

RESOLUTION 20-121

A RESOLUTION TO AUTHORIZE THE MAYOR TO SIGN AN ELECTRIC SERVICE CONTRACT WITH DUCK RIVER ELECTRIC MEMBERSHIP CORPORATION FOR A SANITARY SEWER PUMP STATION

WHEREAS, the City of Spring Hill accepted a sanitary sewer pump station located in Southern Springs Phase 3C as part of the City's infrastructure by Resolution 20-63 in June 2020; and

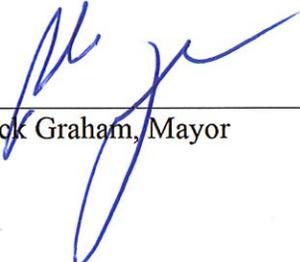
WHEREAS, the City will assume responsibility from the developer (Pulte Homes) for payments to Duck River Electric Membership Corporation ("DREMC") for the electric service to this pump station; and

WHEREAS, DREMC requires an Industrial Power Contract (Exhibit A) be executed for the transfer of service to the City's name; and

WHEREAS, a deposit of \$1,000.00 and a membership fee of \$10.00 are required by DREMC with the executed contract.

NOW, THEREFORE BE IT RESOLVED, that the City of Spring Hill Board of Mayor and Aldermen, authorizes the Mayor to sign an Industrial Power Contract with Duck River Electric Membership Corporation and authorizes a deposit and membership fee payment in the amount of \$1,010.00 from the Sewer Collection Department.

Passed and Adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 21st day of September, 2020.



Rick Graham, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney



REQUEST: *Approval of Resolution 20-121*
SUBMITTED BY: Missy Stahl, Senior Project Manager
DATE: September 8, 2020
RE: Authorize the Mayor to sign an electric service contract with Duck River Electric Membership Corporation for a sanitary sewer pump station
ATTACHMENTS: Industrial Power Contract from DREMC

PURPOSE:

The purpose of this resolution is to authorize the Mayor to sign the service contract to transfer the electric bill for a sanitary sewer pump station located in Southern Springs Phase 3C in to the City's name from the developer (Pulte Homes) and to authorize advance fees be paid.

BACKGROUND:

The City accepted a sanitary sewer pump station located in Southern Springs Phase 3C as part of the City's infrastructure by Resolution 20-63 in June 2020. To transfer the electric service in to the City's name, DREMC is requiring an Industrial Power Contract be executed and a deposit and membership fee be paid in advance. The membership fee is \$10.00 (see Condition #4 of the contract) and the deposit is \$1,000.00 (see Condition #11 of the contract).

FINANCIAL IMPACT:

The deposit, membership fee and future electric bills will be paid from the Sewer Collection department (410-52211-241). Monthly bills average \$500.00.

STAFF RECOMMENDATION:

Staff recommends approval of Resolution 20-121.

DUCK RIVER ELECTRIC MEMBERSHIP CORPORATION
INDUSTRIAL POWER CONTRACT

THIS CONTRACT, made this 31st day of July, 20 20, by and between

City of Spring Hill 199 Town Center Pkwy Spring Hill, TN 37174
(Name & Headquarters Address)

hereinafter called the "Member", and **DUCK RIVER ELECTRIC MEMBERSHIP CORPORATION** with office at Shelbyville, Tennessee, hereinafter called the "Cooperative".

WITNESSETH:

WHEREAS, the Member has applied to the Cooperative for electricity for the operation of a Sewer Pump Station in Southern Springs Subdivision at 2009 Southern Springs Pkwy Spring Hill, TN
(Service Location)

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

1. Supply. The Cooperative will supply, and the Member will take and pay for, all the electricity required at the above-referenced service location, in accordance with the terms hereof and the Rules and Regulations and the By Laws of the Cooperative, copies of which are on file at Cooperative's offices and are available on request. This contract allows a maximum demand not exceeding 75 KW. The Member shall not take electricity in excess of such maximum demand except by agreement of Cooperative and revision of contract, but nothing herein contained shall be construed to relieve the Member of the obligation to pay for such amounts of electricity as may actually be taken.

2. Rates and Charges. Member shall pay Cooperative monthly for the power and energy made available under this contract in accordance with the rates, charges, and provisions of Cooperative's effective standard rate schedule applicable to consumers of the same class as Member, as modified, changed, replaced or adjusted from time to time. Cooperative's currently effective rate schedule applicable to consumers of the same class as Customer, General Power Rate - Schedule GSA, is attached hereto and hereby made a part hereof. In the event of any conflict between the provisions of said rate schedule, as so modified, changed, replaced, or adjusted, and other provisions of this contract, the latter shall control.

3. Minimum Bill. The Member shall pay, as a minimum, the amounts determined under the provisions of the attached rate schedule entitled "Minimum Bill", as modified or replaced from time to time. In addition to amounts paid under the rate schedule, and any other charges that may be stipulated hereunder, the Member shall pay a monthly facilities rental charge of fifty-five dollars (\$ 55.00) throughout the term of this Contract.

4. Membership. Member agrees to acquire a Membership Certificate in Cooperative by payment of a ten dollar (\$10.00) Membership fee. Member agrees to make a contribution in aid of construction in the amount of not applicable dollars (\$ xxxx) for the necessary facilities to serve Member.

5. Form of Service. The electricity furnished hereunder shall be in the form of four wire, three phase, alternating current, at approximately 60 cycles and 480Y/277 volts.

6. Point of Delivery. The Point of Delivery for the electricity supplied hereunder shall be the low-voltage terminals of Cooperative's pad-mounted transformer station and maintenance by the Cooperative of approximately the above-stated voltage and frequency at said Point of Delivery shall constitute delivery of electricity for the purpose of this Contract. The amounts of power and energy delivered to Member hereunder shall be measured by metering equipment installed at said Point of Delivery and such measured amounts shall be the quantities delivered to Member at said Point of Delivery for all purposes hereunder.

7. Conditions of Delivery. Cooperative will install only such protective devices as in its sole judgment are required to protect its facilities. Cooperative shall not be obligated to provide protective equipment for Member's lines, facilities, or equipment, but Cooperative may

provide such protective equipment as is deemed necessary for the protection of its own property and operations. The electrical equipment installed by Member shall, in Cooperative's judgment, be capable of satisfactory coordination with any protective equipment installed by Cooperative. Member shall exercise all reasonable precautions and install all equipment necessary to limit its total demand, as determined in accordance with the rate schedule herein specified, to the amount to which it is entitled hereunder.

If three phase wye power and energy are supplied to the Member, Member shall endeavor to take and use power and energy in such manner that the current will be reasonably balanced on the three phases. In the event that any check indicates that the current on the most heavily loaded phase exceeds the current on either of the other phases by more than 20 percent, Member, upon request, shall make at its expense the changes necessary to correct the unbalanced condition. If said unbalanced, condition is not corrected within 60 days, or such other period as may be agreed upon, Cooperative may thereafter elect to meter the load on individual phases and compute the billing demand as being equal to three times the maximum kilowatt load on any phase. For all purposes hereunder, the load on any phase shall be the load measured by a wattmeter connected with its current coil in that phase wire and the potential coil connected between that phase wire and the neutral voltage point.

The power and energy taken under this Contract shall not be used in such a manner as to cause, in the sole opinion of the Cooperative, unreasonable fluctuations or disturbances, including, without limitation, harmonic distortion, on Cooperative's or Cooperative's power supplier's system. Member shall provide, at its expense, suitable apparatus which will reasonably limit such fluctuations. Member agrees to refrain from starting or running motors, or other equipment, which in the view of the Cooperative, results in excessive voltage drop or voltage disturbances to the power system. Further, Member agrees to refrain from starting motors simultaneously on equipment containing multiple motors when practicable to do so.

In the event that, in the sole opinion of the Cooperative, unreasonable fluctuations or disturbances, including without limitations, harmonic distortion, or excessive voltage drop or voltage disturbances, are caused by Member's facilities, Cooperative shall immediately notify Member of the circumstances, and Cooperative shall then have the right, after reasonable notice, to discontinue the delivery of power and energy under this contract until the condition causing such fluctuations, voltage drops or disturbances is corrected by Member. Cooperative shall give Member written notice of these circumstances in addition to the above-mentioned notice, but the requirement of providing such written notice shall not limit or delay Cooperative's right to discontinue service to Member. Despite such discontinuance of service, Member shall be obligated to pay Cooperative the amounts due for power and energy for the duration of the Contract, including the minimum bills for such power.

Member agrees that during periods of extreme weather or electric system emergency, Member will make every effort to minimize impact to Cooperative. Member agrees to install shunt capacitors in such capacity and switched in such a manner as necessary to maintain a power factor at all times between 85 percent lagging and 97 percent leading.

8. Interruptions. Cooperative will use reasonable diligence to provide a regular and uninterrupted supply of current, but in case the supply of current should be interrupted or interfered with for any cause, Cooperative shall not be liable for damage resulting therefrom. In the event of a general power shortage in the area served by the Cooperative, Member will allow Cooperative to curtail the amount of power delivered under this Contract to the degree that Cooperative and other utilities in said area are requested by the Cooperative's power supplier or any competent regulatory body to curtail service to industries of like nature and which use the same or greater amounts of power.

9. Term. The term of this contract shall be three (3) years. This contract shall begin on the date of delivery of electricity hereunder is actually begun, which it is estimated will be approximately August 1, 2020 and shall be considered renewed for a year from the expiration of said term and from year to year thereafter, unless a written notice to the contrary is given by either party to the other at least three (3) months prior to the expiration of the term of the Contract or any then existing renewal thereof.

10. Sites and Rights of Way. Member shall furnish Cooperative, gratis, with suitable sites and rights of way for Cooperative's facilities which are to be installed on Member's property. Cooperative's facilities installed on Member's property shall be and remain property of Cooperative. Cooperative's agents and employees shall have free right of ingress and egress upon said sites and rights of way. Notwithstanding anything in this Contract which might be construed to the contrary, any of the facilities used in supplying power to Member under this Contract may be used in serving other loads, or other purposes, in any manner which Cooperative may deem necessary or desirable.

11. Security. Member agrees to make a deposit of an amount not less than one thousand dollars (\$ 1,000.00) or twice the current or expected average monthly bill, whichever is greater. Twelve months after the initial date of availability of power and energy hereunder, and after each consecutive twelve months of operation thereafter, the adequacy of the amount of said deposit shall be redetermined. Member agrees to increase the amount of the deposit annually, as needed to maintain a deposit of twice the expected average monthly bill.

In lieu of a cash deposit, upon approval of Cooperative, and as permitted by the policies of the Cooperative, as amended from time to time, Member may choose to furnish either (a) an Indemnity Bond in lieu of a cash security deposit, hereinafter called "Indemnity Bond", with a surety thereon which is an insurance company authorized to do business in the State of Tennessee and which surety shall be subject to the approval in the sole discretion of the Cooperative, and in such form as approved by the Cooperative, or (b) an Irrevocable Letter of Credit, hereinafter called "Letter of Credit", with a financial institution domiciled in the United States of America, which has a Long-Term Debt rating by Standard and Poor's of A- or better or by Moody's Investors Service of A3 or better, and further subject to the approval in the sole discretion of the Cooperative, and in such form as approved by the Cooperative. Said Indemnity Bond or Letter of Credit shall be in the same amount, and subject to the same redetermination of amount as required for the cash deposit, or one thousand five hundred dollars (\$1,500.00), whichever is greater.

Should it be agreed upon for Member to furnish an Indemnity Bond or Letter of Credit, and should Member fail to keep said Indemnity Bond or Letter of Credit in full force and effect at all times during the terms of this Contract, Cooperative shall have the right in its sole discretion to exercise one of the following alternatives:

- (a) require Member to provide a cash deposit as described above: or
- (b) require Member to furnish proof of an acceptable substitute Indemnity Bond or Letter of Credit

If Member is unable to provide a cash deposit or substitute Indemnity Bond or Letter of Credit as provided above, Cooperative shall have the right in its sole and absolute discretion to declare the failure on the part of Member to maintain adequate security to be a breach of this Contract, which breach provides Cooperative with all rights granted to its pursuant to this Contract, its Rules and Regulations and its Bylaws, including the right of termination of electric service to Member.

12. Law and Venue. This contract shall be governed by the Laws of the State of Tennessee, and any dispute shall be resolved in the Court systems of Bedford County, Tennessee.

13. Waivers. A waiver of one or more defaults shall not be considered a waiver of any other or subsequent default.

14. Liability. Member agrees to indemnify and hold harmless the Cooperative, its officers, and agents from and against any liability for loss of life, personally injury, property damage, and any other claim or demand, or legal expenses arising therefrom, related to electrical facilities located beyond Cooperative's Point of Delivery, and the provisions of electric service hereunder. Cooperative shall be liable for its sole independent acts of negligence.

15. Successors and Assigns. This Contract may be assigned by Cooperative, but shall not be assignable by Member without written consent of Cooperative.

16. Counterparts. This Contract may be executed in any number of counterparts, and all such counterparts, each executed and delivered as an original, shall constitute but one and the same instrument.

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

CITY OF SPRING HILL
(Member)

By: _____
(Official Capacity)
Rick Graham
Name (Printed)
Mayor
Title (Printed)

DUCK RIVER ELECTRIC MEMBERSHIP CORP.
(Cooperative)

By: _____
(Official Capacity)
Scott Spence
Name (Printed)
President/CEO
Title (Printed)

Engineer Approval: CRS
Date: 7-31-20

Address bill is be sent to:

City of Spring Hill

P.O. Box 789

Spring Hill, TN 37174

This contract supersedes the contract dated
September 12th, 2018.