

# INTERLOCAL AGREEMENT FOR COLLECTION OF WATER/SEWER BILLS AND ENFORCEMENT OF DELINQUENT ACCOUNTS FOR SHARED CUSTOMERS

THIS AGREEMENT is made and entered into by and between the CITY OF CROSSVILLE, TENNESSEE, a Tennessee Municipality (hereinafter referred to as "City"), and CRAB ORCHARD UTILITY DISTRICT, utility district created under the Utility District Act of 1937 as amended, T.C.A. § 7-82-101 et seq. (hereinafter referred to as "Utility").

## I. RECITALS

WHEREAS, Tennessee Code Annotated § 12-9-104 authorizes all local governments to contract with each other to provide a governmental function or service that each party to the contract is authorized to perform individually and in which the contracting parties are mutually interested, the act further authorizes a local government to enter into an agreement with a Utility provided it is not to create a for profit entity; and

WHEREAS, The City of Crossville is a Municipal Corporation organized under the laws of Tennessee, and;

WHEREAS, Crab Orchard Utility District is properly created under the Utility District Act of 1937, and is duly organized and functioning in accordance with the laws of the State of Tennessee, and;

WHEREAS, City and Utility represent that each is independently authorized to perform the functions contemplated by this Agreement, and;

WHEREAS, both the City and Utility find it mutually desirable to enter into this Agreement, and;

WHEREAS, the City provides sewer services to certain joint customers who are within the Utility service area and the Utility provides water to those same joint customers, and;

WHEREAS, the City does not have a mechanism to enforce or cut off delinquent accounts for sewer services and cannot cut off the water to certain joint customers who hold delinquent accounts, and;

WHEREAS, the Utility being the water provider, has an enforcement mechanism and ability to cut off the water to joint customers who hold delinquent accounts, and;

WHEREAS, the City of Crossville and Utility are interested in working together to provide optimal services for their joint customers, and;

WHEREAS, in order to provide such optimal services, the City and Utility need the abilities and mechanisms in place to insure payments by account holders;

**NOW, THEREFORE** in consideration of the mutual benefits and promises each to the other made herein, the parties named above do hereby agree as follows:

## II. OBLIGATIONS

- A. The Utility shall be responsible for reading the meter of all joint customers and providing a monthly report listing the joint customers name, account address, water usage, and sewer usage.
- B. The Utility shall be responsible for billing and collecting the total payment from the joint customer for both water and sewer bills from each such joint customer that receives water from the Utility and sewer from the City.
- C. The Utility shall remit to the City the portion of the payment which represent the sewer usage consistent with the meter reading on the 1<sup>st</sup> day of the following month after the collection of payment or on the 1<sup>st</sup> day of the following month after the collection of a delinquent payment.
- D. The Utility shall discontinue providing water to any joint customer whose water or sewer account is delinquent consistent with the Utility's current polices and standards for utility customers concerning delinquent accounts.

## III. INDEMNITY

Subject to the limitations as to liability and damages in the Tennessee Tort Liability Act and without waiving its governmental immunity, each Party agrees to hold harmless each other, its governing board, officers, agents and employees for any liability, loss, damages, claims or causes of action caused or asserted to have been caused directly or indirectly by any other Party to this Agreement, or any of its officers, agents or employees, or as the result of its performance, or any of its officers, agents or employees, under this Agreement.

#### IV. GENERAL PROVISIONS

- A. Severability Clause: The parties intend for the various provisions of this Agreement to be severable so that the invalidity, if any, of any one section (or more) shall not affect the validity of the remaining provisions or sections.
- B. This document may be executed in any number of original signature counterparts, each of which shall for all purposes be deemed an original, and all such counterparts shall constitute one and the same document.
- C. This agreement shall become effective upon the signature of both parties and shall have an initial term of five (5) years and shall have to option of renewal upon the agreement of both parties for five (5) additional two (2) year terms.
- D. Each party has the full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The persons executing this Agreement hereby represent that they have authorization to sign on behalf of their respective entity.
- E. This Agreement shall be interpreted in accordance with the laws of the State of Tennessee and venue shall be in the Cumberland County Chancery Court.
- F. This Agreement represents the entire agreement of the parties and supersedes any verbal or written representations of, to or by the parties to each other.
- G. Notices to either party shall be sufficient if sent in writing; postage pre-paid, registered or certified mail to the duly elected Mayor of the party or the duly appointed Chairman or Director of the Utility District.
- H. The parties agree that they will cooperate with each other in all matters that are reasonably necessary or desirable to facilitate the performance of their respective obligations under this Agreement. Each of the parties hereto further agrees to do any act or thing and execute any and all instruments that are reasonably necessary and proper to make effective the provisions of this Agreement and consummate the transactions contemplated under this Agreement.

AGREED, this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

CITY OF CROSSVILLE

By: \_\_\_\_\_  
JAMES S. MAYBERRY

Its: Mayor

ATTEST:

This form is drafted by:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney, William T. Ridley

CRAB ORCHARD UTILITY DISTRICT

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_

\_\_\_\_\_  
Utility District Attorney, Randall York