



*Board of Mayor and Aldermen*  
**Meeting Notice**

Town Hall  
334 Atoka-Munford Avenue  
Thursday, July 14, 2022  
6:30 p.m.

The Board of Mayor and Aldermen of the Town of Atoka, Tennessee will hold a special called meeting on Thursday, July 14, 2022 at 6:30 p.m.

The meeting will be held at Town Hall - 334 Atoka-Munford Avenue.

The public is encouraged to attend.

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## **Meeting Agenda**

- I. Call to Order & Roll Call**
- II. Old Business - None**
- III. New Business –**
  - a. Ordinance – Amending Water and Sewer Service Rates – Exhibit A
- IV. Adjourn**



## Office of the Town Administrator

### MEMORANDUM

To: Honorable Mayor Daryl Walker and Board of Aldermen

From: Marc Woerner, Town Administrator

Date: July 14, 2022

**RE: Water and Sewer Rates – Water and Wastewater Financing Board Order**

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#### **Introduction:**

The Town of Atoka's water and wastewater systems were considered to be in financial distress due to two consecutive years of negative revenue. When a utility has two consecutive years of negative revenue it is referred to the Tennessee Water and Wastewater Financing Board (WWFB) for oversight. Tennessee Code Annotated 68-221-1010 – Financial Distress is referenced on the WWFB Order dated December 3, 2020. The Order outlines five major items that were required of the town. The town has complied with all of the requirements of the Order, including providing supplemental information throughout the entire process to date.

The Order required the town to engage with a qualified expert to perform a rate study. The Tennessee Association of Utility Districts (TAUD) was identified as a qualified expert by the WWFB, and the town engaged them to perform the rate study. There have been delays in completing the rate study, due in part to the COVID-19 pandemic, as well as new questions from TAUD that required additional information be provided from the town.

#### **Background:**

The Town of Atoka purchases water from both the City of Munford and the Poplar Grove Utility District. Understandably, over the years, the cost of Atoka's water acquisition from both the City of Munford and Poplar Grove Utility District (PGUD) have increased almost annually. Atoka has not kept pace with water acquisition costs through necessary rate adjustments to its customers causing a reduction in positive revenues over time, which ultimately created negative revenues in both funds.

Around early 2020, the town requested that its MTAS Utility Consultant perform a water and sewer review, with and without a town owned water treatment plant. The review was delivered to the town on or about February 10, 2020 and the Board of Mayor and Aldermen held a work session on February 17, 2020 to discuss the study review. Although the MTAS study provided a recommendation to increase *both* water

and sewer rates including cost of living increases each year following the proposed increases, the Board decided to adjust *only* the sewer rates and *not* the water rates based on the recommendation of a previous Public Works Director. An additional recommendation of the study was to separate the water and sewer expenses into separate funds. The final ordinance for adjusting the sewer rates occurred in May 2020 making the rates effective July 1, 2020.

Additional investigation and research into the water and sewer revenues revealed that our billing and collections partner (PGUD) had not been informed by previous town staff of the May 2020 sewer rate increase. The billing methodology was also found to be inconsistent with how the town billed for its own water and sewer. Therefore, the anticipated additional sewer revenues were not collected or realized in the monthly billing cycles from July 2020 to February 2022. The unrealized sewer revenue and correct billing methodology for this period is estimated to be approximately \$168,000. It is unknown at this point if the WWFB will require the town to recover these funds. As soon as it was discovered and communicated to our billing partner that they were not using the correct billing methodology and rates, they corrected them immediately in the very next billing cycle. Additionally, they (PGUD) have been extremely helpful and have provided any and all information requested of them in a very timely manner.

The water and sewer funds were segregated in the 2022 fiscal year budget. The financials for both water and sewer funds have been monitored, reported, and communicated to the Board of Mayor and Aldermen and TAUD regularly throughout FY 22. Segregating the water and sewer funds has provided detailed information relating to the appropriate expenses for each fund. Previously, when the funds were co-mingled, expenses regarding water and sewer were not as easily identified.

The City of Munford is increasing Atoka's water acquisition cost from \$2.31 per thousand gallons to \$2.44 per thousand gallons with the July 2022 billing. PGUD is not increasing rates this year.

### **Conclusion:**

The town should be proactive, and it *must* create positive revenue in both the water and sewer funds. After numerous discussions with TAUD staff and several reviews of FY22 financials throughout the year, TAUD has proposed water and sewer rate increases beginning July 2022 with continued monitoring and a review at 6 months. The proposed TAUD rates do not include the increase from City of Munford and will need to be adjusted to include said increase. If the town does not create the projected revenues in both funds, the WWFB will impose whatever rates they deem appropriate.

Our new Public Works Director started work with us on June 20, 2022 and has proven to be extremely knowledgeable on utilities, revenue generation and expense controls. Control of future expenses will be critical, and I am confident that his new perspective and experience will produce the proverbial fruit in both the water and sewer fund.

Another matter that needs to be addressed is that the sewer fund has been pumping out business grease traps at an annual cost of over \$20,000, further contributing to additional lost revenues that should

be retained by the sewer fund. This expense should be the responsibility of business owners. We are working on obtaining a grease trap pumping ordinance to eliminate this expense on the sewer fund.

Staff has drafted an ordinance on water and sewer service rates for the Board’s consideration. The draft includes the proposed TAUD water and sewer rates, adjustments for service connections, new installs, and replacement of damage or destroyed equipment.

The proposed TAUD water and sewer rate adjustment is estimated to create the following:

<u>Water Fund</u>	<u>GL Line</u>	<u>FY22 Collections</u>	<u>Est. Collections</u>	<u>FY 22 Deficit</u>	<u>Projected Revenue</u>
Current Water Collections Revenue	411-37110	\$ 1,019,684		\$ (171,427)	\$ 46,988
Proposed TAUD Water Rate			\$ 1,238,099		
\$ 10.25 min, \$ 4.38 per thousand	194,156,000 gals				
FY 22 consumption	191,531,900 gals				

<u>Sewer Fund</u>	<u>GL Line</u>	<u>FY22 Collections</u>	<u>Est. Collections</u>	<u>FY 22 Deficit</u>	<u>Projected Revenue</u>
Current Sewer Collections Revenue	412-37110	\$ 1,189,449.51		\$ (306,165.00)	\$ (138,893.23)
Proposed TAUD Sewer Rate					\$ 67,000.00
\$ 7.00 Min., \$ 5.25 per thousand	204,927,100 gals		\$ 1,356,721.28		\$ (71,893.23)
FY 22 consumption	205,388,500 gals				

**BEFORE THE TENNESSEE WATER AND WASTEWATER FINANCING BOARD**

**IN THE MATTER OF:**

**TOWN OF ATOKA**

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**TENN. CODE ANN. § 68-221-1010  
-FINANCIAL DISTRESS**

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**ORDER**

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On November 19, 2020, the Tennessee Water and Wastewater Financing Board (“the Board”) reviewed the financially distressed status of the Town of Atoka (“the Town”) pursuant to Tenn. Code Ann. § 68-221-1010. Board staff informed the Board that the Town currently charges different connection, tap, service, and activation fees for customers outside the Town versus those living inside the Town’s boundaries; however, Staff is unable to determine whether this discrepancy is justifiable.

Vice Chairman Moss expressed concern that although the Town is currently purchasing water at an inexpensive rate, it is still considering building a new water treatment plant despite its financial distress. Vice Chairman Moss recommended that the Board have the Town justify building a new water plant over continuing to purchase its water.

Therefore, based on Staff’s statements and recommendations, Vice Chairman Moss’s concerns, and all supporting documentation, the Board hereby orders the following:

1. The Town shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study that includes the following:

**RECEIVED**  
**DEC 07 2020**  
**TOWN OF ATOKA, TN**

- a. a review of the capitalization policy, including any recommended modifications;
  - b. creation of a five-year capital asset budget to be taken from the current capital asset list and to include future anticipated needs;
  - c. a review of all water and sewer fees, including any recommended modifications;
  - d. a justification for the differing fee classes, or if no justification is possible, recommendations for an appropriate fee structure;
  - e. a justification for the differing tap fees, or if no justification is possible, recommendations for an appropriate tap fee structure;
  - f. a review of the leak adjustment policy, including any recommended modifications; and
  - g. a cost justification for the Town starting a water treatment plant as opposed to continuing to buy water.
2. By December 31, 2020, the Town shall send Board staff a copy of the contract between the Town and the qualified expert who is to perform the tasks in paragraph 1.
  3. By December 31, 2020, the Town shall send Board staff proof that all members of the utility system's governing body have complied with the training requirements set out in Tenn. Code Ann. § 7-34-115(j).
  4. By April 1, 2021, the Town shall provide Board staff with the completed rate study, and either proof of implementation of the resulting recommendations or a proposed plan of implementation.

5. Board staff is given the authority to grant one extension of up to six months of the foregoing deadlines upon a show of good cause by the Town.

ENTERED this 30<sup>th</sup> day of December, 2020.



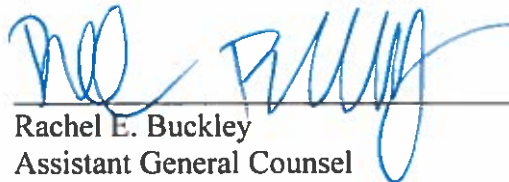
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BETSY KNOTTS, Chair  
Water and Wastewater Financing Board

### CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served via certified mail return receipt requested to the following on this 30<sup>th</sup> day of December, 2020:

Mayor W. Daryl Walker  
Ms. Debbie Pickard, City Recorder  
Town of Atoka  
334 Atoka Munford Ave.  
Atoka, TN 38004



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Rachel E. Buckley  
Assistant General Counsel

## Atoka, Tennessee - Projected Statements of Revenues and Expenses and Changes in Net Position

### Water & Sewer Fund

	Projected 6/30/2022	Projected 6/30/2023	Projected 6/30/2024	Projected 6/30/2025	Projected 6/30/2026
<b>Operating Revenues:</b>					
Metered Sales & Service	2,258,660	2,375,158	2,375,158	2,375,158	2,375,158
Connection Fees	55,527	55,527	55,527	55,527	55,527
Tap Fees	88,400	88,400	88,400	88,400	88,400
Penalties	39,017	39,017	39,017	39,017	39,017
Other Operating Income	16,963	16,963	16,963	16,963	16,963
<b>Total Operating Revenues</b>	<b>2,458,567</b>	<b>2,575,065</b>	<b>2,575,065</b>	<b>2,575,065</b>	<b>2,575,065</b>
<b>Operating Expenses:</b>					
Salaries & Wages	493,939	503,818	513,894	524,172	534,655
Fringes	157,251	160,396	163,604	166,876	170,214
Maintenance Service & Supplies	516,000	516,000	516,000	516,000	516,000
Water Purchased	500,969	510,988	521,208	531,632	542,265
Sewer Fees	233,496	238,166	242,929	247,788	252,744
Office Supplies	52,676	53,730	54,804	55,900	57,018
Utilities	140,713	143,527	146,398	149,326	152,312
Insurance	55,983	57,103	58,245	59,410	60,598
Legal & Professional Services	43,589	44,461	45,350	46,257	47,182
Depreciation	465,980	465,980	465,980	465,980	465,980
Miscellaneous Equipment	20,367	21,589	22,884	24,257	25,713
Other	31,272	31,897	32,535	33,186	33,850
<b>Total Operating Expenses</b>	<b>2,712,235</b>	<b>2,747,655</b>	<b>2,783,832</b>	<b>2,820,784</b>	<b>2,858,531</b>
<b>Operating Income (Loss)</b>	<b>(253,668)</b>	<b>(172,590)</b>	<b>(208,767)</b>	<b>(245,719)</b>	<b>(283,466)</b>
<b>Nonoperating Revenues (Expenses)</b>					
Interest Income	19,953	19,953	19,953	19,953	19,953
Interest Expense	(19,662)	(17,910)	(16,128)	(14,317)	(12,475)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>291</b>	<b>2,043</b>	<b>3,825</b>	<b>5,636</b>	<b>7,478</b>
<b>Change in Net Position before Suggested Rate Increase</b>	<b>(253,377)</b>	<b>(170,547)</b>	<b>(204,942)</b>	<b>(240,083)</b>	<b>(275,988)</b>
<b>Revenue Generated from Suggested Rate Increase</b>	<b>N/A</b>	<b>194,422</b>	<b>242,047</b>	<b>313,552</b>	<b>377,348</b>
<b>Change in Net Position</b>	<b>(253,377)</b>	<b>23,875</b>	<b>37,105</b>	<b>73,469</b>	<b>101,360</b>

NOTE: For FY 23, 24, 25 and 26 - All expenses increased by 2% with the exception of depreciation expense and maintenance service & supplies and miscellaneous equipment. Depreciation expense increased with new depreciation from 5-year capital plan. Maintenance service & supplies and miscellaneous equipment stayed constant as indicated by city recorder.

*Updated  
5/23/22*



**Atoka, Tennessee - Test Year  
Water & Sewer Fund**

	City		Last 2 Year Average	Actual		Estimated 4/1/22 - 6/30/22	Estimated for 21-22	Test Year for 21-22	Explanation
	Budget 21-22			7/1/21 - 3/31/22					
<b>Operating Revenues:</b>									
Metered Sales & Service	2,293,659		2,014,160	1,641,050	547,017	2,188,067		2,258,660	From recalculated usage
Connection Fees	49,028		64,138	41,645	13,882	55,527		55,527	Used estimated for 21-22
Tap Fees	206,150		105,500	66,300	22,100	88,400		88,400	Used estimated for 21-22
Penalties	43,400		34,578	29,263	9,754	39,017		39,017	Used estimated for 21-22
Other Operating Income	8,880		16,963	19,280	6,427	25,707		16,963	Used last 2 year average
<b>Total Operating Revenues</b>	<b>2,601,117</b>		<b>2,235,338</b>	<b>1,797,538</b>	<b>599,179</b>	<b>2,396,717</b>		<b>2,458,567</b>	
<b>Operating Expenses:</b>									
Salaries & Wages	453,866		402,258	370,454	123,485	493,939		493,939	Used estimated for 21-22
Fringes	99,996		106,960	117,938	39,313	157,251		157,251	Used estimated for 21-22
Maintenance Service & Supplies	488,958		287,623	501,001	167,000	668,001		516,000	Discussions w/ Marc and budget
Water Purchased	440,000		500,969	378,874	126,291	505,165		500,969	Used last 2 year average
Sewer Fees	150,000		233,496	150,967	50,322	201,289		233,496	Used last 2 year average
Office Supplies	33,637		61,112	57,351	19,117	76,468		52,676	Used 2021 actual
Utilities	121,867		140,713	97,637	32,546	130,183		140,713	Used last 2 year average
Insurance	35,838		39,572	41,987	13,996	55,983		55,983	Used estimated for 21-22
Legal & Professional Services	43,540		25,599	32,692	10,897	43,589		43,589	Used estimated for 21-22
Depreciation	474,953		465,980	-	465,980	465,980		465,980	Used last 2 year average
Miscellaneous Equipment	-		41,430	15,275	5,092	20,367		20,367	Used estimated for 21-22
Other	11,778		51,093	23,454	7,818	31,272		31,272	Used estimated for 21-22
<b>Total Operating Expenses</b>	<b>2,354,433</b>		<b>2,356,803</b>	<b>1,787,630</b>	<b>1,061,857</b>	<b>2,849,487</b>		<b>2,712,235</b>	
<b>Operating Income (Loss)</b>	<b>246,684</b>		<b>(121,466)</b>	<b>9,908</b>	<b>(462,677)</b>	<b>(452,769)</b>		<b>(253,668)</b>	
<b>Nonoperating Revenues (Expenses)</b>									
Interest Income	13,220		19,953	5,225	1,742	6,967		19,953	Used 2 year average
Interest Expense	(30,000)		(35,192)	(19,947)	285	(19,662)		(19,662)	From Amortization schedule on audit
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(16,780)</b>		<b>(15,239)</b>	<b>(14,722)</b>	<b>2,027</b>	<b>(12,695)</b>		<b>291</b>	
<b>Change in Net Position</b>	<b>229,904</b>		<b>(136,705)</b>	<b>(4,814)</b>	<b>(460,651)</b>	<b>(465,465)</b>		<b>(253,377)</b>	

**Estimated Revenue for the FY 22-23***(to start July 1, 2022)*

	<u>Rates</u>	<u>Gallons</u>	<u>Revenue</u>
<b>WATER - 3,152 Customers</b>			
Minimum Bill	\$10.25	-	\$ 387,696.00
Per 1,000 gallons	\$4.25 / 1,000	194,156,000	\$ 825,163.00
	TOTAL WATER	194,156,000	\$ 1,212,859.00
<b>SEWER - 691 customers</b>			
Billed by Poplar Grove			
Minimum Bill	\$7.00	N/A	\$ 58,044.00
Inside & Outside Per 1,000 gallons	\$5.25 / 1,000	34,017,300	\$ 178,590.83
<b>SEWER - 2,587 customers</b>			
Billed by Atoka			
Minimum - 5/8" to 3/4" - 2,541 customers	\$7.00	N/A	\$ 213,444.00
Minimum - 1" - 21 customers	\$9.00	N/A	\$ 2,268.00
Minimum - 1" to 1 1/2" - 2 customers	\$17.25	N/A	\$ 414.00
Minimum - 2" - 21 customers	\$23.00	N/A	\$ 5,796.00
Minimum - 3" - 2 customers	\$37.00	N/A	\$ 888.00
Per 1,000 gallons	\$5.25 / 1,000	170,909,800	\$ 897,276.45
	TOTAL SEWER		\$ 1,356,721.28
	TOTAL WATER AND SEWER		\$ 2,569,580.28

\$ 194,422.27  
increase

NOTE: The City indicated they wanted to keep their net income around \$100,000, so we will suggest going up

**Estimated Revenue for the FY 23-24***(to start July 1, 2023)*

	<u>Rates</u>	<u>Gallons</u>	<u>Revenue</u>
<b>WATER - 3,152 Customers</b>			
Minimum Bill	\$10.35	-	\$ 391,478.40
Per 1,000 gallons	\$4.35 / 1,000	194,156,000	\$ 844,578.60
	TOTAL WATER	194,156,000	\$ 1,236,057.00
<b>SEWER - 691 customers</b>			
Billed by Poplar Grove			
Minimum Bill	\$7.10	N/A	\$ 58,873.20
Inside & Outside Per 1,000 gallons	\$5.35 / 1,000	34,017,300	\$ 181,992.56
<b>SEWER - 2,587 customers</b>			
Billed by Atoka			
Minimum - 5/8" to 3/4" - 2,541 customers	\$7.10	N/A	\$ 216,493.20
Minimum - 1" - 21 customers	\$9.10	N/A	\$ 2,293.20
Minimum - 1" to 1 1/2" - 2 customers	\$17.35	N/A	\$ 416.40
Minimum - 2" - 21 customers	\$23.10	N/A	\$ 5,821.20
Minimum - 3" - 2 customers	\$37.10	N/A	\$ 890.40
Per 1,000 gallons	\$5.35 / 1,000	170,909,800	\$ 914,367.43

	TOTAL SEWER	\$ 1,381,147.59	
	TOTAL WATER AND SEWER	\$ 2,617,204.59	\$ 242,046.58 increase

**Estimated Revenue for the FY 24-25**

(to start July 1, 2024)

	Rates	Gallons	Revenue	
<b>WATER - 3,152 Customers</b>				
Minimum Bill	\$10.50	-	\$ 397,152.00	
Per 1,000 gallons	\$4.50 / 1,000	194,156,000	\$ 873,702.00	
	TOTAL WATER	194,156,000	\$ 1,270,854.00	
<b>SEWER - 691 customers</b>				
Billed by Poplar Grove				
Minimum Bill	\$7.25	N/A	\$ 60,117.00	
Inside & Outside Per 1,000 gallons	\$5.50 / 1,000	34,017,300	\$ 187,095.15	
<b>SEWER - 2,587 customers</b>				
Billed by Atoka				
Minimum - 5/8" to 3/4" - 2,541 customers	\$7.25	N/A	\$ 221,067.00	
Minimum - 1" - 21 customers	\$9.25	N/A	\$ 2,331.00	
Minimum - 1" to 1 1/2" - 2 customers	\$17.50	N/A	\$ 420.00	
Minimum - 2" - 21 customers	\$23.50	N/A	\$ 5,922.00	
Minimum - 3" - 2 customers	\$37.50	N/A	\$ 900.00	
Per 1,000 gallons	\$5.50 / 1,000	170,909,800	\$ 940,003.90	
	TOTAL SEWER		\$ 1,417,856.05	
	TOTAL WATER AND SEWER		\$ 2,688,710.05	\$ 313,552.05 increase

**Estimated Revenue for the FY 25-26**

(to start July 1, 2025)

	Rates	Gallons	Revenue
<b>WATER - 3,152 Customers</b>			
Minimum Bill	\$10.50	-	\$ 397,152.00
Per 1,000 gallons	\$4.65 / 1,000	194,156,000	\$ 902,825.40
	TOTAL WATER	194,156,000	\$ 1,299,977.40
<b>SEWER - 691 customers</b>			
Billed by Poplar Grove			
Minimum Bill	\$7.35	N/A	\$ 60,946.20
Inside & Outside Per 1,000 gallons	\$5.65 / 1,000	34,017,300	\$ 192,197.75
<b>SEWER - 2,587 customers</b>			
Billed by Atoka			
Minimum - 5/8" to 3/4" - 2,541 customers	\$7.35	N/A	\$ 224,116.20
Minimum - 1" - 21 customers	\$9.35	N/A	\$ 2,356.20

Minimum - 1" to 1 1/2" - 2 customers	\$17.60	N/A	\$	422.40	
Minimum - 2" - 21 customers	\$23.60	N/A	\$	5,947.20	
Minimum - 3" - 2 customers	\$37.60	N/A	\$	902.40	
Per 1,000 gallons	\$5.65 / 1,000	170,909,800	\$	965,640.37	
		TOTAL SEWER	\$	1,452,528.72	
	TOTAL WATER AND SEWER		\$	2,752,506.12	\$ 377,348.11 increase

**Exhibit A**

**ORDINANCE NUMBER \_\_\_\_\_**

**AN ORDINANCE TO AMEND TITLE 18 CHAPTER 4 SECTION 403 AND 404 OF THE ATOKA MUNICIPAL CODE RELATED TO WATER AND SEWER SERVICE RATES.**

**WHEREAS**, the Title 18 Chapter 4 Section 403 of the Atoka Municipal Code of Ordinances sets the various fees for water and sewer service provided by the Town of Atoka, and

**WHEREAS**, the Town seeks to charge fair and reasonable fees for water and sewer services provided by the Town; and

**WHEREAS**, the Town must, from time to time, evaluate its water and sewer rate structure to maintain the financial integrity of the system.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF ATOKA, THAT:**

**SECTION 1.** Title 18 Chapter 4 Section 403 (1) of the Atoka Municipal Code is amended to read as follows.

**Red Text Indicates Changes**

(1) Water Rates. The following rates and fees shall be charged to water customers:

Minimum	\$ 10.00	<b>\$ 10.25</b>
Each one thousand gallons	\$ 3.85	<b>\$ 4.38</b>

**SECTION 2.** Title 18 Chapter 4 Section 403 (2) of the Atoka Municipal Code is amended to read as follows.

(2) Sewer Rates. The following rates and fees shall be charged to water customers:

	Meter Size		
Minimum	5/8 to 3/4 inch	\$ 6.88	<b>\$ 7.00</b>
Minimum	1 inch	\$ 8.74	<b>\$ 9.00</b>
Minimum	1-1/2 inch	\$ 17.03	<b>\$ 17.25</b>
Minimum	2 inch	\$ 22.56	<b>\$ 23.00</b>
Minimum	3 inch	\$ 36.81	<b>\$ 37.00</b>
Each one thousand gallons		\$ 4.75	<b>\$ 5.25</b>
Grease tank pumping		<del>\$ 50.00</del>	

**SECTION 3.** Title 18 Chapter 4 Section 403 (3) of the Atoka Municipal Code is amended to read as follows.

(3) Connection / Tap fees. The following fees shall be charged to customers for tapping onto the Town's water or sewer lines. These fees shall include all materials and labor for the Town to complete the connection.

Primary Water Connection	\$ 700.00	
Sewer Connection - <b>STEG System</b>	\$ 600.00	<b>\$ 1,000.00</b>
<b>STEP System</b>		<b>\$ 1,000.00</b>

Auxiliary Water Connection	\$ 400.00	\$ 900.00
Grinder/Sewer Pump Installation	\$ 3,100.00	\$ 3,500.00
Water Service Relocation using Existing Meter	\$ 400.00	

**SECTION 4.** Title 18 Chapter 4 Section 403 (4) of the Atoka Municipal Code is amended to read as follows.

- (4) Account Activation/Relocation fee. The following fees shall be charged to customers requesting a new service, a name change on an existing service, or a relocation of service:

Water Connection – Property Owner	\$ 35.00	\$ 85.00
Sewer Connection – Property Owner	\$ 40.00	\$ 85.00
Water Connection – Property Renter	\$ 60.00	\$ 85.00
Sewer Connection – Property Renter	\$ 50.00	\$ 85.00

**SECTION 5.** Title 18 Chapter 4 Section 403 (5) of the Atoka Municipal Code is amended to read as follows.

- (5) Penalties and Service fees. The following fees shall be charged to customers as defined:

Late payment penalty	10% of bill due
Fee to restore service during business hours	\$ 25.00
Fee to activate service after business hours	\$ 40.00
Fee to restore service after business hours	\$ 85.00
Returned check fee	\$ 30.00

**SECTION 6.** Title 18 Chapter 4 Section 403 (6) of the Atoka Municipal Code is amended to read as follows.

- (6) Damaged or Destroyed equipment fees. The following replacement fees shall be charged to customers who destroy, disable or otherwise damage town equipment.

Water meter box lock	\$ 50.00	plus \$90.00/hour - labor and truck
Concrete meter box lid	\$ 85.00	plus \$90.00/hour - labor and truck
Concrete meter box	\$ 135.00	plus \$90.00/hour - labor and truck
Sewer tank riser	\$ 70.00	\$ 275.00 plus \$90.00/hour - labor and truck
Sewer tank lid	\$ 125.00	\$ 140.00 plus \$90.00/hour - labor and truck
Water meter		\$ 400.00 plus \$90.00/hour - labor and truck

**SECTION 7.** Title 18 Chapter 4 Section 404 of the Atoka Municipal Code is amended to read as follows.

18-404. Non-refundable Water and Sewer Connection fees. The following non-refundable connection fees shall apply:

- (1) Water Service. Residents. Each prospective water customer who owns property on which they reside within the corporate limits shall pay a (\$35.00) non-refundable connection fee and each prospective water customer who rents property within the corporate limits shall pay a (\$60.00) non-refundable connection fee to secure water service to his or her residence or business.

- (2) Sewer Service. Residents. Each prospective sewer customer who owns property on which they reside within the corporate limits shall pay (\$40.00) non-refundable connection fee and each prospective sewer customer who rents property within the corporate limits shall pay a (\$50.00) non-refundable connection fee to secure to his or her residence or business.

**SECTION 8.** This Ordinance shall become effective immediately upon its adoption, the public welfare requiring it.

**PASSED** at the First Reading by the Board of Mayor and Aldermen of the Town of Atoka, Tennessee on the 14<sup>th</sup> day of July 2022.

**PASSED** at the Second Reading by the Board of Mayor and Aldermen of the Town of Atoka, Tennessee on the 26<sup>th</sup> day of July 2022.

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W. Daryl Walker, Mayor

ATTEST:

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Town Recorder