

**TOWN OF COOPERTOWN ORDINANCE NO. 2026-009
(AMENDS ORDINANCE 2025-011)**

An Ordinance granting Tennessee Wastewater Systems, Inc. (TWSI) non-exclusive rights to place, construct, erect, acquire, extend, maintain, repair and relocate septic and sewer lines, works, mains, apparatus and all necessary fixtures under, through, over, along and across the streets, roads, alleys, bridges and viaducts, within the present or future limits of the Town of Coopertown, Tennessee, in Robertson County, for the purpose of providing a system for the proper treatment, movement and disposal of sewage to those persons or entities desiring the same.

WHEREAS, the Town of Coopertown is authorized to provide utility functions, including the provision of wastewater treatment services, as well as authorization to grant franchises for public utilities and public services to be furnished;

WHEREAS, at the present time, it is not practically feasible for the Town of Coopertown to provide wastewater treatment services;

WHEREAS, TWSI is a public utility authorized to provide wastewater treatment services and is governed by the Tennessee Regulatory Authority which regulates TWSI's provisions of services and its rate and fee structure; and,

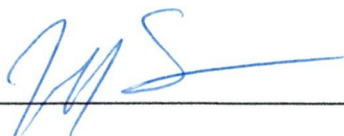
WHEREAS, TWSI is required to construct, maintain and operate all its wastewater treatment facilities in accordance with the regulations of the Tennessee Department of Environment and Conservation (TDEC).

NOW, THEREFORE said agreement is before this Board, and that the agreement be executed in the name of the Town, by the Mayor of the Board, for and on its behalf, and that it be attested by the Town Recorder and the seal of the Town affixed thereto.

BE IT FURTHER ORDAINED, that upon the completion of the execution of the attached agreement by all parties, that a copy of such agreement be kept as record by the Town Recorder.

Passed First Reading: 4.28.2026, 2026

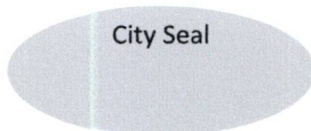
Passed Second Reading/Public Hearing: 5.26.2026, 2026



Jeff Smith, Mayor

ATTEST:


Emily McKellar, Town Recorder



FRANCHISE AGREEMENT
FOR CONSTRUCTION, OPERATION, MANAGEMENT,
AND MAINTENANCE OF WASTEWATER SYSTEM

THIS AGREEMENT is entered into as of the 28 day of October, 2025, by and between the Town of Coopertown, Tennessee, a municipality created and existing pursuant to T.C.A. § 6-1-101 et seq. (the "Town"), acting through its Board of Mayor and Alderman, and Tennessee Wastewater Systems, Inc., a Tennessee for profit corporation, providing wastewater utility services (the "TWSI").

RECITALS

1. The Town is a Tennessee municipality in Robertson County, Tennessee, organized and operating under a Mayor-Aldermanic Charter, with residential, commercial, and industrial development requiring wastewater collection and treatment for persons residing in the Town.

2. The Town is authorized by law to provide wastewater utility services to persons in the Town, but it remains practically unfeasible for the Town to do so.

3. ~~The Town is also authorized by law to grant franchises for public utility services to be provided. In November, 2000, the Town granted a franchise to On-Site Systems, Inc., the corporate predecessor to TWSI, to provide wastewater utility service to the Town for a period of twenty-five (25) years, which period will expire in November, 2025.~~

4. TWSI, as corporate successor to On Site Systems, Inc., currently owns and operates the wastewater utility system in the Town, and has done so pursuant to the franchise agreement with the Town.

5. The Town desires to grant and extend the franchise to provide wastewater utility services for the Town, to TWSI for an additional period of twenty-five (25) years, to construct, operate, manage, and maintain the wastewater collection and treatment system in the Town (the "Sanitary Sewer System") under the terms and conditions of this Agreement.

6. TWSI is willing to provide wastewater utility services involving the construction, operation, management, and maintenance of the Sanitary Sewer System under the terms and conditions of this agreement for the fees recited herein.

7. The parties are fully authorized to enter into this Agreement under the applicable laws of the State of Tennessee, which franchise and Agreement must be approved by the Tennessee Public Utility Commission.

COVENANTS

For good and valuable consideration, the receipt of which is hereby acknowledged, including the recitals above and the mutual covenants below, the parties agree as follows:

1. The Town grants to TWSI the Non-Exclusive right, privilege, authority, and franchise to acquire, construct, reconstruct, enlarge, extend, repair, maintain, operate, monitor, and manage (collectively referred to as "Work") the Sanitary Sewer System suitable to collect and dispose of sewage in the incorporated areas of the Town of Coopertown for a period of twenty-five (25) years from the effective date of this Agreement.
2. TWSI agrees to perform all Work relating to the Sanitary Sewer System in accordance with best industry standards and practices, engineering practices, as well as all applicable Federal, State, and local laws, rules, regulations, and ordinances, including but not limited to the laws, rules, and regulations of the State of Tennessee Department of Environment and Conservation ("TDEC") and the United States Environmental Protection Agency.
3. TWSI's duties and responsibilities shall include:
 - (a) adequately providing and training all personnel necessary to perform the Work, and assigning personnel to properly operate and maintain the Sanitary Sewer System as is required to assure an appropriate and efficient operation;
 - (b) conducting all billings and collection of revenue for the Sanitary Sewer System in accordance with this Agreement;
 - (c) obtaining, maintaining, renewing, or modifying all permits and licenses required for the Work;
 - (d) answering and responding to all customer complaints and requests for service in accordance with this Agreement, its tariff, and Town's ordinances, rules, regulations and policies;
 - (e) providing all written information and reports to the Town, including prompt notice to the Town of any operational problems, issues or potential adverse claims relating to the Sanitary Sewer System; and
 - (f) performing such administrative and other additional duties, as necessary or as more specifically prescribed in this Agreement.
4. In performing the Work relating to the Sanitary Sewer System, TWSI shall not attempt to obligate any funds of the Town, or represent to others that the Town is obligated for the expenditure of funds to which the Town has not agreed.

5. The Town also grants TWSI the right, privilege, authority, and franchise to maintain and operate within the Town's road rights-of-way to enlarge, extend, reconstruct, and repair any sewer mains, lateral sewers, manholes, equipment, apparatus, or other facilities necessary or appropriate for the Work relating to the Sanitary Sewer System.

6. In the performance of the Work relating to the Sanitary Sewer System, TWSI shall not unnecessarily interrupt or obstruct the use of any road, street, public highway, thoroughfare, or public property. Before commencing any maintenance, repair or construction work of any kind, TWSI shall obtain a permit from the Town's Building Commissioner.

7. TWSI facilities to be placed on the Town's right-of-way shall be installed and constructed in accordance with plans and specifications of TWSI as approved by the Town's Engineer so as not to interfere with the maintenance of the road right-of-way. When any road, street, public highway, thoroughfare, or public property is entered upon, or facilities removed therefrom, TWSI shall restore the same to its original condition and shall clear all places of dirt, obstructions, or anything that might constitute a nuisance or might prevent such road, street, public highway, thoroughfare, or public property from being used for its normal purposes and in its normal condition. Such restoration to original condition shall be made by TWSI under the supervision and control of the Town's Engineer. All engineering review fees incurred by the Town will be invoiced to TWSI for repayment, and shall be repaid within thirty (30) days of invoice.

8. The term of this Agreement shall be twenty-five (25) years from the effective date of this Agreement.

9. Notwithstanding the term above, the Town may terminate this Agreement for a material breach or default which is not cured within 30 days. In the event the breach or default is not capable of being cured within 30 days, the time for cure may be extended by agreement to a reasonable time limit for the satisfactory correction thereof. In the event of termination, the Town shall still be entitled to recover any and all damages sustained by the Town, including the recovery of additional costs incurred by the Town in correction of any breaches or defaults.

10. TWSI shall pay the Town a franchise fee for all paying customers at a rate of Ten Percent (5%) of any fee charged by TWSI for the Sanitary Sewer System to any customer including but not limited to residential, commercial, or industrial customers. This percentage fee shall remain consistent during the term of this Agreement, provided the parties have not mutually agreed otherwise in writing, and shall apply to any and all future rate changes by TWSI.

11. TWSI shall provide the Town with monthly detailed accounting and payment to be remitted no later than the 28th day of the following month for billed services subject to periodic independent audits if requested by the Town and at the Town's expense. Late

payments beyond 5 (five) calendar days of when due are subject to interest and penalties as allowed by law. If there are more than 2 (two) late or incomplete accounting remittances within any previous consecutive 12 (twelve) month period, TWSI is subject at the discretion of the Town to providing a non-cancellable, automatically renewable Letter of Credit from a financial institution approved by the Town in favor of the Town in the amount of Three (3) times the trailing Twelve (12) average monthly franchise fee, to be updated annually. Notwithstanding anything contained in this Agreement to the contrary, any payments in arrears beyond Three (3) months will render this Agreement subject to involuntary termination by the Town.

12. In the event of involuntary termination of this Agreement by the Town, TWSI will bring the accounting and payments into good standing and provide or update the Letter of Credit as outlined above.

13. TWSI will follow its customer service policies and financial policies regarding account collections as provided on its tariff. TWSI will terminate sanitary sewer service to any customer who fails to pay for sewer service or violates any other rules applicable to the Sanitary Sewer System in accordance with the terms of its tariff.

14. At all times hereunder, title to the Sanitary Sewer System shall remain in the name of TWSI.

15. During the term of this Agreement, TWSI shall routinely inspect and monitor the Sanitary Sewer System as necessary to ensure the proper operation of the system and conformance with any applicable laws, state regulations or permits and all other requirements or orders of TDEC.

16. The Town, or its designated agent, upon reasonable notice to TWSI, shall have the right to inspect the Sanitary Sewer System during all operating hours and at such other times as may be deemed necessary to protect the interests of Town. Such right of inspection, however, shall not be construed so as to claim that the Town, rather than TWSI, is performing the Work relating to the sanitary sewer system.

17. By acceptance of this franchise and right, TWSI agrees that it shall indemnify, protect, defend, and hold harmless the Town and its officers, agents, and employees from any and all claims whatsoever, from liabilities, losses, costs, judgements, penalties, damages, and expenses arising out of its failure to perform any of the obligations of this franchise of the terms of this Agreement, including but not limited to, claims for injury or death to any persons, or damages to any property, as may be incurred by or asserted against the Town, its officers, agents, or employees, directly or indirectly, by reason of the Work TWSI relating to the Sanitary Sewer System. Additionally, TWSI shall assume all liability and shall be obligated for the payment of damages which may arise, accrue, or be suffered by any person or property (or the defense of the Town in connection with same, including the payment of all reasonable attorney's fees and expert witness fees or other costs) from TWSI doing any of the Work herein authorized or from negligence of TWSI.

18. TWSI shall maintain, and by acceptance of this franchise, specifically agrees that it will provide throughout the term of this franchise, workmen's compensation insurance, by a commercial policy of insurance from a carrier with an A+ rating by AM Best, with regard to all damages mentioned above in the minimum amounts of:

- A. Workers Compensation Statutory limits for the State of Tennessee
- B. Employer's Liability \$500,000 PER ACCIDENT
 \$500,000 DISEASE PER EMPLOYEE
 \$500,000 DISEASE POLICY LIMIT
- C. Commercial General Liability \$1,000,000 PER OCCURRENCE
 \$1,000,000 PER PROJECT
 \$2,000,000 ANNUAL AGGREGATE
 - a) Products / Completed Operations \$1,000,000 PER OCCURRENCE
 - b) Contractual Liability \$1,000,000 PER OCCURRENCE
 - c) Explosion, Collapse, or Underground (XCU) hazards - Depending on the exposure associated with the project, if any.
- D. Automobile Liability and Owned/Hired/Non-Owned Vehicles
\$1,000,000 PER OCCURRENCE
- E. Professional Liability (for engineers, architects, etc.)
\$1,000,000 PER OCCURRENCE/CLAIM/AGGREGATE

19. This Agreement may not be assigned without the written permission of the Town, to be exercised in its sole discretion, not to be unreasonably withheld. The Town and TWSI recognizes that this Agreement must be approved by the Tennessee Public Utility Commission. TWSI agrees to take all steps necessary, at its sole cost, to obtain said approval.

20. Each of the parties further agrees to do any act or thing and execute any and all instruments that are reasonably necessary and proper to make effective the provisions of this Agreement.

21. This Agreement is the entire agreement and understanding of the parties with respect to the subject matter of this Agreement and supersedes all prior written or oral agreements, commitments, arrangements or understandings, between the parties with respect thereto. There are no restrictions, agreements, promises, warranties, covenants or undertakings with respect to the subject matter of this Agreement other than those expressly set forth in this Agreement.

22. No amendment, modification or waiver of any provision of this agreement shall be effective or binding upon the parties unless the same shall be in writing and signed by

the parties to this agreement. The waiver of any party of a breach of any provision in this Agreement shall not operate or be construed as a waiver of any subsequent breach by any party.

23. TWSI recognizes that any breach of the terms of this Agreement may give rise to irreparable harm for which money damages would not be an adequate remedy for the Town, and accordingly agrees that, in addition to injunctive relief and all other remedies available, which shall be cumulative, the Town shall be entitled to enforce the terms of this Agreement by a decree of specific performance without the necessity of proving the inadequacy of money damages as a remedy.

24. If any one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected thereby.

25. In the event the Town retains an attorney to secure compliance with the terms of this Agreement, including but not limited to the filing of a lawsuit, and in the event the Town is successful in securing compliance by TWSI, including by court judgment, the Town shall be entitled to recover reasonable attorney's fees and all costs from TWSI.

26. The parties hereto agree that they will cooperate with each other in all matters that are reasonable, necessary or desirable to facilitate the performance of their respective obligations under this Agreement with a minimum of expense, trouble and interference with service, and each party hereto agrees to comply with the reasonable requests of the other party in connection therewith.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

TOWN OF COOPERTOWN, TENNESSEE

By: Jeff Smith
Jeff Smith, Mayor

By(sign): Jeff Smith
Name(print): Jeff Smith
Title(print): Mayor

STATE OF TENNESSEE)
COUNTY OF Robertson)

Before me, the undersigned authority, a Notary Public of the State and County aforesaid, personally appeared Jeff Smith, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Mayor of the Town of Coopertown, Tennessee, one of the within named bargainors, a municipality created under the laws of Tennessee, and that he as such Mayor, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of said municipality by himself as such Mayor.

WITNESS, my hand and seal at office, this the 16 day of April, 2025.

Kelly Bonn
Notary Public

My commission expires: 5/23/28



TENNESSEE WASTEWATER SYSTEMS, INC.

By(sign): [Signature]
Name(print): JEFF RIDDEN
Title(print): CEO

STATE OF TENNESSEE)
COUNTY OF Rutherford)

Before me, the undersigned authority, a Notary Public of the State and County aforesaid, personally appeared Jeff Ridden, with whom I am personally acquainted, and who, upon oath, acknowledged himself/herself to be the CEO of Tennessee Wastewater Systems, Inc., one of the within named bargainors, and that he/she as such CEO, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of said corporation by himself as such CEO.

WITNESS, my hand and seal at office, this the 16 day of April, 2025.

[Signature]
Notary Public

My commission expires: 6/16/2029

