

RESOLUTION 21-116

**A RESOLUTION TO APPROVE A CONTRACT WITH TENNESSEE DUCK RIVER
DEVELOPMENT AGENCY**

WHEREAS, the City of Spring Hill is currently in a contract with 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, all surrounding Water Systems are required to formalize the contract in order to have the ability to draw water from the Duck River; and

WHEREAS, the city makes monthly payments of \$0.05 per 1,000 gallons of water sold monthly to a Duck River Agency Technical Advisory Committee (“DRATAC”) 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 new three-year contract; and

WHEREAS, City staff recommends approval of the three-year contract 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 2nd day of August, 2021.


Jim Hagaman, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney



REQUEST: *Approval of Resolution 21-116*
SUBMITTED BY: Jeremy Vanderford, Water Treatment Plant Superintendent
DATE: August 2, 2021
RE: To approve a contract with Duck River Development Agency
ATTACHMENTS: Contract

PURPOSE:

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

BACKGROUND:

The City of Spring Hill currently draws water from the Duck River to provide for the citizens. All agencies that utilize the Duck River are currently in a contract with DRA. 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 Duck River Agency and the revenues are used to develop, provide and sustain a clean and dependable water resource for all citizens of the Duck River region.

DRA desires to continue their relationship with all surrounding Water Systems. They have proposed a three-year contract.

FINANCIAL IMPACT:

The monthly fees are currently being paid to DRATAC from existing budgeted funds. As the terms would remain the same under the new three-year contract, there would be no additional impact.

STAFF RECOMMENDATION:

Staff recommends approval of Resolution 21-116 to:

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

AGREEMENT
Between
TENNESSEE DUCK RIVER DEVELOPMENT AGENCY
And
MANCHESTER WATER AND SEWER
TULLAHOMA UTILITIES AUTHORITY
SHELBYVILLE POWER, WATER, & SEWERAGE SYSTEMS
LEWISBURG WATER & WASTE WATER DEPARTMENT
BOARD OF PUBLIC UTILITIES FOR THE CITY OF COLUMBIA DBA COLUMBIA POWER
AND WATER SYSTEMS,
BEDFORD COUNTY UTILITY DISTRICT
and CITY OF SPRING HILL

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 Manchester Water and Sewer the Tullahoma Utilities Authority, the Shelbyville Power, Water, & Sewerage Systems, Lewisburg Water and Waste Water Department, the Board of Public Utilities for the City of Columbia DBA Columbia Power and Water Systems, the Bedford County Utility District, and the City of Spring Hill (individually, a “Water System,” and collectively, the “Water Systems”).

WHEREAS, DRA is statutorily charged with developing and effectuating plans and programs for comprehensive regional water supply, including the water resources of those portions of the Upper Duck River watershed lying in Coffee, Bedford, Hickman, Marshall, and Maury counties;

WHEREAS, the Water Systems wish to participate in and support DRA’s statutory mission, including providing funds for the administration of DRA and for projects associated with the mission;

WHEREAS, DRA and certain of the Water Systems previously entered into an agreement dated September 13, 1971, for a fifty-year term through September 12, 2021, which agreement has been modified by written agreement of the parties from time to time (collectively, the “1971 Agreement”);

WHEREAS, an Agreement has been reached between DRA and the Water Systems under which DRA will, in cooperation with the Water Systems and as advised from time to time by the Water Systems through the Duck River Agency Technical Advisory Committee, provide regional water supply planning and implementation of programs and projects to the Water Systems, and the Water Systems will make payments to the Operating and Project Trust;

WHEREAS, the Water Systems acknowledge that under the terms of a Second Amendment to the Operating and Project Trust Agreement between DRA and First Farmers and Merchants Bank, 70% of the total contributions made by the Water Systems during the preceding fiscal year may be paid to DRA for administrative expenses of the Agency;

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

1. As of July 1, 2021, this Agreement replaces the 1971 Agreement, which is hereby terminated as of that date.

2. DRA agrees to provide regional water supply planning and implementation of programs and projects, in cooperation with the Water Systems and as advised from time to time by the Water Systems through the Duck River Agency Technical Advisory Committee.

3. During the term of this Agreement, each Water System shall pay into the Duck River Agency Operating and Project Fund Trust Agreement on the 25th day of each month the sum of five cents (\$.05) for each 1,000 gallons of water sold by it during the preceding month.

4. This Agreement shall continue in effect from July 1, 2021, through June 30, 2024 unless sooner replaced or terminated by agreement of DRA and a majority of the Water Systems.

5. For convenience, this Agreement may be executed by the parties in multiple counterparts.

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

Tennessee Duck River Development Agency
Representative: Tommy Peebles, Chairman

Signature: _____

Bedford County Utility District
Representative: David Dickens, President

Signature: _____

City of Spring Hill
Representative: Jim Hagaman, Mayor

Signature:  _____

The Board of Public Utilities for the City of Columbia DBA Columbia Power and Water Systems
Representative: Scott Dahlstrom, President/CEO

Signature: _____

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

Signature: _____

Manchester Water and Sewer
Representative: Marilyn Howard, Mayor

Signature: _____

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

Signature: _____

Tullahoma Utilities Authority
Representative: Bob Linderman: TUA Board Chair

Signature: _____