

Sewer Service Billing and Collection Service Agreement

Revised Proposal Draft

This agreement made and entered into as of the _____ day of _____, 2022, by and between the Town of Ashland City, Tennessee, herein referred to as “**Utility**” and Cheatham County Water and Wastewater Authority, herein referred to as “**Agency**”

WITNESSETH:

WHEREAS, the **Utility** proposes to furnish the **Agency** with billing and collection services for Sewer Charges, and the **Agency** desires the **Utility** to provide such services from the **Utility** to its customers; and,

WHEREAS, it is important for the **Agency** to have an economical, adequate and reliable method of billing and collection of charges for the Sewer Service that it provides for its customers; and,

WHEREAS, clients of the **Agency** are connected to the **Utility’s** water system and the **Utility** currently has the facilities, metering, equipment, administrative organization and office personnel for the administration, billing and collection of charges the **Utility** provides; and,

WHEREAS; the **Utility** and the **Agency** are Authorized by Tennessee Code to enter into agreements, compacts or contractual relations; and,

WHEREAS; it is expedient and economical that the administration, billing and collection of the Sewer charges be accomplished, where possible, simultaneously with, and added as a designated item on the bill rendered to the Water consumer for the charges covering its Sewer service, and

NOW, THEREFORE; in consideration of the good and valuable consideration and the mutual advantage to both parties to the agreement, it is agreed:

1. The **Agency** will designate the accounts, which thereafter, under the rules and regulations of the **Utility**, shall be billed for Sewer charges:
2. The **Agency** will furnish the **Utility** with a schedule of rates to be charged for the Sewer service, and advise the **Utility** of any revision of such charges at least 30 days prior to the effective date.
3. The **Utility** agrees to administer such accounts and, during the **Utility’s** regular and periodic billing procedure, to invoice each of the **Agency’s** customers for the Sewer provided by the **Agency**, based upon the quantity of water used at the established schedule of charges furnished to the **Utility** by the **Agency**.

4. The **Utility** agrees to observe the same diligence, policies and procedures used in billing, administration and collection of the Sewer charges as used by the **Utility** in administering, billing and collecting its Water charges.

5. The **Agency** agrees that adjustments by the **Utility** to billing for over or under registration of meters which are covered under the **Utility's** adjustment Policy, and for the establishment of Sewer used by its customers, will be accepted by the **Agency**.

6. The **Utility** agrees to render to the **Agency** regular monthly reports of itemized billings for each period, the amount of any adjustments, and any uncollected account. All such reports shall be rendered to the **Agency** on or before the 15th day of each month following the month services are billed.

7. At the time of rendering such reports, the **Utility** will pay the **Agency** the balance of the revenue collected for the Sewer service covered under this agreement.

8. It is agreed that the Utility shall provide for the Sewer charges to be due and payable at the same time the **Utility's** Water charges are due and payable. The **Utility** agrees to require the user of the **Utility's** Water service to pay the **Agency's** Sewer charges at the same time that the **Utility's** Water charges are paid, and not to accept the current Water charge payment without payment of the Sewer charges. The **Utility** agrees to discontinue Water service to those Sewer customers whose accounts are unpaid, as set forth in the **Utility's** cut-off policy.

9. The **Utility** agrees to administer, bill and collect the **Agency's** charges for Sewer, based on Water meter readings.

10. It is agreed that for the services outlined in this agreement, the Utility will receive from the **Agency** an Administration Fee calculated at a rate of **One Hundred Dollars (\$100.00) per Active Account** for each of the **Agency's** customers during the billing period. The fee will be due and payable to the **Utility** no later than fifteen (15) days from the date the Invoice for Administration Services is received by the **Agency** from the **Utility** provided that the aforementioned reports and transfer of funds has been received by the **Agency**. It is further agreed that the rate of compensation for the Administrative Service provided by the Utility will be reviewed yearly upon the principle that the **Utility** should be compensated for all administrative expenses which have been incurred in the performance of this Agreement. Any change in the fees to be paid to the **Utility** under this Agreement after the review as set forth by this Agreement, shall be by agreement between the **Utility** and the **Agency**. In the event that the **Utility** and the **Agency** are unable to reach agreement within ninety (90) days relative to proposed fee adjustment, this Agreement will expire.

11. It is mutually agreed that this Agreement shall cover a period of **Five (5)** years from the initial date of said Agreement.

12. Whenever notice to the **Agency** is required, it shall be addressed to the Chairperson by registered mail. When notice to the **Utility** is required, it shall be addressed to the Mayor of Ashland City, TN by registered mail.

13. By execution of this Agreement, the **Utility** shall not be deemed, treated nor construed to have relinquished any of the lawful powers, rights and authorities invested in it by law, nor to have assumed any obligation, debt, duty or responsibility in connection with the creation, construction, maintenance or operation of the Sewer system except to perform the Administrative duties herein expressly contracted to perform for the **Agency**, nor shall the franchises, rights, powers, properties or revenues of the **Utility** be deemed to be subject to any claims or demands arising out of the creation, establishment, maintenance and operation of the Sewer system, nor amenable to any authority of agency, governmental or otherwise, to which they were not subject or amenable prior to the execution of this Agreement. The relationship between the **Utility** and the **Agency** under this Agreement shall be that of independent contracting parties and the obligations and responsibilities of the **Utility** to its customers and bondholders shall not be lessened or effected.

IN WITNESS WHEREOF, the **Agency** acting through its governing body, has caused the name of the **Agency** to be hereto inscribed, and the **Utility** acting through its Mayor and Council has caused the name of the Utility to be hereto inscribed, on this the _____ day of _____, 2022.

Cheatham County Water & Wastewater Authority

Signature/Title

Town of Ashland City

Mayor

ATTEST:

Recorder