



Metropolitan Nashville and Davidson County, TN

Legislation Text

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A resolution authorizing The Metropolitan Government of Nashville and Davidson County to enter into agreements with The City of Belle Meade, The City of Brentwood, The City of Goodlettsville, The City of Lavergne, The City of Millersville, The City of Ridgetop and the White House Utility District, for the acceptance and treatment by the Metropolitan Government of Nashville and Davidson County of sewage flow from their individual and separate sewage collection systems.

WHEREAS, The Metropolitan Government of Nashville and Davidson County owns and operates a sewage transportation and treatment system (the "Metro System"), and The City of Belle Meade, The City of Brentwood, The City of Goodlettsville, The City of Lavergne, The City of Millersville, The City of Ridgetop and the White House Utility District individually own and operate sewage collection systems (the "Customer Systems"); and,

WHEREAS, the Metro System has and will have sufficient capacity to safely and effectively accept and treat sewage flows from the Customer Systems as contemplated in the individual Wholesale Agreements, collectively attached hereto as Exhibit A; and,

WHEREAS, the appropriate authorizing body for The City of Belle Meade, The City of Brentwood, The City of Goodlettsville, The City of Lavergne, The City of Millersville, The City of Ridgetop and the White House Utility District have approved their respective Wholesale Agreement; and,

WHEREAS, Tennessee Code Annotated, Section 12-9-101, et seq., ("The Interlocal Cooperation Act") authorizes political subdivisions of the state to enter into cooperative agreements by resolution of the local governing body; and,

WHEREAS, it is in the best interest of The Metropolitan Government of Nashville and Davidson County to enter into the Wholesale Agreements contemplated herein.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. That the agreements by and between The Metropolitan Government of Nashville and Davidson County and The City of Belle Meade, The City of Brentwood, The City of Goodlettsville, The City of Lavergne, The City of Millersville, The City of Ridgetop and the White House Utility District, copies of which are attached hereto and incorporated herein as collective Exhibit A, are hereby approved, and the Metropolitan Mayor is authorized to execute said Agreements.

Section 2. That this resolution shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

Analysis

This resolution authorizes the Metropolitan Government ("Metro") to enter into agreements with the City of Belle Meade, the City of Brentwood, the City of Goodlettsville, the City of La Vergne, the City of Millersville, the City of Ridgetop, and the White House Utility District for the acceptance and treatment by Metro of sewage flow from each of their sewage collection systems.

Metro owns and operates a sewage transportation and treatment system that has sufficient capacity to accept and treat sewage flows for the length of the agreement.

These agreements have each been approved by the authorizing body of the respective city and utility district. The agreements would become effective upon approval by the Metropolitan Council and filing with the Metropolitan Clerk. The terms of each agreement would begin on October 1, 2024, and end on October 1, 2034. The agreement may be extended by the parties.

This utility price rate was developed by a rate consultant. The agreement for the selection of a rate consultant was approved by the Metropolitan Council through Resolution No. RS2023-121. The utility price starting on October 1, 2024, will be \$1.62 per hundred cubic feet. For calendar years starting on October 1 (with the exception of 2029 and 2024), the utility price shall increase or decrease based on a percentage equal to the smaller of either: (1) the percentage increase or decrease in the Service Charge Index compiled by the National Association of Clean Water Agencies; or (2) the percentage increase or decrease from the previous calendar year of the annual average in the Consumer Price Index - All Urban Consumers.

For the calendar years beginning October 1, 2029, and October 1, 2034, the operating cost component utility price shall be calculated by dividing Metro's fiscal year budget costs to operate wastewater services divided by the average total treated flow for the last three fiscal years. The capital cost component calculates the return on assets calculation and an allocated portion of depreciation expense.

In addition to the utility price described above, the City of Belle Meade will pay a 10 percent sewer surcharge, a 10 percent administrative fee, and an additional surcharge paid by Belle Meade.

Tenn. Code Ann. § 12-9-101, et seq., authorizes local governments in Tennessee to enter into cooperative agreements by resolution.