



# Huntsville, Alabama

308 Fountain Circle  
Huntsville, AL 35801

## Cover Memo

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**Meeting Type:** City Council Regular Meeting **Meeting Date:** 11/16/2023

**File ID:** TMP-3568

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**Department:** Finance

**Subject:**

**Type of Action:** Approval/Action

Resolution authorizing the Mayor to enter into an Agreement between the City of Huntsville, Alabama and the Huntsville Electric Utility Board to provide billing and collections service for the City's sewer service and garbage collections.

Resolution No.

**Finance Information:**

**Account Number:** N/A

**City Cost Amount:** \$ N/A

**Total Cost:** \$ N/A

**Special Circumstances:**

**Grant Funded:** \$ N/A

**Grant Title - CFDA or granting Agency:** N/A

**Resolution #:** N/A

**Location: (list below)**

**Address:** N/A

**District:** District 1  District 2  District 3  District 4  District 5

**Additional Comments:**

**RESOLUTION NO. 23- \_\_\_\_\_**

**BE IT RESOLVED** by the City Council of the City of Huntsville, Alabama, that the Mayor be, and he is hereby authorized on behalf of the City of Huntsville, a Municipal Corporation in the State of Alabama, to enter to an Agreement by and between The City of Huntsville and Huntsville Electric Utility Board which said agreement is substantially in words and figures similar to that certain document attached hereto and identified as an "Agreement between the City of Huntsville and Huntsville Electric Utility Board, for Billing and Collection services on the City's Garbage and Sewer Service", consisting of five (5) pages with the date of November 16, 2023, appearing on the margin of the first page, together with the signature of the President or President Pro Tem of the City Council, an executed copy of said document being permanently kept on file in the Office of the City Clerk of the City of Huntsville, Alabama.

**ADOPTED** this the 16th day of November, 2023.

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President of the City Council of  
the City of Huntsville, Alabama

**APPROVED** this the 16th day of November, 2023.

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Mayor of the City of  
Huntsville, Alabama

### **THIRD PARTY BILLING AGREEMENT**

THIS AGREEMENT made this 16th day of November, 2023, by and between the City of Huntsville, Alabama, a municipal corporation in the State of Alabama (hereinafter referred to as "City") and the Huntsville Electric Utility Board, a municipal public utility board created by the City of Huntsville, Alabama, (hereinafter referred to as "HU").

#### **WITNESSETH:**

**WHEREAS**, the City established and assessed a mandatory charge for sewer service and garbage collection not to include yard waste, white metal goods and hazardous waste, discarded by the public at residential dwellings within the corporate limits of the City; and;

**WHEREAS**, HU has the means to invoice those residential dwellings and collect from those residential dwellings the fee charged by the City for collecting, hauling and disposing of garbage; and

**WHEREAS**, HU has the means to Invoice all HU customers and collect from all HU customers the fee charged by the City for sewer service; and

**WHEREAS**, the City desires to enter into a five-year agreement with HU to provide fee billing and collection services for the City.

**NOW, THEREFORE**, for and in consideration of the premises and mutual covenants and conditions set forth herein, the City and HU agree as follows:

#### **Section 1 — Term**

This agreement shall commence on January 1, 2024, and shall remain and continue in full force and effect until December 31, 2028, unless Agreement terminated before said date pursuant to the provisions of the Agreement.

#### **Section 2 — Services**

HU shall include a garbage collection charge on the monthly bills of its residential electric power customers and a sewer service collection charge on the monthly bills of all its customers within the corporate limits of the City.

HU shall collect the fees remitted by HU customers for sewer service and garbage collection charges. HU will collect these charges according to its established policies and procedures, as may be amended from time to time.

#### **Section 3 — Payment for Services**

**The City will pay and HU will accept a service rate for each garbage collection charge listed on each monthly bill of each residential customer within the corporate limits of the City as follows: January 1, 2024 — December 31, 2028 a service rate of \$ 0.57 for each garbage collection charge listed on each monthly bill of each residential customer within the corporate limits of the City.**

**The City will pay and HU will accept a service rate of \$0.51 for each sewer service charge listed on each monthly bill of each HU customer within the corporate limits of the City.**

Within ninety (90) days prior to the beginning of the third year of the contract and each additional year of the contract, the City and HU will agree upon a service rate determined through HU's most recent Joint Cost Allocation Study, which the City will pay and HU will accept for providing the services stated in section 2.

#### **Section 4 — No Waiver; Effect of this Agreement**

a. Failure to enforce or to insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions but the same shall be and remain at all times in full force and effect.

b. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof and shall supersede any prior agreements and understanding between the parties with respect to that subject matter. This Agreement may not be amended or modified except by a written instrument executed by each of the parties hereto.

#### **Section 5 — Remittance of Charges**

HU shall remit to the City on a monthly basis the amount received from HU customers for garbage and sewer collection charges, plus late payment fees received, and the net of bad debt write-offs and recoveries, less the amount owed to HU for billing, payment processing, and collection of bad debt services based on the service rate in Section 3.

#### **Section 6 — HU's Responsibilities**

HU shall provide the City, on a monthly basis, financial data such as, but not limited to, the number of residential customers billed sewer and garbage collection charges, total amount received as payment by HU, late payment penalties, and bad debt write offs and recoveries, total amount collected by HU, total amount recorded as receivables and total amount allowed for accounts uncollectible.

It is understood and agreed that any bad debt collection efforts under this agreement are subject to the terms and conditions of the Huntsville Utilities Collections Process Policy and any amendments thereto. The Parties further agree that HU has no obligation hereunder to bring any legal action against a customer for failure to pay the sewer and garbage to the City.

It is understood that HU shall provide necessary customer information to third-party business providers solely for the purpose of facilitating this Agreement. Furthermore, HU shall retain customer records in accordance with Huntsville Utilities' Record Retention Policy.

#### **Section 7—City's Responsibilities**

The City will ensure that an official, employee or agent of the City provide, in a timely manner to HU, the ordinance, as amended, relating to the Garbage Collection Fee assessed by the City, which requires billing and payment processing of such fee by HU.

The City agrees to use HU's customer information solely for the purpose of facilitating this Agreement and will ensure that policies and procedures are implemented, and training is provided to individuals who will have access to HU's customer information, to reasonably protect the confidentiality of information regarding HU's customers. City agrees to notify HU's President/CEO or CFO immediately upon learning of any breach or possible misuse of such confidential customer information.

The City shall provide to HU the name and position or title of employees or agents of the City responsible for providing the monthly information regarding the City's sewer and garbage collection customers to HU. If applicable,



IN WITNESS WHEREOF, the undersigned have set their hands and seals on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**Huntsville Utilities**

By: \_\_\_\_\_  
**Robert Wesley Kelley, President & CEO**

**ATTEST:**

**Chairman and Administrative Liaison to the Board and CEO**

**STATE OF ALABAMA**        )

**COUNTY OF MADISON**    )

I, the undersigned, a Notary Public in and for said County, in said State, do hereby certify that Robert Wesley Kelley, and \_\_\_\_\_ whose names as President & CEO, and Chairman and Administrative Liaison to the Board and CEO, respectively, of Huntsville Utilities are signed to the foregoing Agreement, who are known to me, acknowledged before me on this day that, being informed of the contents of this Agreement, they as such officers and with full authority, executed voluntarily on the day the same bears date.

Given under my hand and official seal of office this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Notary Public: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

IN WITNESS WHEREOF, the undersigned have set their hands and seals on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**City of Huntsville, a municipal corporation In the State of Alabama**

By: \_\_\_\_\_  
**Tommy Battle, Mayor**

**ATTEST:**

**City Clerk**

**STATE OF ALABAMA        )**

**COUNTY OF MADISON     )**

I, the undersigned, a Notary Public in and for said County, in said State, do hereby certify that Tommy Battle and Shaundrika Edwards whose names as Mayor and City Clerk, respectively, of the City of Huntsville, Alabama are signed to the foregoing Agreement, who are known to me, acknowledged before me on this day that, being informed of the contents of this Agreement, they as such officers and with full authority, executed voluntarily on the day the same bears date.

Given under my hand and official seal of office this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

Notary Public: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_