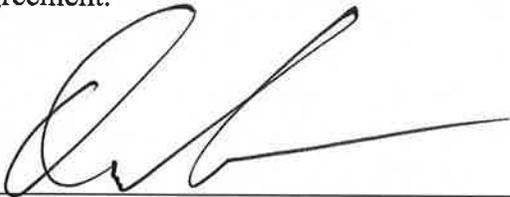


RESOLUTION NO.: 2019-09

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO EXECUTE A WATER PURCHASE AGREEMENT EXTENSION WITH TENNESSEE-AMERICAN WATER COMPANY FOR A TERM OF TWELVE (12) MONTHS BEGINNING FEBRUARY 01, 2019 THROUGH FEBRUARY 01, 2020, WHICH RETAINS THE WATER PURCHASE RATE OF \$1.0344 PER HUNDRED CUBIC FEET.

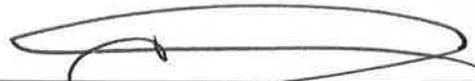
BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, that the Town Manager be and is hereby authorized to execute a Water Purchase Agreement Extension with Tennessee-American Water Company for a term of twelve months beginning February 01, 2019 through February 01, 2020, which retains the current water purchase rate at \$1.0344 per hundred cubic feet, as shown on the attached Agreement.



Dan Landrum, Mayor

Date

1-25-19



Recorder

Date

1-25-19

TENTH EXTENSION OF WATER PURCHASE AGREEMENT

THIS TENTH EXTENSION OF WATER PURCHASE AGREEMENT ("Tenth Extension Agreement") is made effective as of February 1, 2019, (the "Effective Date"), by and between Tennessee-American Water Company ("Tennessee American"), located at 109 Wiehl Street, Chattanooga, Tennessee, and Town of Signal Mountain ("Signal Mountain"), whose address is 1111 Ridgeway Avenue, Signal Mountain, Tennessee.

WHEREAS, the parties hereto have agreed to extend the term of that certain Water Purchase Agreement dated July 1, 1997 ("Original Agreement ") as amended and extended by agreement dated as being effective July 1, 2000 ("First Extension Agreement_"); agreement dated as being effective July 1, 2003 ("Second Extension Agreement "); agreement dated as being effective July 1, 2006 ("Third Extension Agreement"); agreement dated as being effective July 1 , 2009 ("Fourth Extension Agreement "); agreement dated as being effective January 1, 2014 ("Fifth Extension Agreement_"); agreement dated as being effective June 30, 2015 ("Sixth Extension Agreement"); agreement dated as being effective September 29, 2015 ("Seventh Extension Agreement") agreement dated as being effective April 30, 2016 ("Eighth Extension Agreement"), and agreement dated June 30, 2017 ("Ninth Extension Agreement") for an additional term of at least twelve (12) months as provided herein.

NOW THEREFORE, in consideration of the mutual covenants and promises herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- 1 . Except as specifically provided herein, all of the terms, conditions, privileges and obligations in the Original Agreement, as amended and extended by the First, Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, and Ninth Extension Agreements are hereby ratified, confirmed and extended in this Tenth Extension Agreement for a twelve (12) month period beginning on February 1, 2019 and continuing through February 1, 2020. Should Signal Mountain transfer ownership of its water facilities during the term of this Tenth Extension Agreement, this Tenth Extension Agreement shall transfer to the new owner.
2. Effective February 1, 2019, and continuing through the end of the term of this Tenth Extension Agreement, Section 1 of the Original Agreement, as amended and extended by the First, Second, Third , Fourth, Fifth, Sixth, Seventh, Eighth and Ninth Extension Agreements , is hereby amended to state that Signal Mountain will purchase water at the rate of \$1.0344 per hundred cubic feet as was determined by the settlement agreement filed with the Tennessee Public Utility Commission ("TPUC") in TRA Docket 12- 00049 effective November 1, 2012, subject to any adjustments ordered or permitted by the TRA thereafter .
3. This Tenth Extension Agreement is subject to the approval of the Board of Tennessee American Water and the TPUC. Signal Mountain agrees to take such action reasonably necessary to support Tennessee American's application for approval from the TPUC.
4. The Town of Signal Mountain plans to install an emergency connection with a neighboring water utility provider. To protect the integrity of Tennessee American Water's system and water quality, Tennessee American shall provide all of Signal Mountain's potable water supply requirements within the established Signal Mountain utility territory during the term of this agreement. During said term, Signal Mountain shall purchase all of its potable water from Tennessee American and Tennessee American shall be Signal Mountain's sole source of potable water. This Tenth Extension Agreement is a requirements contract and Signal Mountain shall not purchase potable water from any other source except in the event of an emergency. An emergency shall be defined as the unlikely event that Tennessee American, for any reason, must reduce the water supply to Signal Mountain beyond or below the Town's water demand or Signal Mountain's pump system or main distribution line fails.

During an emergency, Signal Mountain shall be entitled to seek water supplies from other sources to meet the water demand until such time as full supply by Tennessee American is restored or pump system/distribution line failure is corrected..

5. Water purchased under this Tenth Extension Agreement shall be solely for resale to Signal Mountain customers within its service area. Water purchased under this Agreement shall not be sold to any other water utility without the prior written consent of Tennessee American, which such consent may be granted, withheld or conditioned in Tennessee American's sole discretion.

IN WITNESS WHEREOF, the parties have set forth their hands.

TOWN OF SIGNAL MOUNTAIN

TENNESSEE-AMERICAN WATER
COMPANY

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____