



HISTORIC
FRANKLIN
TENNESSEE

ITEM #13
WRKS 06/25/13

MEMORANDUM

June 19, 2013

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator *Eric*
Russ Truell, Asst. City Administrator and CFO
Steve Sims, Bus. Process Imp. Mgr & Court Clerk

SUBJECT: Agreement with HB&TS for Utility Billing and Collections Support

Purpose

The purpose of this memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information to consider an agreement to formalize billing and collection support with the HB&TS water utility district.

Background

The HB&TS utility district provides water to about 1,200 customers in the City of Franklin. The district provides billing information to the City monthly so that the City can issue utility bills for joint customers in that district. The customers sign up and agree to service with HB&TS and the City issues utility service bills for sanitary sewer, trash and stormwater in the district. However, we have limited ability to enforce collections.

City staff has initiated discussions with the General Manager of HB & TS to formalize the agreement modeled on the agreement between the City and Mallory Valley Utility District (MVUD) which allows for sharing of customer information as well as disconnection of water by MVUD should the customer not meet their payment obligations to the City. A proposed agreement with HB&TS is attached. This would also allow the City to include an addendum for City services to the HB&TS customer agreement.

Recommendation

It is recommended that the BOMA accept this status update and direct staff to continue to work with HB&TS to effect an agreement to formalize the arrangement. The proposed agreement will allow information to be shared and will authorize HB&TS to disconnect water should the customer not meet their payment obligation to the City for utility services.

**AGREEMENT for UTILITY BILLING SERVICES and SUPPORT
BETWEEN THE HB&TS UTILITY DISTRICT and the CITY OF FRANKLIN
COF Contract No. 2013-0092**

This AGREEMENT entered into by and between the City of Franklin, Tennessee (City), a municipal corporation of the state of Tennessee, and the HB&TS Utility District of Williamson County, Tennessee (the District), a utility district and a municipal corporation created and existing under and by virtue of T.C.A. 7-82-101, et seq.

WITNESSETH:

WHEREAS, the City and the district share customers in specified geographic areas (hereinafter "Joint Customers"); and

WHEREAS, the District provides water to the specified areas; and

WHEREAS, the City provides sanitary sewer, trash and stormwater services (hereinafter "City Utility Services") in the specified areas; and

WHEREAS, the District performs the initial customer signups upon receipt and acceptance of a customer application for service which results in a customer contractual agreement for service; and

WHEREAS, the customer agreement has an application for service for City Utility Services; and

WHEREAS, the District issues bills and collects monies owed for the water provided, including taking action to disconnect water service to effect collection should the customer not pay the bill; and

WHEREAS, the City desires to obtain customer billing information to maintain customer records sufficient to issue bills and collect monies owed for services provided under the customer agreement; and

WHEREAS, the customer agreement will be modified to provide a City addendum authorizing the City to provide utility services and to bill and collect for those services; and

WHEREAS, the customer may not meet their payment obligations to the City requiring actions to be taken in accord with the customer agreement which may include disconnection of water service; and

WHEREAS, the City desires assistance from the District in collecting monies owed the City for services delivered under the customer agreement; and

WHEREAS, the District is expending time and resources to supply the information and assistance requested and needed by the City for the purpose of Franklin billing its City Utility Service bills for Joint Customers; and

WHEREAS, the City desires to compensate the District for the work required by the District to assist the City in billing its City Utility Service bills for Joint Customers; and

WHEREAS, the District enters into this Agreement in connection with Franklin performing the billing and collection of monies of its sanitary sewer service charges and its solid waste disposal and storm water fees; and

NOW THEREFORE, in consideration of the above recitals, which are incorporated herein by reference and other good and valuable consideration and in consideration of the mutual covenants set forth herein, City and District mutually agree as follows:

1. City shall pay the District the amount of \$_____ per month to compensate the District for supplying the information and assistance requested by City for the purpose of City billing its City Utility Service bills for Joint Customers, which payment shall be made on or before the 10th day of each month during the term of this Agreement.
2. The District will provide monthly files necessary to bill sanitary sewer. This includes the files (hereinafter called billing files) currently being provided and named as MASTEXP and READEXP. These billing files provide detailed customer record information along with water consumption. Steps will be taken by the City to ensure appropriate safeguards are in place to protect customer information to meet all privacy requirements provided by law.
3. Should data requirements change resulting in additional programming costs, this agreement may be amended for the City to compensate the District or its agent for performance of software or data change. The City may set limits and assist in defining scope to ensure certain dollar thresholds are not exceeded.
4. The District will provide billing information for customer changes which includes: new delivery points, new service agreements, modifications to service agreements due to delivery or mail requirements, change in tenants, and termination agreements. This notification can be by fax, email or other method agreeable to effect changes to the City's billing records in a timely manner. These changes will be reflected in the billing files provided.
5. When a Joint Customer fails or refuses to fully pay its City Utility Service bill, or make satisfactory payment provisions, the District agrees to the enforcement of the collection of the City Utility Service bill for nonpayment by the disconnection of water service to Joint Customer until the Joint Customer has satisfactorily paid the City Utility Service bill and reconnection fees and late charges properly assessed against that customer by the City or the District.
6. The City authorizes employees of the District to disconnect the District's water service for nonpayment of the City Utility Service bill and to reconnect the District's water service when payment is made in accordance with the terms of this Agreement.
7. Upon failure of the Joint Customer to provide satisfactory payment for City Utility Services, notice will be provided to the customer by City in accordance with billing provisions established by the Franklin Municipal Code.
8. Should Joint Customer fail to make payment in full or make satisfactory arrangements, then City shall notify the District in writing by email or other acceptable method to disconnect water service for nonpayment.
9. The District shall not disconnect the District's water service to a Joint Customer unless City has given such customer at least seven (7) calendar days prior actual notice of the date District will cut off the customer's water service only during the District's normal business hours, 7:30 a.m. to 4:00 p.m., Monday through Friday.
10. Upon payment of the City Utility Service fee(s) to the City or upon making arrangement for

payment satisfactory to City, notice in writing by email or other acceptable method will be provided by City to the District to reconnect service.

11. The District will promptly reconnect the customer's water service when notice is received from City. Reconnection fees will be assessed and collected by the District from the customer in accordance with practices followed by the District for reconnection after disconnection for nonpayment.

12. In the event a Joint Customer disputes the amount of the City Utility Service bill, City will not notify the District to disconnect water service for nonpayment of a disputed sanitary sewer bill until the customer has had the opportunity to discuss the disputed bill with the appropriate City official pursuant to the Franklin Municipal Code. City may notify the District to disconnect to cut off water service for nonpayment of a disputed bill after it determines the dispute cannot be resolved and the City Utility Service bill remains unpaid. City shall transmit to the District by email to _____ or other employee designated by the District to receive such notification, and provide notification to disconnect. The District will provide City the actual date and time of the disconnection of the District's water service and reconnect of the District's water service under this Agreement.

13. Only to the extent allowed by Tennessee law, Franklin agrees to pay the costs incurred by the District, its officers, agents, and employees arising out of any and all claims, suits, demands, or damages therefrom or judgment imposed or any other damages arising out of or in consequent of City's termination of the District's water service for nonpayment of City Utility Service charges pursuant to this Agreement, including the court costs incurred by the District.

15. This Agreement may be terminated upon thirty (30) days written notice by either party.

16. This constitutes the entire agreement between the parties and supersedes any prior or contemporaneous communications, representations or agreements between the parties, whether oral or written, regarding the subject matter of this Agreement.

17. Any amendment to this Agreement shall be made in writing and be signed by both parties.

CITY OF FRANKLIN, TENNESSEE

By: _____
Dr. Ken Moore, Mayor

Date: _____

Attest:

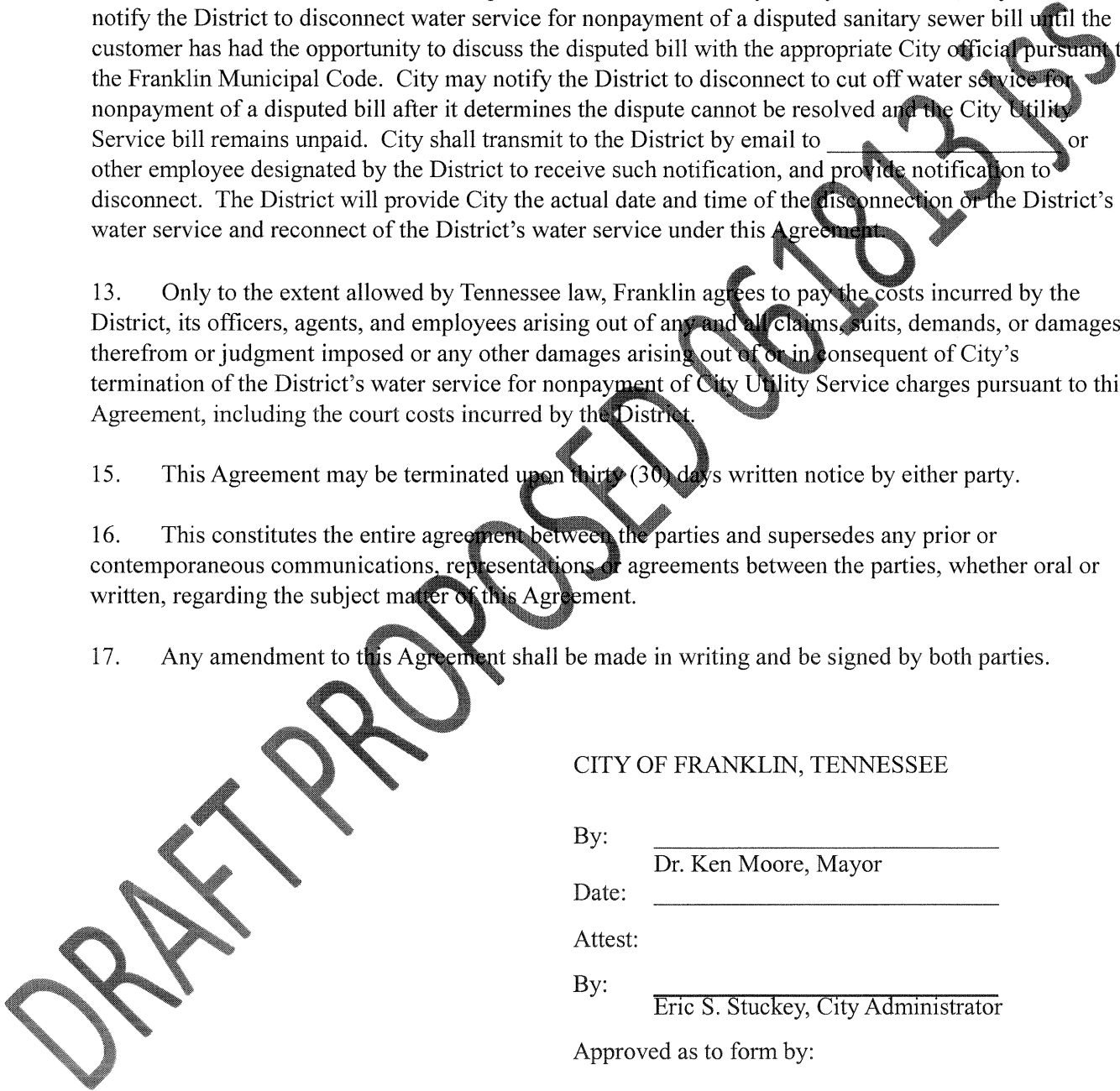
By: _____
Eric S. Stuckey, City Administrator

Approved as to form by:

Kristen L. Corn, Staff Attorney

HB&TS UTILITY DISTRICT

By: _____



Date: _____

DRAFT PROPOSED 061813 JSS