

RESOLUTION 23-05

**A RESOLUTION TO APPROVE AN AMENDED STREET LIGHT AGREEMENT
BETWEEN THE CITY OF SPRING HILL AND DUCK RIVER ELECTRIC
MEMBERSHIP CORPORATION**

WHEREAS, the City of Spring Hill is currently in street light agreement with Duck River Electric Membership Corporation (“DREMC”) since November 15, 1990 with an amendment by Resolution 22-72, A Resolution to Approve Amended Street Light Agreement Between the City of Spring Hill and Duck River Electric Membership Corporation and Authorize Mayor to Sign the Agreement, dated April 18, 2022; and

WHEREAS, DREMC has prepared an additional amended contract to further define responsibilities and rates regarding street light installations in new developments located within the City limits, attached hereto as Exhibit A; and

WHEREAS, the term of the amended contract will be for a period of five (5) years and shall renew from year to year unless notice is received by either party to the contrary no later than sixty (60) days prior to the renewal date.

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

1. Approve the amended street light contract between the City of Spring Hill and Duck River Electric Membership Corporation, attached hereto as Exhibit A.
2. Authorize the Mayor to sign the amended street light contract as approved.

Passed and Adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 3rd day of January, 2023.



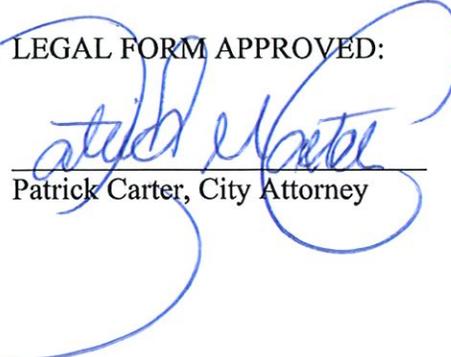
Jim Hagaman, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney



REQUEST: *Approval of Resolution 23-05*
SUBMITTED BY: Pam Caskie, City Administrator
Tyler Scroggins, Public Works Director
Missy Stahl, CIP Manager
DATE: January 3, 2023
RE: To approve an amended street light agreement between the City and DREMC
ATTACHMENTS: Amended agreement

PURPOSE:

To approve an amended street light agreement between the City and DREMC that further clarifies rates and responsibilities for new developments within the City limits

BACKGROUND:

The City of Spring Hill has been in a street light agreement with DREMC since November 15, 1990. An amendment was approved by Resolution 22-72 on April 18, 2022 that added language regarding the developers' responsibility for installation and costs for new developments. DREMC has submitted another amended agreement that further clarifies these items and costs will be the responsibility of the developer. The new agreement would be for a period of 5 years and will renew year to year unless notification is received by either party to the contrary no later than sixty (60) days from renewal date.

FINANCIAL IMPACT:

No additional financial impact

STAFF RECOMMENDATION:

Staff recommends approval of Resolution 23-05 to approve an amended street light agreement between the City of Spring Hill and Duck River Electric Membership Corporation and to authorize the Mayor to sign the amended agreement.

STREETLIGHTING AGREEMENT

Between

CITY OF SPRING HILL, TENNESSEE

And

DUCK RIVER ELECTRIC MEMBERSHIP CORPORATION

THIS STREETLIGHTING AGREEMENT (“Agreement”) is made and entered into as of the 3rd day of January 2023 (the “Effective Date”) by and among the CITY OF SPRING HILL, TENNESSEE, a municipal corporation (hereinafter called "Member"), and DUCK RIVER ELECTRIC MEMBERSHIP CORPORATION, an electric cooperative duly created, organized, and existing under and by virtue of the laws of the State of Tennessee (hereinafter called "DREMC”)

WITNESSETH:

WHEREAS, DREMC provides all energy to the Member for the operation of streetlights within DREMC’s service territory;

WHEREAS, the parties entered into a STREETLIGHTING AGREEMENT dated November 15, 1990, and have operated under these terms since that time, automatically renewed annually, with an amendment on April 18, 2022;

WHEREAS, the parties wish to amend and restate the prior STREETLIGHTING AGREEMENT as set forth herein:

WHEREAS, the Member will continue to pay an investment charge as set forth according to the provisions of the Rate Schedule LS for all existing streetlights and any New Streetlight Infrastructure not involved with new developments:

WHEREAS, DREMC and Member have coordinated to develop this STREETLIGHTING AGREEMENT whereby the subdivision developer pays the upfront cost, such as but not limited to all New Streetlight Infrastructure, Fixtures (decorative and non-decorative), other materials, and any labor associated with new developments. The Member will not incur any investment charges associated with the new streetlights.

WHEREAS, these upfront costs shall be known as the Cost-in-Aid-in-Construction (CAIC)

WHEREAS, the Tennessee Valley Authority (TVA) is the regulatory authority for DREMC;

WHEREAS, TVA requires that DREMC's rate payers not subsidize the terms of this transaction with Member;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto covenant and agree as follows:

1. Definitions:
 - a. "Existing Streetlight Infrastructure" shall mean all poles, fixtures, wiring, secondary conductors, and additional equipment utilized by DREMC to provide roadway lighting to Member. Streetlight Infrastructure shall not include private or security lights.
 - b. "Fixtures" shall mean electrical device containing an electric lamp and housing that provides illumination.
 - c. "New Streetlight Infrastructure" shall mean all fixtures (decorative and non-decorative), poles, wiring, transformers, secondary conductors, and additional equipment utilized by DREMC to provide roadway and subdivision lighting to Member that is installed after the effective date of this STREETLIGHTING AGREEMENT. Streetlight Infrastructure shall not include private or security lights.
2. DREMC shall supply, and Member will pay for, all energy required for the operation of streetlights within DREMC's service territory and the city limits of Spring Hill, Tennessee, in accordance with the terms hereof and the Rules and Regulations of DREMC.
3. The term of this Agreement shall be five (5) years. This Agreement shall begin upon execution of the Agreement by both parties. The Agreement shall renew from year to year unless notice is received by either party to the contrary no later than sixty (60) days prior to the renewal date.

4. DREMC shall purchase and install all New Streetlight Infrastructure in subdivisions that lie within the city limits of Spring Hill and are served by DREMC, as set forth in more detail in paragraph six (6) of this STREETLIGHTING AGREEMENT. DREMC will collect payment for the actual cost of New Streetlight Infrastructure directly from the developer(s) of the respective subdivision. If applicable, the Developer shall continue to install piers, conduit and wiring as currently required by DREMC, however, DREMC shall order, install fixtures and connect for service the New Streetlight Infrastructure. Once installed and energized, the Member shall pay normal energy charges consistent with TVA rates.
5. Any existing streetlight shall continue to be billed to the Member based on terms of the rate schedule LS. The Member is responsible for the investment charge and energy usage per the LS Rate Schedule.
6. Upon execution of this STREETLIGHTING AGREEMENT, DREMC shall perform routine repair and maintenance in subdivisions with decorative or non-decorative lights along with New Streetlight Infrastructure:
 - a. DREMC's Standard Labor and Equipment rates are attached hereto as Attachment A. The parties hereto acknowledge that these rates will be updated annually.
 - b. Intended Process and Responsibilities for Replacement of Streetlight Fixtures in subdivisions with decorative or non-decorative lights along with New Streetlight Infrastructure is outlined below:
 - i. The Member will reimburse DREMC for all material costs, labor, including appropriate overheads, and transportation costs associated with the operation and maintenance of the streetlights per the rates in Attachment A. DREMC will invoice the member monthly.

- c. Upon execution of this STREETLIGHTING AGREEMENT, if Member desires to erect additional New Streetlight Infrastructure or Fixtures, then Processes and Responsibilities for New Residential Developments requiring New Streetlight Infrastructure are as follows:
- i. Developer provides design standards and selects from existing or possible DREMC inventory or availability for decorative fixtures and poles that the Developer desires to be used in new subdivisions. The existing or possible inventory must be mutually agreed upon by the Member and DREMC.
 - ii. DREMC will identify the lighting locations they recommend and provide a map that identifies location(s).
 - iii. Member shall approve New or Upgraded Streetlight locations and types of fixtures.
 - iv. DREMC shall order all decorative or non-decorative lighting fixtures to be installed, including but not limited to decorative poles and fixtures.
 - v. DREMC will install the New Streetlight Fixtures, with the exception of piers, conduit and wiring for decorative fixtures, which is required by the development.
 - vi. DREMC will bill the project developer for all costs associated with the project as CIAC (Cost in Aid in Construction) , with no amount added to the City's Investment Charge Account for these installations. However, in the event project developer fails to pay their portion of the project in a timely manner, DREMC is under no obligation to perform the requested work.
 - vii. Residential project developer is responsible for maintenance, repair, or replacements prior to DREMC completing the labor and installing materials necessary for the STREETLIGHTING AGREEMENT.
 - viii. The Member shall receive and be responsible for energy usage of all decorative and non-decorative streetlights along all streets that are served by DREMC and lie within the City limits of Spring Hill.

- ix. Member shall be responsible for payment of maintenance, repair, or replacement of New Streetlight Infrastructure by DREMC after final acceptance of the subdivision.
7. Any streetlight subject to this STREETLIGHTING AGREEMENT shall be owned by DREMC. Member hereby assigns and transfers any interest it may have in any such Streetlight facilities.
 8. The Member may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of DREMC.
 9. This STREETLIGHTING AGREEMENT shall become effective as of the date first above written. The terms referenced in paragraph four (4) shall continue until mutually agreed upon in writing by DREMC and Member.
 10. This STREETLIGHTING AGREEMENT shall inure to the benefit of and be binding upon the respective successors, legal representatives, and assigns of the parties hereto. None of the rights above shall permit the Member to attach anything in any way to the Streetlight Infrastructure nor to the Upgraded Street Light Fixtures.
 11. The parties shall comply with any applicable regulations on this transaction imposed by TVA or other regulatory authorities. In the event a regulatory agency requires any changes to this Agreement, the parties agree to negotiate and enter an appropriate amendment for such purposes.
 12. No forbearance or delay by Member in exercising any right, power, or remedy shall constitute a waiver thereof, and every right, power, or remedy of Member shall continue in full force and effect until such right, power, or remedy is specifically waived in a writing executed by Member.
 13. This STREETLIGHTING AGREEMENT constitutes the entire agreement among the parties with regard to the subject matter of this Agreement. There are no other representations, agreements, or understandings, oral or written, between or among the parties relating to the subject matter of this Agreement.
 14. No part of this STREETLIGHTING AGREEMENT may be modified, waived, limited, discharged, or terminated except in writing, signed by all parties and expressly referring to this Agreement and to the provisions so modified or limited.

15. This STREETLIGHTING AGREEMENT and all amendments relating hereto shall be governed by and construed under the laws of the State of Tennessee without regard to principles of conflicts of law.
16. This STREETLIGHITNG AGREEMENT may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
17. If any of the provisions of this STREETLIGHTING AGREEMENT shall be held invalid or unenforceable, this Agreement shall be construed as if not containing those provisions and the rights and obligations of the parties hereto shall be construed and enforced accordingly.

(SIGNATURES ON THE FOLLOWING PAGE)

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

WITNESS:

April Goad
(Signature)
APRIL GOAD
(Print Name)

CITY OF SPRING HILL, TENNESSEE

By: [Signature]
(Signature)
Jim Hagaman
(Print Name)

Its: Mayor

WITNESS:

Steve Hopkins
(Signature)
Steven Hopkins
(Print Name)

DUCK RIVER ELECTRIC MEMBERSHIP CORPORATION

By: [Signature]
(Signature)
Scott Spence
(Print Name)

Its: January 6, 2023

Attachment A

DREMC Standard Labor and Equipment Rates

Two-man Crew	\$160.40 per hour
Bucket truck 42-55'	\$30.00 per hour
Flagging crew per man	\$61.75 per hour
Service truck	\$28 per hour
Fixtures/bulbs/Photocells, Wiring	Current cost to DREMC
Administrative Fee (If applicable)	\$40.00 per hour

