

Deferred 3-15-2021
Tabled 4-19-2021

RESOLUTION 21-41

A RESOLUTION TO APPROVE A CONTRACT EXTENSION WITH TENNESSEE DUCK RIVER DEVELOPMENT AGENCY FOR WATER AVAILABILITY

WHEREAS, the City of Spring Hill is currently in a contract with Tennessee Duck River Development Agency ("DRA"), originated on September 13, 1971, under which DRA agreed to provide for the availability of water from the Duck River at a cost of five cents (\$0.05) per 1,000 gallons of water sold by the City's water system each month; and

WHEREAS, DRA's current contract expires September 13, 2021; and

WHEREAS, the City makes monthly payments of \$0.05 per 1,000 gallons of water sold monthly to the DRA which are used to develop, protect and sustain a clean and dependable water resource for all citizens of the Duck River region; and

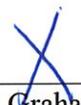
WHEREAS, DRA desires to continue their relationship with all surrounding Water Systems and has proposed a Fifth Modification contract extension for two (2) additional years with an expiration date of September 13, 2023 while a long term contract is developed; and

WHEREAS, City staff recommends approval of the two year contract extension at the current rate.

NOW, THEREFORE BE IT RESOLVED, the City of Spring Hill Board of Mayor and Aldermen:

1. Approve the contract between the City and Tennessee Duck River Development Agency for the availability of water from the Duck River.
2. Authorize the Mayor to sign the contract between the City and Tennessee Duck River Development Agency attached hereto.

Passed and Adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 15th day of March, 2021.



Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney

FIFTH MODIFICATION AGREEMENT
Between
TENNESSEE DUCK RIVER DEVELOPMENT AGENCY
And
CITY OF MANCHESTER, TENNESSEE
TULLAHOMA UTILITIES AUTHORITY
THE SHELBYVILLE POWER, WATER, & SEWERAGE BOARD
CITY OF LEWISBURG, TENNESSEE
BOARD OF PUBLIC UTILITIES OF THE CITY OF COLUMBIA, TENNESSEE
BEDFORD COUNTY UTILITY DISTRICT
and CITY OF SPRING HILL, TENNESSEE

This Agreement is made and entered into this ____ day of _____, 2021, between Tennessee Duck River Development Agency, a corporation organized and existing by virtue of an act of the General Assembly of the State of Tennessee (“DRA”), and the City Of Manchester, Tennessee, the Tullahoma Utilities Authority, the Shelbyville Power, Water, & Sewerage Board, the City of Lewisburg, Tennessee, the Board of Public Utilities of the City of Columbia, Tennessee, the Bedford County Utility District, and the City of Spring Hill, Tennessee (collectively, the “Water Systems”).

RECITALS

1. DRA and the Water Systems entered into an Agreement on September 13, 1971, which was subsequently modified on November 1, 1988, on August 17, 1994, in August 1995, on December 9, 1999, and on March 1, 2008 (collectively, the “Water Systems Agreement”), under which DRA agreed to provide for the availability of water to the Water Systems and the Water Systems agreed to pay into trust five cents (\$.05) for each 1,000 gallons of water sold by each respective water system each month.
2. The Water Systems Agreement contemplated a termination date for the Agreement that was 50 years from September 13, 1971, or on September 13, 2021.
3. DRA and the Water Systems desire to continue their relationship. Pending the opportunity to agree upon and formalize the parameters of the ongoing relationship, DRA and the Water Systems desire to extend the Water Systems Agreement for an additional 2 years, until September 13, 2023.

AGREEMENTS

NOW THEREFORE, in consideration of the foregoing premises and the mutual covenants contained below the parties agree as follows:

1. All provisions of the Water Systems Agreement that contemplate a termination date of September 13, 2021, are hereby amended to state that the termination date shall be September 13, 2023.
2. For convenience, this Fifth Modification Agreement may be executed by the parties in multiple counterparts.
3. Other provisions of the Water Systems Agreement remain unmodified.

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

TN Duck River Development Agency
Representative: Tommy Peebles, Chairman

Signature: _____

Bedford County Utility District
Representative: David Dickens, President

Signature: _____

City of Spring Hill
Representative: Rick Graham, Mayor

Signature: _____

Columbia Power and Water Systems
Representative: Scott Dahlstrom, President/CEO

Signature: _____

Lewisburg Water and Waste Water
Representative: Trigg Cathey, General Manager

Signature: _____

Manchester Water and Sewer
Representative: Marilyn Howard, Mayor

Signature: _____

Shelbyville Power Water and Sewage Systems
Representative: Claudia Mallard, Chairperson

Signature: _____

Tullahoma Utilities Authority
Representative: Bob Linderman: TUA Board Chair

Signature: _____



REQUEST: *Approval of Resolution 21-41*
SUBMITTED BY: Jeremy Vanderford, Water Treatment Plant Superintendent
DATE: March 1, 2021
RE: To approve a contract extension with Tennessee Duck River Development Agency
ATTACHMENTS: Contract extension

PURPOSE:

The purpose of this resolution is to approve the contract extension between the City and Tennessee Duck River Development Agency ("DRA").

BACKGROUND:

The City of Spring Hill currently draws water from the Duck River to provide for the citizens. The original contract was established on September 13, 1971 and has a 50-year term with current expiration date of September 13, 2021. Under the contract, Water Systems pay a monthly fee of \$0.05 per 1,000 gallons of water sold by the City's water system each month. The fees are paid to the DRA and the revenues go to a trust that provides funding for water quality projects as well as operating expenses for the Agency.

DRA desires to continue their relationship with all surrounding Water Systems. They have proposed a two-year contract extension under current terms with an amended expiration date of September 13, 2023 while another long-term contract is developed.

FINANCIAL IMPACT:

The monthly fees are currently being paid to DRA from the existing \$0.05 per 1,000 gallons sold. As the terms would remain the same for the subsequent two years, there would be no additional impact.

STAFF RECOMMENDATION:

Staff recommends approval of Resolution 21-41 to:



1. Approve the contract between the City and Tennessee Duck River Development Agency.
2. Authorize the Mayor to sign the contract between the City and Tennessee Duck River Development Agency attached hereto.