

THE UNIVERSITY of TENNESSEE 
INSTITUTE for PUBLIC SERVICE

MUNICIPAL TECHNICAL ADVISORY SERVICE

January 26, 2012

Mrs. Janice Casteel, City Manager
City of Cleveland
P.O. Box 1519
Cleveland, Tennessee 37364-1519

Re: Extension of Utilities

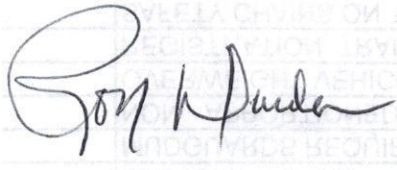
Dear Mrs. Casteel

At our January 25 Southeast Tennessee city manager's meeting you inquired about the city entering into an agreement with a land owner/developer requiring annexation as a condition for extending a utility outside the city. Laverne, Tennessee had and still may have a policy requiring developers/land owners to petition for annexation as a condition for extending water service to the area. This was just a city policy.

MTAS legal consultants' report that we do not have a court case on point; that it appears that a city may refuse to extend utilities to areas unless the resident/developer agrees to annexation. This is based on national trends and cases from other states that our courts tend to follow with this issue. MTAS recommends that a city just adopt a policy to that effect. There may be some legal issues in entering into contracts concerning annexation in general. A policy would suffice to make this effective.

Please let me know if you have questions or comments.

Sincerely

A handwritten signature in black ink that reads "Ron Darden". The signature is written in a cursive style with a large, looped initial "R".

Ron Darden
Municipal Management Consultant

Cc. MTAS Legal Consultant Melissa Ashburn
MTAS Municipal Consultant Margaret Norris