

WASTEWATER AGREEMENT
BETWEEN
THE CITY OF BLAINE AND LBCUD

THIS AGREEMENT is made and entered into as of September 16, 2007, by and between the City of Blaine, a municipal corporation organized and existing under the laws of the State of Tennessee, hereinafter referred to as "City"; and the Luttrell-Blaine-Corryton Utilities District, a utility district organized and existing under the Utility District Law of 1937, hereinafter referred to as "LBCUD".

WHEREAS, the City is constructing a wastewater collection system for the City (the "City Wastewater Collection System") and will connect to the City of Knoxville's (KUB) wastewater treatment system, and

WHEREAS, LBCUD already provides water service including billing and collection to the City, and

WHEREAS, City and LBCUD desire to enter into an agreement that allows LBCUD to operate the City Wastewater Collection System, including maintenance and repair, meter reading, monthly billing, collection, and bill adjustments.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, the City and LBCUD hereby agree as follows:

The term "City Wastewater Collection System" shall mean all present and future pipes, lines, lift stations, pumps, outfalls, and related apparatus owned by the City and used for the transportation of sewage wastewater and pollutants to the KUB Wastewater treatment system.

Effective with the date and signing of this contract, LBCUD shall assume complete operational control and responsibility for the City Wastewater Collection System including all necessary repair and replacement thereof that may be required from time to time to properly operate and maintain the City Wastewater Collection System.

Thereafter, during the term of this Agreement and subject to its terms and provided LBCUD continues to operate the City's Wastewater Collection System in full and complete compliance with the rules and regulations of the City of Blaine, KUB, and the State of Tennessee.

City hereby agree to pay for all components of the City Wastewater Collection System in accordance with good and accepted engineering standards and practices and agrees to abide by all federal, state and local laws, rules, and regulations regarding the collection and transportation of wastewater that may from time to time be in effect.

LBCUD hereby **agree** to maintain or repair all components of the City Wastewater Collection System in accordance with good and accepted engineering standards and practices and agrees to abide by all federal, state and local laws, rules, and regulations regarding the collection and transportation of wastewater that may from time to time be in effect.

In the event that the City determines that it is necessary to construct new, or to replace, outfall sewers, collector sewers, interceptor sewers, pumps, lift stations, and other related facilities within the municipal limits and/or urban growth boundaries to transport wastewater and pollutants as allowed hereunder, then City shall have sole responsibility for and control over the design and construction of all such items. All construction of such new or replacement items shall be at City's cost and expense, and the City will be the owner.

LBCUD will report and malfunction to their office first. The office will issue a work order on any item requiring maintenance or repair. All work orders will be maintained on LBCUD's computer. A copy of any work order is available upon request from the City. Any work order anticipated to exceed \$1,000 shall be sent to the City for approval prior to the work being performed, except for emergency situations. LBCUD will make every effort to inform the City of any anticipated costly (over \$1,000) repairs.

All wastewater rates and fees shall be set by the City of Blaine and directed to LBCUD. A copy of all minutes changing any wastewater rate of fee shall be submitted to LBCUD at least 60 days prior to implementation. Notices of any wastewater rate change will be noted on bills prior to changing providing a 30 day notice to ratepayers.

The wastewater bill will be a separate line on the monthly utility bill.

A 10% penalty for late payment shall apply to any wastewater bill paid late or after the "net due date".

Any customer with a wastewater bill exceeding an amount set by the City shall have their water disconnected until the bill (plus any reconnection charge as set by the City) is paid in full.

Adjustments to the Wastewater billing for leaks may be adjusted once per year.

Wastewater bills will be collected by LBCUD at their office and sent to the City of Blaine's bank account. The City will notify LBCUD by mail which bank they use and any future changes to the depository.

A daily report of fees collected shall be sent to the City daily. A copy of all deposit slips shall be provided monthly. A monthly recap of all revenues and expenses shall be sent to the City by the 20th of the following month.

Customers with meters will be charged the minimum wastewater bill as set by the City.

The City will pay for the KUB wastewater treatment directly to KUB.

LBCUD shall employ a Certified Collection Operator for the operation and maintenance of the City's Wastewater Collection System as mandated by the State of Tennessee.

LBCUD shall perform routine daily checks and maintenance on all lines and appurtenances of the City's Wastewater Collection System.

LBCUD will be paid \$30,000 per year at a rate of \$2,500 per month.

LBCUD will be paid \$1.00 per billing customer each month for billing and collection.

LBCUD will bill the City monthly for this for the billing and O&M charges.

City of Blaine

Mayor

Attest _____
City Recorder

Date _____

LBCUD

Utility Manager

Date _____