

ORDINANCE NO. 1010

**AN ORDINANCE ESTABLISHING A FRANCHISE FEE PAYMENT AGREEMENT
BETWEEN THE CITY OF BAY MINETTE, ALABAMA AND NORTH BALDWIN
UTILITIES.**

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY
OF BAY MINETTE, ALABAMA, AS FOLLOWS:**

The City Council of the City of Bay Minette does hereby authorize an agreement concerning the payment of certain franchise fees by North Baldwin Utilities, subject to the terms and conditions set forth in the following agreement:

A G R E E M E N T

FRANCHISE FEE PAYMENT AGREEMENT

This FRANCHISE FEE PAYMENT AGREEMENT ("Agreement") between the City of Bay Minette, a municipal corporation under the laws of the state of Alabama (herein called "the City") and North Baldwin Utilities, a public corporation organized under the laws of the State of Alabama (herein called "NBU").

R E C I T A L S

NBU is a public corporation organized under the laws of the State of Alabama. NBU owns and operates a water works plant and distribution system (herein called "the Water Works System"), a sanitary sewer system (herein call "the Sewer System") and a natural gas transmission and distribution system (herein called "the Gas System").

Pursuant to Ordinances Numbered 567 and 822 of the City, adopted by the governing body of the City on August 18, 1959 and November 6, 1995, respectively (herein called "the Franchise Ordinances"), the City granted franchises to the Board for the purpose of constructing, operating and maintaining the Water Works System, the Sewer System and the Gas System (herein together called "the Utilities Systems") along the public rights of way within the City.

NBU and the City have ascertained and do hereby find and declare as follows:

- (a) NBU and the City have a long history of working cooperatively for the benefit of the citizens of Bay Minette and the utility customers of NBU;
- (b) NBU's water works plant and distribution system, its sanitary sewer system and its natural gas transmission and distribution systems (collectively, the "System") form a vital roll in serving the present and future utility needs of the City;
- (c) The System operates pursuant to franchise agreements (collectively, the "Franchise Agreements") previously granted by the City;

(d) In lieu of a formal franchise fee, NBU has, for an extended period of time, consistently used its resources on joint projects with the City that have had the effect of bettering the community and serving public purposes;

(d) In order to allow for better long-range planning on the part of NBU and the City, it has been determined that a fixed franchise fee is most appropriate given the current circumstances; and

(e) NBU is willing to commit to the Franchise Fee Payment Agreement for and in consideration for the continued use of the public streets and right of ways in the City for the operation and maintenance of the Utilities Systems pursuant to the ordinances of the City authorizing the use thereof by NBU.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and NBU do hereby agree as follows:

Section 1. Franchise Fee Payment. NBU agrees that, on a monthly basis beginning on October 1, 2022, and each month thereafter during the term of this Agreement, NBU will pay to the City an amount equal to \$15,000.00. All payments to be made by NBU hereunder shall be made out of funds of NBU remaining in each calendar month after the satisfaction by NBU of the requirements of any bonded indebtedness pursuant to which NBU has issued or may hereafter issue any obligations payable out of the revenues of NBU.

Section 2. Continuation of Franchises. In consideration of the agreement of NBU to make the payments to the City required by Section 1 of this Agreement, the City agrees to take such action as may be necessary to keep the Franchise Ordinances in full force and effect.

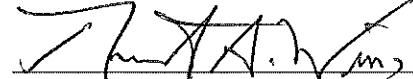
Section 3. Term. This Agreement shall remain in effect for a term of twenty-years (20) from the date of October 1, 2022.

Section 4. Severability. In the event that any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.


ADOPTED AND APPROVED BY THE CITY OF BAY MINETTE, ALABAMA on this the 1st day of August, 2022.

CITY OF BAY MINETTE

By:


Robert A. Wills, Mayor

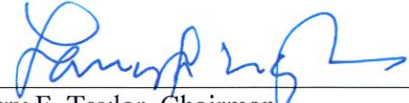
Attest:


Rita Diedrich, City Clerk

ACCEPTANCE BY NORTH BALDWIN UTILITIES

on this the _____ day of _____, 2022.

NORTH BALDWIN UTILITIES

By: 

Larry F. Taylor, Chairman

Attest:


James H. Robertson, Secretary