their services. After discussion among the members, our Board is submitting the following alternative for your review and comment:

- CCWWA proposes to reimburse the Town of Ashland City a set fee of \$100.00 per month on each active account that the Town invoices and collects Sewer Charges imposed by CCWWA. Currently CCWWA has 14 active accounts for which the Town would receive \$1,400 per month in reimbursement for their services. Based on those current numbers the city would receive \$16,800 in annual payments from CCWWA for the service.
- As CCWWA adds new clients to their system, CCWWA will notify your office of the addition and increase the payment accordingly.
- All fees (tapping/connection fee & Privilege fee) will be invoiced and collected directly by CCWWA.
- All other applicable parts of the original Agreement will basically remain the same with a few minor adjustments as noted on the draft proposal which is attached for you review.

Please let us know if this proposal is acceptable. If the terms are agreeable, our Board will convene and take appropriate action to ratify the new Agreement. Again, thank you for your patience as we try to work through this matter. If you have any questions, or need further input from our Board, please contact me and I'll pass the request along to the other Board Members.

Sincerely,

Jim Dillingham, Chair CCWWA