

V-F

FAX:

**CITY OF KINGSPORT
PUBLIC WORKS CENTER**

**620 WEST INDUSTRY DRIVE
KINGSPORT, TN 37660**

TELEPHONE NO: (423) 229-9470

FAX NO.: (423) 229-9473

TO: Leah Cox - MTAS

FAX NO: (423) 974-0473

FROM: B.R. WINKERSON

PAGES TO FOLLOW: 12

COMMENTS: HOPE YOU CAN READ THESE!
IF YOU HAVE PROBLEMS
LET ME KNOW! ELIZABETH

UT MTAS Library
37996007304 5

JONESBOROUGH
WATER
CONTRACT

This Contract for the sale and purchase of water is made and entered into this 21st day of October, 1998, by and between the CITY OF KINGSPORT, TENNESSEE, a Municipal Corporation of the State of Tennessee, hereinafter referred to as "SELLER", and MAYOR and ALDERMEN OF JONESBOROUGH, a Municipal Corporation of the State of Tennessee, hereinafter referred to as "PURCHASER".

Witnesseth:

WHEREAS, Tennessee Code Annotated §12-9-101, et seq., known as the Tennessee Interlocal Cooperation Act authorizes public agencies of this state to enter into interlocal agreements to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, it is the intent of the parties hereto, by this Contract, to avail themselves of the authority conferred by said statute; and

WHEREAS, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser; and

WHEREAS, by Ordinance No. 4591 enacted on the 6th day of October, 1998, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Ordinance was approved, and the execution of this contract carrying out the said Ordinance by the Mayor and attested by the Secretary, was duly authorized; and

WHEREAS, by Resolution of the Board of Mayor and Aldermen of the Purchaser, enacted on the ____ day of _____, 1998, the Purchaser of water from the Seller in accordance with the terms set forth in the said Resolution was approved, and the execution of this contract by the Mayor, and attested by the Town Recorder was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth, the parties agree as follows:

1. The Seller shall furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Tennessee Department of Public Health and Division of Water Quality Control in such quantity as may be required by the Purchaser not to exceed 150,000 gallons per day. Usage exceeding 150,000 gallons per day will be cause for assessment of a

surcharge of \$7.50 per thousand gallons of water usage. A day shall be constituted as any twenty-four hour period starting at 12:00 a.m.

2. The Seller shall furnish water at a reasonably constant pressure not less than 40 PSI from an existing six (6) inch main supply at a point located at Highway 81 and Painter Road.

3. The Seller shall furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the three (3) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a difference amount. The metering equipment shall be read daily. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings. The meter equipment shall be approved by the Public Works Director of the City of Kingsport.

4. The Seller shall furnish the Purchaser at the above address not later than the 10th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month.

5. The Purchaser agrees to pay the Seller, no later than the 20th day of each month, for water delivered in accordance with the fee schedule previously approved by the Board of Mayor and Aldermen of the City of Kingsport.

6. This contract shall extend for a term of five (5) years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

7. Thirty (30) days prior to the estimated date of completion of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

8. The Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of

water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

9. The provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification upon effective date of water rate resolution amendments. Other provisions of this contract may be modified or altered by mutual agreement. Purchaser will be given 60 days notice of any rate changes before said rate change is effective.

10. This contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

11. In the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

12. No officer, official or agent of the Seller has the power to amend, modify or alter this contract or waive any of its conditions or to bind the Seller by making any promise or representation not contained in this contract.

13. This contract shall not be assigned or transferred by either party.

14. The Seller will not be responsible in damages for any interruption or failure to supply water and shall, to the extent permitted by state law, be saved and held harmless from all damage of any kind, nature and description which may arise as a result of making this contract and furnishing water under it.

15. The Seller reserves the right to shut off the water and terminate this contract after giving the Purchaser five (5) day notice, in writing, of its intention to do so because of the Purchaser's refusal to fulfill any obligation or condition shown in this contract. This discontinuance of service for such cause shall not release the Purchaser from its obligation to pay all bills in accordance with this contract.

16. The Seller bears no degree of responsibility for the water quality at any point beyond the meter vault. The Purchaser bears the responsibility for maintaining the water quality at any point beyond the meter vault and within the Purchaser's distribution system.

17. The Purchaser shall immediately notify the Seller's Director of Public Works of any emergency or condition which may affect the quality of water in either party's system.

18. The Seller reserves the right to make inspections of those facilities which may affect the quality of the water supplied to the Purchaser and perform required tests.

19. The Purchaser shall provide and maintain all service mains and valves and bear the costs for connecting the mains to and severing them from the Seller's water system.

20. The Purchaser shall provide and maintain any and all devices expressly requested by the Seller's Director of Public Works for the purpose of controlling, measuring, transmitting and recording flows of the supply of water furnished and the transmitting and recording of pressures, reservoir levels and other required operational information.

21. The water supply furnished shall be drawn by the Purchaser at a rate prescribed by and controlled by the Seller throughout 24 hours of each day of the year. In any event, the Purchaser shall only operate its pumps between the hours of 9:00 p.m. and 6:00 a.m. except in an emergency situation and only upon notification to the Seller.

22. The authority of the officials of the Seller to execute this contract is evidenced by the authority of the Board of Mayor and Aldermen of the City of Kingsport passed on the 6th day of October, 1998, at a regular meeting. The authority of the officials of the Purchaser to execute this contract is evidenced by the Resolution passed by the Board of Mayor and Aldermen on the _____ day of _____, 1998, at a regular meeting.

23. The Purchaser agrees to comply with any and all sanitary regulations of the Seller and the present and future rules, regulations and instructions of the Seller applicable to cross-connections and dual water supplies as are in force in the City of Kingsport water system. The Purchaser further agrees that the duly authorized engineers and inspectors of the Seller, in collaboration with the representatives of the Purchaser shall be allowed to make inspections and require tests for tightness of the piping of the water works installations and of all plants or other buildings of water users within the territorial limits of the Purchaser and the Purchaser further agrees to make such changes in its piping and to eliminate such cross-connections or other connections as in the judgment of the Seller are necessary. The failure, neglect or refusal on the part of the Purchaser to make promptly and properly such changes in its piping, to maintain tightness or to eliminate undesirable connections upon notice in writing so to do from the Director of Public Works, shall furnish sufficient grounds for the Seller to shut off the water and discontinue the service under this contract until changes and corrections in the piping or connections required by the Seller are made by the Purchaser.

24. The Purchaser agrees to notify the Seller as promptly as possible of all emergency and other conditions which may directly or indirectly affect the quality of the water received under this contract and the Seller's water supply and further agrees that the duly authorized engineers and inspectors of the Seller shall be allowed to make inspections and required tests of the quality of the water supply as received under this contract, as well as the quality of the water within the Purchaser's distribution system.

25. The Purchaser agrees not to resell or permit any water furnished under this contract to be used to supply any other municipality, utility district or any consumer of water.

located or residing outside the corporate limits of the Purchaser, except as provided for in this contract, unless it is specifically authorized so to do by the Board of Mayor and Aldermen of the Seller.

26. The Purchaser further agrees not to sell, lease or give any interest in or right to utilize its water supply obtained from the Seller to any other municipality or utility district without first securing the written consent of the Seller to do so.

27. This Contract may be terminated by either party with sixty (60) days notice.

28. This Contract shall be executed in duplicate by the respective representatives, either of which copy may be treated as an original for all purposes.

IN WITNESS WHEREOF the parties hereto, by their duly authorized representatives, have executed this Agreement as of the day, date, and year first above written.

CITY OF KINGSPORT, TENNESSEE

RUTH C. MONTGOMERY
Mayor

ATTEST:

KEITH E. SMITH
City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

TOWN OF JONESBOROUGH, TENNESSEE

HOMER D. G'FELLERS
Mayor

ATTEST:

LAURA HAMILTON
Town Recorder

APPROVED AS TO FORM:

JOHN C. RAMBO
Town Attorney