

ORDINANCE # 04-117

**REVISED AGREEMENT FOR OPERATION AND MANAGEMENT
OF THE TOWN OF UNICOI, TENNESSEE SANITARY SEWER
SYSTEM AND
TRANSFER OF OWNERSHIP OF COLLECTION SYSTEMS**

Revised Agreement for the Operation and Management of the Sewer System of the Town of Unicoi, Tennessee is made by and between the Town of Unicoi, hereinafter "Town" and Erwin Utilities, a Public Utility Board of the Town of Erwin, Tennessee, hereinafter "Utility".

WITNESSETH:

Whereas, the Town has developed and is operating a sewer collection system serving portions of the Town of Unicoi, Tennessee; and

Whereas, the Utility operates utility services, including sewer service in the Town of Erwin and also within areas of Unicoi County, Tennessee; and

Whereas, the Utility is providing sewer treatment services to the Town in the Town's operation of its sewer system; and

Whereas, the Utility can provide operation and management of the Town's sewer collection system at significantly lower rates to users due to the scope of the Utility's customer base, operational experience and technical capabilities; and

Whereas, the Town and Utility have reached an agreement to contract for operation and management of the Town's sewer system by the Utility which they wish to reduce to writing;

Now, therefore, for and in consideration of the premises and the covenants hereinafter contained, the Town and Utility have covenanted, contracted and agreed as follows:

1. The Utility shall, effective July 1, 2004, begin providing all management, billing, maintenance and operational services incident to provision of sewer service with the Town of Unicoi and to the customers presently being served by the sewer collection system of the Town of Unicoi.
2. The Town shall immediately cede and transfer to the Utility any and all

interest it holds in all public, sanitary sewer collection lines within the Town of Unicoi, with the exception of the North Indian Creek Sewer Project and it's extension to the I-181 interchange on Unicoi Road.

3. The Utility shall perform all functions necessary to operate all of the public sanitary sewer collection systems within the Town of Unicoi, including but not limited to billing, collection, system maintenance and sewage treatment.
4. The Town will transfer all refundable customer sewer security deposits to the Utility on the effective date of this agreement.
5. Proceeds of operation shall be retained by the Utility and shall represent payment for management and operation of the Town of Unicoi sewer service.
6. Once all debt obligations of the Town of Unicoi for construction of the North Indian Creek Project and the extension to the I-181 interchange are paid, all property, rights-of-way and equipment of the sewer system will be transferred to the Utility.
7. The Agreement to transfer the collection system is hereby incorporated into this ordinance and can only be amended by mutual agreement of the Erwin Utilities Board and the Town of Unicoi Board of Mayor and Aldermen.

Ordinance # 04-117 authorizes the Mayor to sign the aforementioned agreement on behalf of the Board of Mayor and Aldermen of the Town of Unicoi, Tennessee.

Voting by the Board, as follows:
First Reading on May 17, 2004:

	<u>Aye</u>	<u>No</u>
Ted Hopson	<u>✓</u>	___
Johnny Lynch	<u>✓</u>	___
Ruby McLaughlin	<u>✓</u>	___
Mark Ramsey	<u>✓</u>	___
Mayor Lewis	<u>✓</u>	___

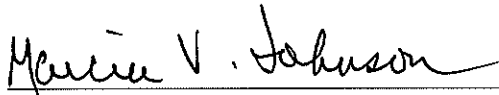
Second Reading on June 21, 2004:

	<u>Aye</u>	<u>No</u>
Ted Hopson	<input checked="" type="checkbox"/>	___
Johnny Lynch	<input checked="" type="checkbox"/>	___
Mark Ramsey	<input checked="" type="checkbox"/>	___
Ruby McLaughlin	<input checked="" type="checkbox"/>	___
Mayor Lewis	<input checked="" type="checkbox"/>	___



Kenneth L. Lewis, Mayor

ATTEST:



Marcia V. Johnson, Town Recorder

APPROVED AS TO FORM:



Lois B. Shults-Davis, Town Attorney