



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Agenda
Water and Wastewater Financing Board
September 29, 2020
10:00 AM

- I. Call to Order
- II. Friendsville Sewer Petition
 - a. Resolution Pg. 2
 - b. Petition Pg. 4
 - c. TASS Treatment Agreement Pg. 7
 - d. System Map Pg. 12
 - e. Service Territory Map Pg. 13
 - f. Notice of Refusal to Serve Pg. 14
 - g. Detailed Construction Cost Pg. 16
 - h. Operating Budget Pg. 19
 - i. Blount County School Agreement Pg. 22

RESOLUTION NO. 2020-04

A RESOLUTION OF THE CITY OF FRIENDSVILLE TO SUBMIT A PETITION TO THE TENNESSEE WATER AND WASTEWATER FINANCE BOARD REQUESTING REVIEW AND APPROVAL OF THE PROPOSED WASTEWATER COLLECTION SYSTEM.

WHEREAS, the city desires to design, construct, and operate a wastewater collection system; and

WHEREAS, Tennessee PUBLIC CHAPTER NO. 720 requires a Petition to the Water and Wastewater Finance Board requesting review and approval of this new system.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF FRIENDSVILLE, TENNESSEE, THAT:

Section 1. The Mayor is hereby directed to submit to the Water and Wastewater Finance Board a Petition, attached to this Resolution as Appendix I.

Section 2. This resolution shall take effect immediately upon its passage the public welfare requiring it.

Approved August 6, 2020



Mayor



City Recorder

APPENDIX I

Petition to the Water and Wastewater Finance Board for the Review and Approval of a New
Wastewater Collection System.

TO THE TENNESSEE WATER AND WASTEWATER FINANCE BOARD
PETITION OF THE CITY OF FRIENDSVILLE, TENNESSEE, REGARDING THE REVIEW
AND APPROVAL OF A NEW SEWER SYSTEM

PETITION

The Petitioners, the Board of Commissioners of the City of Friendsville, Tennessee, in accordance with the State of Tennessee, Public Chapter #720, petitions the Water and Wastewater Finance Board for review and approval of the proposed new wastewater system.

- 1 The new wastewater system shall consist of a sanitary sewer collection system (treatment service shall be provided by the Tellico Area Service System, see attached agreement with TASS, Exhibit 1). The service will support public health, protect property values, facilitate economic activity for the citizens, businesses, and serve the Blount County School Board by providing public sewer service to the Friendsville School.
- 2 The service area will be within the corporate limits of the City of Friendsville, those areas within the City’s regional planning area and potentially all customers served by the Friendsville drinking water system. See attached maps, Exhibit 2.
- 3 Section 2.02(11) of the city charter, empowers the City to: “Acquire, construct, own, operate, and maintain, or sell, lease, mortgage, pledge, or otherwise dispose of public utilities or any estate or interest therein, or any other utility of service to the city, its inhabitants, or any part thereof.” Additionally, TCA 7-35-401(a) grants the city authority to, “acquire, construct, extend, equip, operate and maintain, within or without, the corporate limits of such city or town a waterworks system or a sewerage system, to provide water or sewerage service and to charge for such service.”
- 4 The new wastewater system will be under the direct supervision of the Water Manager. The Board of Commissioners is the legislative body of the city and the Mayor acts in their behalf when the Board is not in session. Section 3.01 of the Friendsville Municipal Charter states: “The corporate power and authority is vested in the legislative body to be known as the board of commissioners, and such other offices as may be elected or appointed in pursuance of law. The legislative power and all other powers, except as otherwise provided in this charter and by general laws, are delegated to and vested in the board of commissioners. The board of commissioners may, by ordinance not inconsistent with the charter, prescribe the manner in which any powers of the city are exercised, provide all means necessary or proper therefor, and do all things necessary within or without the city or state to protect the rights of the city. The

board of commissioners exercises its powers in session duly assembled. No commissioner member or members can exercise or attempt to exercise the powers listed in this charter except through proceedings adopted at some regular or specially called session.”

5 There are no public utility entities willing to provide this service to the City. See attached documentation, Exhibit 3.

6 Cost Estimates

- a. The cost of acquisition or construction is estimated to be \$865,000. The City has been awarded an EDA Grant of \$440,885. A one-time grant in the amount of \$100,000 from the City for initial sewer construction will bring the estimated cost of construction to \$324,115. A municipal bond loan will be sought to fund the remainder of the project. City forces shall be used for installation for all appurtenances related to the sewer project to increase cost savings. After preliminary material bidding, the estimated cost of the project is \$828,796 See attached documentation for construction costs, Exhibit 4.
- b. The estimated annual operating cost is \$71,860. A line item budget was created that includes expenses closely related to our water department. This budget includes depreciation, Long-Term debt obligation, repair and Maintenance, Salaries, etc. See attached documentation, Exhibit 5.
- c. The anticipated number of new employees is two. Current water employees will fill both water and sewer positions and salaries split accordingly. Oversight will be provided by the Water Manager.
- d. The proposed sewer charges shall be \$22.00 per 2,000 gallons. \$8.75 thereafter per 1,000 gallons for residential customers. \$36.00 per 2,000 gallons based on water usage for commercial/industrial. After the initial 2,000 gallons services will be billed \$8.75 per 1,000 gallons. A sewer improvement fee shall be enforced for all customer immediately adjacent to a newly constructed sewer main. The proposed route is estimated to contain approx. 65 residential customers and 4 commercial customers. The largest customer on the proposed route is Friendsville Elementary School with an average water usage of 85,631 gallons/yr. or \$97.79/mth. based on estimated sewer rates. In addition to Friendsville Elementary School’s monthly bill, and bound by legal contract, the school system shall be charged a lift station surcharge fee of approx. \$52,000/yr. for a term not to exceed 5 years. These funds are intended to assist with the yearly operation and maintenance of the sewer system. Before the end of this term operational expenses shall be evaluated and rates adjusted accordingly to maintain the system. Without the School system’s surcharge fee, sewer rate charges would be Approx. \$70/mth per customer. The sewer improvement fee shall be identical to the routine minimum bill of customers connected to the system. The only difference being, connected customer’s sewer usage shall be based on the customers water usage.

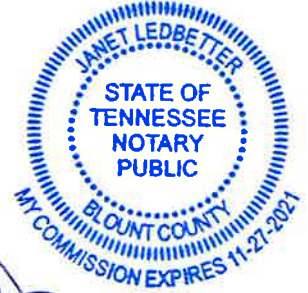
Petitioners

Residential Address

Mayor, Andy Lawhorn,

Andy Lawhorn
367 Cedar Crest Ln.

Notary



Janet Ledbetter
8/21/2020

Vice Mayor, Steven Cardwell,

Steven Cardwell
207 W Hill Ave
Friendsville TN 37737

Commissioner, Sandra Bell,

Sandra Bell
820 Collie Cove Ct
Friendsville, TN 37737

Commissioner, Jonathan Newberry,

Jonathan Newberry
429 S. FARNUM ST.
FRIENDSVILLE, TN 37737

Commissioner, Shane Rogers,

Shane Rogers
156 Cedar Crest Ln

THIS INSTRUMENT PREPARED BY:
CHARLES E. RIDENOUR
ATTORNEY AT LAW
401 Sweetwater Vonore Road
P.O. Box 444
Sweetwater, TN 37874
423-337-6123

AGREEMENT FOR WASTEWATER SERVICES

This agreement made and entered into this 19th day of February, 2020, between **TELLICO AREA SERVICES SYSTEM (TASS)** an agency of Monroe and Loudon Counties, hereinafter referred to as "TASS" and **THE CITY OF FRIENDSVILLE**, a municipal corporation organized under the laws of the State of Tennessee, hereinafter referred to as "CITY".

WITNESSETH

WHEREAS, TASS desires to provide wastewater services to the City; and

WHEREAS, the City has no treatment facilities, but has the capacity to collect and transmit wastewater to the TASS collection system and treatment facility, and

WHEREAS, TASS has a wastewater treatment plant with sufficient capacity to serve the requirements of the City and desires to supply such treatment services; and

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained and for other valuable consideration, the parties agree as follows:

1. **TREATMENT:** A. TASS agrees to treat wastewater collected from the pumped effluent system in the City in such quantity as may be required by it, approximately 15,000 gallons per day, at the initial operation, and the City will pay for the treatment service in accordance with the terms, limitations, and conditions herein set forth. TASS further agrees to provide sufficient transmission line capacity for the point of delivery as defined in Paragraph "3" herein, to the TASS Wastewater Treatment Plant.

B. City will be responsible for all necessary pretreatment and/or required by all customers to pre-treat their wastewater as required by State and Federal laws, if necessary.

2. **TERM:** This contract shall continue in force for a term of five (5) years from the date on which treatment shall begin; thereafter, it shall continue for successive five (5) year terms,

provided that the parties can terminate the contract at the end of any term by giving, at least three (3) years written notice prior to expiration, of such termination.

3. **POINT OF DELIVERY:** The effluent and wastewater collected shall be transmitted by the City to TASS at a delivery point located on State Route 95 at Unitia Road right-of-way near State Route 95.

4. **RATES:** Friendsville will pay the usual and customary fees for wastewater treatment service in accordance with the terms, limitations and conditions set forth by TASS for its wholesale customers as of the time actual service shall begin. The time of actual service shall be coincidental with the first wastewater flowing through the master meter. A copy of the rate schedule effective on the date of the execution of this agreement is attached hereto as Exhibit "B". A minimum monthly bill of \$750.00 will be charged for all flows below 140,000 gallons. Further, that City agrees to purchase at least 75% of their water from TASS, during the term of this agreement, as long as TASS is providing wastewater services and adequate water supply from TASS is available. If City is no longer purchasing at least 75% of their water usage from TASS, TASS shall have the option to terminate accepting waste water from City.

5. **ADJUSTMENT OF RATES:** Rates as set out herein may be adjusted during the term of the agreement simultaneously with any general rate increase instituted by TASS that effect all classes of wholesale customers equally and consistent.

6. **INSTALLATION:** The City shall furnish necessary and suitable facilities including the wastewater flow metering device to connect to the TASS collection system and shall pay all costs of making said connection, including the cost to purchase and install the metering device. The City shall exclusively serve any future customers along Highway 321 from the Blount/Loudon County line to Unitia Road and along Unitia Road to State Route 95.

7. **TESTING AND REPLACEMENT OF METERING DEVICE:** The metering device shall be the property of TASS. The metering device shall be tested annually by TASS and shall, at reasonable times upon the written request and in the presence of duly authorized representative of the City, be subject to such additional standard tests as may be necessary to establish its accuracy in the accordance with American Society for Testing and Materials. All costs of testing, repairs and other maintenance of the metering device shall be borne by TASS. Any replacement of the metering device shall be the cost of the City.

The City shall not interfere with the metering device, but, in case of defective service, shall immediately give notice thereof to TASS. If any test shows that the metering device or connections have been damaged and that because of such damage the metering device is not accurate, the metering device shall be restored to a condition of accuracy satisfactory to the representatives of both parties.

8. **MAINTENANCE:** The City shall maintain, at its expense, all collection lines, facilities and equipment on its side of the delivery point, and TASS shall own, operate and maintain the metering device and all lines and facilities on its side of the delivery point; further, each party shall be prompt and diligent in making repairs

9. **BILLING AND PAYMENT.** Wastewater bills will be rendered each month by TASS to the City for the wastewater treatment during the preceding month, and each bill shall be payable at the office of TASS in Vonore, Tennessee, on or before the 10th day of the following month. TASS will bear the responsibility for reading the metering device. In the event said bill is not paid timely, City agrees to pay a ten (10%) percent late fee.

10. **COMMENCEMENT OF PERFORMANCE.** TASS will begin or be ready, willing and able to begin treatment at the time of start up of the initial collection system by the city.

11. **INGRESS AND EGRESS:** The parties shall at all times during the existence or any extensions of this agreement, have the right of ingress to and egress from the premises of the other for any purposes connected with collection and transmission of wastewater or maintenance of lines, facilities and equipment or the exercise of any rights secured or the performance of any obligation imposed by this agreement.

12. **INTERRUPTION OF SERVICE:** TASS shall use all reasonable diligence to provide and maintain uninterrupted service to the City, but if interruption in service to the City becomes necessary due to repair, extension or rehabilitation of the system, the City shall have timely notice of such necessity prior to commencement of any such work.

13. **RIGHTS ON DEFAULT:** If default shall be made at any time by the City in the payment of any sum of money due hereunder, or, in the performance of any other term or condition under this contract, and if such default shall continue for a period of thirty (30) days; after written notification by TASS to the City, TASS shall have the right, at its option upon ten (10) days written notice to the City without terminating or in any way voiding this contract, to discontinue, suspend,

or withdraw the further collection or treatment of the effluent until such default shall have been completely remedied. In addition, City agrees to pay all costs of collection/litigation, including attorneys fees, cost and expenses, with a minimum of \$250.00.

In the event of such default or at the termination of the contract, it shall be unlawful for and the City does hereby authorize and empower TASS, through its agents or employees with the aid and assistance of any person or persons, to enter upon the premises of the City at such place or places in which any metering device, apparatus or other proper of TASS may be and to remove the same.

14. **SUCCESSOR TO PURCHASER:** In the event of any occurrence rendering the City incapable of performing under this agreement, any successor, whether the result of legal process, assignment, or otherwise, shall succeed to the right of the City hereunder.

15. **INTERPRETATION OF AGREEMENT:** This contract made and entered into in the State of Tennessee and will be interpreted and construed under the laws of the State of Tennessee.

16. **MODIFICATION OF AGREEMENT:** No amendment, modification, alteration or enlargement of this contract shall be valid or binding unless reduced to writing at the time same is made and signed by the Parties.

EXECUTED AND SIGNED, this, the day and date first above written.

TELLICO AREA SERVICES SYSTEM

BY: 

TITLE: Chairman of TASS Board

CITY OF FRIENDSVILLE

BY: 
ANDY LAWHORN

TITLE: Mayor

**STATE OF TENNESSEE
COUNTY OF MONROE**

Before me, a Notary Public, of the State and County aforesaid, personally appeared **JIMMY BROOKS**, with whom I am personally acquainted, and who, upon oath acknowledged himself to be the **CHAIRMAN OF THE BOARD** of **TELLICO AREA SERVICES SYSTEM**, the within named bargainor, a corporation, and he, as such **CHAIRMAN OF THE BOARD**, being authorized so to do, executed the foregoing document for the purpose therein contained, by signing the name of the corporation thereto by himself as **CHAIRMAN OF THE BOARD**.

WITNESS my hand and seal, at office in Monroe County, Tennessee, this 19th day of February, 2020.

Teresa D. Mills
NOTARY PUBLIC
COMMISSION EXPIRES: 9-27-2021



STATE OF TENNESSEE

COUNTY OF Blount

Before me, a Notary Public, of the State and County aforesaid, personally appeared Andy Lamborn, with whom I am personally acquainted, and who, upon oath acknowledged himself to be the Mayor of **THE CITY OF FRIENDSVILLE**, the within named bargainor, a corporation, and he, as such Mayor, being authorized so to do, executed the foregoing document for the purpose therein contained, by signing the name of the corporation thereto by himself as Mayor.

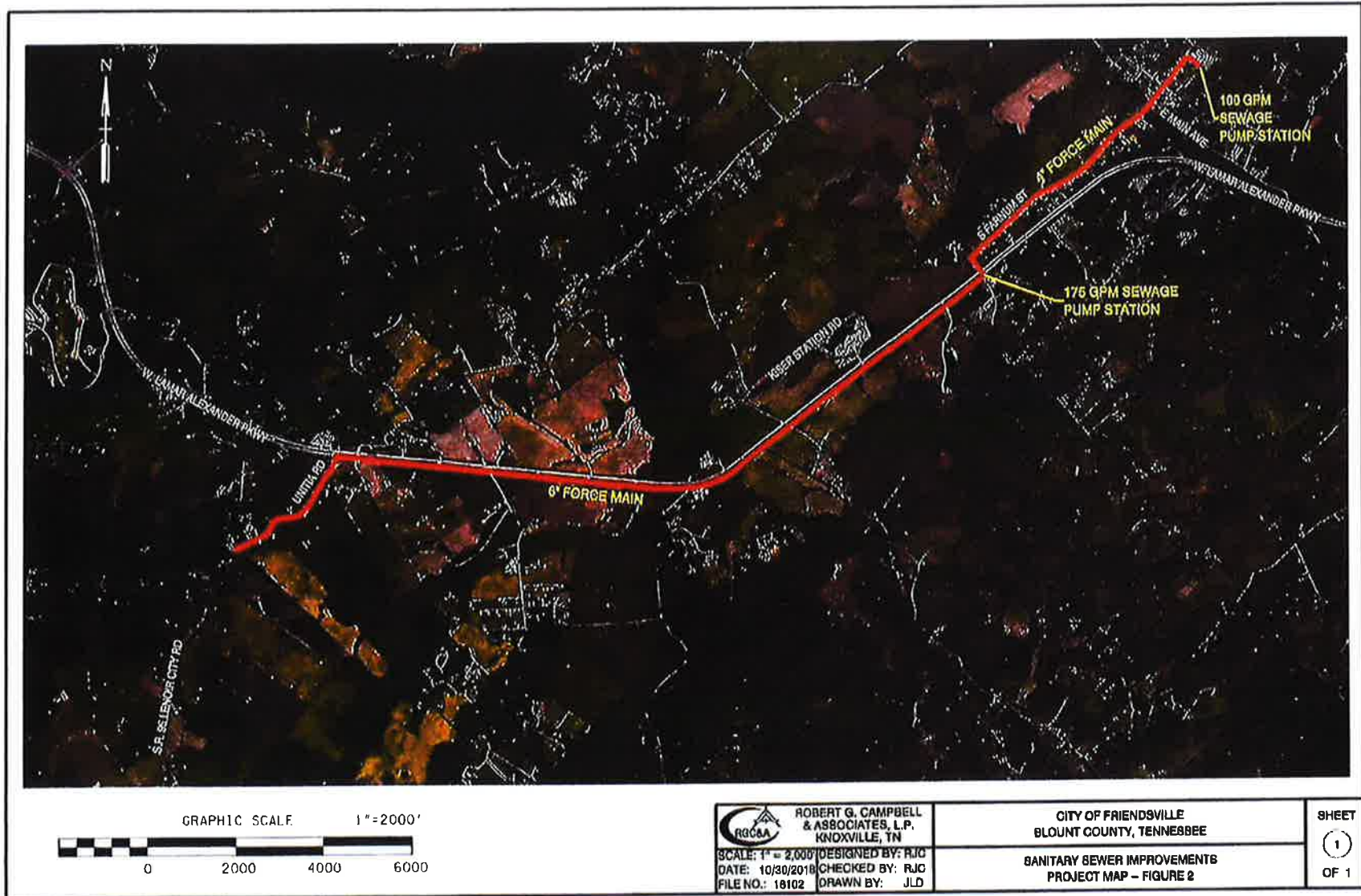
WITNESS my hand and seal, at office in Monroe County, Tennessee, this 6th day of February, 2020.

[Signature]
NOTARY PUBLIC
COMMISSION EXPIRES: 11/27/2021

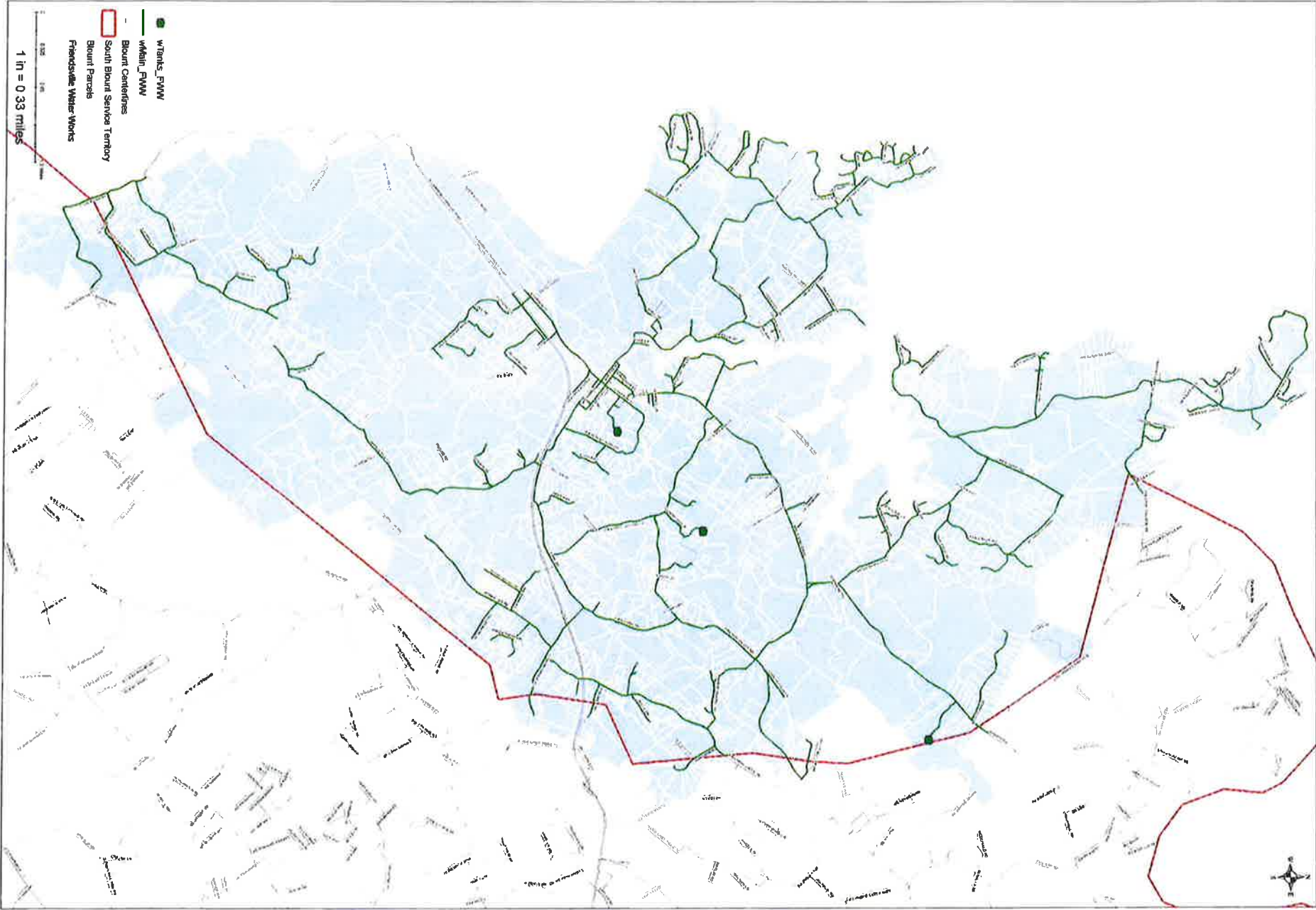


cer/general/tass.friendsville.agreement

Exhibit 2



Friendsville Water Works Service Territory--Draft





City of Maryville Utilities
332 Home Ave
Maryville, TN 37801
(865) 273-3300 phone
(865) 273-3334 fax
www.maryvillegov.com

August 4, 2020

David Amanns, WaterWorks Manager
City of Friendsville
213 W. College Ave
Friendsville, TN 37737

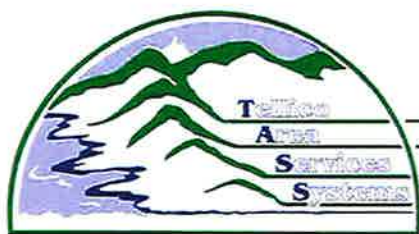
RE: Friendsville Collection System Flows

Mr. Amanns,

We understand you are currently applying to the State of Tennessee for an operating permit for your collection system. At the current time, due to numerous factors, the City of Maryville is disinterested in receiving flow from the proposed Friendsville Collection System.

Sincerely,

Baron Swafford
Public Utility Director
City of Maryville



P.O. BOX 277 VONORE, TENNESSEE 37885 PHONE (423) 884-6400 OR (865) 856-3530

August 19, 2020

City of Friendsville
213 W College Street
Friendsville, TN. 37737

Attention: David Amanns

Dear Mr. Amanns,

Per our recent conversation regarding Tellico Area Services System owning and operating the wastewater collections system in the City of Friendsville, we are not interested in going forward with any discussion on the matter.

Should you have any questions, feel free to let me know.

Sincerely,

Mark Clinton
Superintendent
Tellico Area Services System

Exhibit 4

TABLE 1					
CITY OF FRIENDSVILLE					
PUMP STATION AND FORCE MAIN FROM US 321 AT DUNLAP HOLLOW ROAD TO UNITA ROAD AT US 321 AND TO STATE ROUTE 95 ALONG UNITA ROAD (USING FORCE ACCOUNT FORCES OF THE CITY OF FRIENDSVILLE)					
CONSTRUCTION COST ESTIMATE					
ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENDED TOTAL
1	6" CLASS 200 PVC FORCE MAIN	19700	L.F.	\$ 5.50	\$ 108,350.00
2	6" DUCTILE IRON FORCE MAIN	100	L.F.	\$ 60.00	\$ 6,000.00
3	OPEN CUT A 6" DUCTILE IRON CARRIER IN A 12" STEEL CASING	40	L.F.	\$ 100.00	\$ 4,000.00
4	BORE AND/OR JACK A 6" DUCTILE IRON CARRIER IN A 12" STEEL CASING (BY CONTRACTOR)	175	L.F.	\$ 225.00	\$ 39,375.00
5	COMBINATION AIR RELEASE VALVE ASSEMBLY	5	EA.	\$ 1,500.00	\$ 7,500.00
6	PAVEMENT REPLACEMENT	220	L.F.	\$ 35.00	\$ 7,700.00
7	FREE BORE OF 6" CLASS 200 PVC FORCE MAIN (BY CONTRACTOR)	65	L.F.	\$ 75.00	\$ 4,875.00
8	CONNECTION TO TASS SEWER SYSTEM ON STATE ROUTE 95	1	L.S.	\$ 1,500.00	\$ 1,500.00
9	179 GPM SEWAGE PUMP STATION AT 182' TDH	1	L.S.	\$ 125,000.00	\$ 125,000.00
10	SEWAGE FLOW METER ASSEMBLY	1	L.S.	\$ 14,000.00	\$ 14,000.00
11	ODOR CONTROL FOR PUMP STATION	1	L.S.	\$ 12,000.00	\$ 12,000.00
					\$ 330,300.00
TOTAL CONSTRUCTION COST					
PROJECT COST ESTIMATE					
ITEM NO.	DESCRIPTION			EXTENDED TOTAL	
1	CONSTRUCTION COST			\$ 330,300.00	
2	ENGINEERING AND SURVEYING			\$ 43,600.00	
3	TDEC FEES			\$ 1,100.00	
4	LEGAL FEES			\$ 3,000.00	
5	CONTINGENCIES			\$ 32,870.00	
6	EASEMENTS			\$ 16,000.00	
					\$ 426,870.00

Exhibit 4 con't

TABLE 2						
CITY OF FRIENDSVILLE						
PUMP STATION AND FORCE MAIN FROM DUNLAP HOLLOW ROAD TO FRIENDSVILLE SCHOOL AT EAST THIRD AVENUE						
CONSTRUCTION COST ESTIMATE						
ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENDED TOTAL	
1	4" CLASS 200 PVC FORCE MAIN (BY CONTRACTOR)	2400	L.F.	\$ 17.75	\$	42,600.00
2	4" DUCTILE IRON FORCE MAIN (BY CONTRACTOR)	700	L.F.	\$ 50.00	\$	35,000.00
3	OPEN CUT A 4" DUCTILE IRON CARRIER IN A 10" STEEL CASING (BY CONTRACTOR)	60	L.F.	\$ 100.00	\$	6,000.00
4	BORE AND/OR JACK A 4" DUCTILE IRON CARRIER IN A 16" STEEL CASING (BY CONTRACTOR)	350	L.F.	\$ 200.00	\$	70,000.00
5	COMBINATION AIR RELEASE VALVE ASSEMBLY	6	EA.	\$ 2,200.00	\$	13,200.00
6	PAVEMENT REPLACEMENT	445	L.F.	\$ 50.00	\$	22,250.00
7	FREE BORE OF 4" CLASS 200 PVC FORCE MAIN (BY CONTRACTOR)	220	L.F.	\$ 70.00	\$	15,400.00
8	CONNECTION TO SCHOOL SEWER SYSTEM ON EAST THIRD AVENUE	1	L.S.	\$ 2,500.00	\$	2,500.00
9	100 GPM SEWAGE PUMP STATION	1	L.S.	\$ 75,000.00	\$	75,000.00
10	4" CLASS 200 PVC FORCE MAIN (BY FRIENDSVILLE)	5100	L.F.	\$ 3.00	\$	15,300.00
11	3" FORCE MAIN (BY CONTRACTOR)	350	L.F.	\$ 15.00	\$	5,250.00
12	3" FREE BORE (BY CONTRACTOR)	40	L.F.	\$ 60.00	\$	2,400.00
13	3" CHECK VALVE & PLUG VALVE ASSEMBLY	1	EA.	\$ 4,500.00	\$	4,500.00
14	END OF LINE FLUSHING STATION	1	EA.	\$ 3,500.00	\$	3,500.00
15	ODOR CONTROL FOR PUMP STATION	1	L.S.	\$ 12,000.00	\$	12,000.00
					\$	324,900.00

TOTAL CONSTRUCTION COST		
PROJECT COST ESTIMATE		
ITEM NO.	DESCRIPTION	EXTENDED TOTAL
1	CONSTRUCTION COST	\$ 324,900.00
2	ENGINEERING AND SURVEYING	\$ 42,780.00
3	PROJECT INSPECTION	\$ 8,000.00
4	STORM WATER POLLUTION PREVENTION PLAN	\$ 4,500.00
5	TDEC FEES	\$ 1,100.00
6	ADMINISTRATION AND ENVIRONMENTAL ASSESMENT	\$ 25,000.00
7	CONTINGENCIES	\$ 31,850.00
		\$ 438,130.00

Exhibit 4 Con't

TOTAL PROJECT COST		
ITEM NO.	DESCRIPTION	COST
1	CONSTRUCTION COST	\$ 655,200.00
2	ENGINEERING AND SURVEYING	\$ 86,380.00
3	PROJECT INSPECTION	\$ 8,000.00
4	STORM WATER POLLUTION PREVENTION PLAN	\$ 4,500.00
5	TDEC FEES	\$ 2,200.00
6	ADMINISTRATION AND ENVIRONMENTAL ASSESMENT	\$ 25,000.00
7	LEGAL FEES	\$ 3,000.00
8	CONTINGENCIES	\$ 64,720.00
9	EASEMENTS	\$ 16,000.00
		\$ 865,000.00

Exhibit 5 con't

Sewer Department Expenses	Proposed budget first year in operation
Advertising	0
Capital Outlay	0
Chemicals	0
Debt Service	0
Depreciation @ 1727/mo.	20,724
Equipment Rental	0
Fees	150
Fuel *3% of Water Dept. Costs	360
GIS	0
Hand Tools	0
Health insurance	0
Insurance *3% of Water Costs	765
Interest	0
Inventory/Supplies	3,500
Lab Testing	0
Legal/Professional	1,000
Long Term Debt	21,300
Miscellaneous	0
Office Expenses	350
Payroll Expenses	182
Payroll Tax	459
Postage	0
Rent	0
Repairs and Maintenance	1,200
Retirement	148
Salary (regular)	10,922
Salary (overtime)	0
SCADA	0
TASS Bill Payments	9,000
Subcontractors	0
Telephone/Internet	0
Travel/Training	0
Unemployment	0
Uniforms	0
Utilities	1,800
Contingency	0
Total	71,860

Exhibit 5 con't

Basis for salaries in Sewer		
Chris	\$15.65	
John	\$15.40	
Josh	\$15.40	
Paul	\$17.34	
David	\$21.86	
10 hours per week for Chris to check pump stations		\$8,138.00
4 taps @ 2 hrs. each- Chris, John, Josh & Paul		\$510.32
2 hours per week for David to oversee sewer system		\$2,273.44
Total		\$10,921.76
Depreciation		
Pump Stations	\$144,975.00	
Pipe and Materials	\$207,291.04	
Telemetry	\$35,020.00	
Flow Meter	\$4,500.00	
Equipment rental for boring	\$20,000.00	
Labor on sewer installation	\$330,000.00	
Legal	\$630.00	
Engineering/Survey costs	\$86,380.00	
Total	\$828,796.04	
40 year Depreciation	\$20,719.90 per year	
	\$1,726.66 per month	

AGREEMENT

THIS INDENTURE made and entered into on this the 22nd day of November, 2019, by and between the CITY OF FRIENDSVILLE, a Tennessee municipal corporation, hereinafter referred to as "Friendsville," and the BLOUNT COUNTY BOARD OF EDUCATION, hereinafter referred to as "Board."

WITNESSETH:

WHEREAS, Friendsville has obtained a grant from the Federal Economic Development Administration for the construction of a wastewater collection system to service the residents and property owners of the City of Friendsville and surrounding areas; and

WHEREAS, pursuant to the grant, Friendsville is required to provide funding for a portion of the construction of the wastewater collection system facilities; and

WHEREAS, Board is the owner of a tract of property located in the City of Friendsville upon which there is located the Friendsville Elementary School; and

WHEREAS, the property of Board is currently serviced by a septic system which is old, out dated and will soon have to be repaired or replaced if wastewater service is not provided to the property of Board; and

WHEREAS, Friendsville has requested that Board contribute to the expenses of Friendsville not covered by the grant; and

WHEREAS, Board has agreed to pay to Friendsville the total sum of Two Hundred Sixty Thousand Dollars (\$260,000.00) towards the expenses of Friendsville in the construction of the wastewater collection system; and

WHEREAS, Friendsville has agreed to construct the wastewater collection system and to provide access to said wastewater collection system to Board.

NOW THEREFORE, for and in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. Board shall pay to Friendsville the total sum of Two Hundred Sixty Thousand Dollars (\$260,000.00) to be utilized by Friendsville in the construction of the wastewater collection system which shall provide wastewater collection service to Board's property at Friendsville Elementary School.

2. Board shall make said payments to Friendsville in five equal annual installments in the amount of Fifty-Two Thousand Dollars (\$52,000.00) each. The first payment from Board to Friendsville shall be due within thirty days after construction is commenced by Friendsville on the wastewater collection system. Each subsequent payment shall be due on the yearly anniversary date of the first payment.

Board shall have the right to pre-pay without penalty in whole or in part any of the Board's obligation under this Agreement. Any payments made by Board to Friendsville over and above the Fifty-Two Thousand Dollars (\$52,000.00) per year as hereinabove provided shall be credited against the next payment or payments due from Board to Friendsville.

3. Friendsville shall provide wastewater collection service to the Friendsville Elementary School property and Friendsville shall be responsible for all hook up and connection costs to service the Friendsville Elementary School property.

4. Board shall be responsible for paying the monthly wastewater collection fees to Friendsville based upon the rate schedule maintained by Friendsville for all wastewater collection users.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by the proper persons thereunto duly authorized, all on the date first above written.

CITY OF FRIENDSVILLE

By: 

Andy Lawhorn, Mayor

BLOUNT COUNTY BOARD OF
EDUCATION

By: 

Debbie Sudhoff, Chairman