

## CONTRACT FOR BILLING AND COLLECTION SERVICES

The Agreement entered into this 16<sup>th</sup> day of June 2008, by and between the Hopkinsville Water Environment Authority, herein called HWEA and the City of Oak Grove Utility Department, herein called Oak Grove.

WITNESSETH THAT:

WHEREAS: HWEA desires to engage assistance from Oak Grove to provide billing and collection and/or professional services in connection with its administration of the HWEA Oak Grove Utility Division. Now therefore, the parties do mutually agree as follows:

I. Scope of Services

- A. Oak Grove agrees to provide monthly billing of the Sewer Utility Fee (Fee). Oak Grove will be responsible for the management of accounts and for determining the fee to be billed to each Sewer Utility customer consistent with the HWEA Fee Structure in use.
- B. Oak Grove will collect the payment of the Fee by mail, credit card, ACH, or drop off at any of the Oak Grove designated centers. The revenue collected from the payment of Fees will be delivered to the Financial Director of HWEA twice a month on the 1<sup>st</sup> and 16<sup>th</sup> of each month in the form of a check from Oak Grove to HWEA. HWEA will pick up the check at the Oak Grove office on the 1<sup>st</sup> and 16<sup>th</sup> of each month. Any 10% late fees collected on sewer accounts will be paid to HWEA, as well as all tap and connection fees collected from sewer customers.
- C. The following reports will be supplied by Oak Grove as follows:
  1. Semi-monthly collection report showing which customers have paid, what amount was paid, the type of revenue, and a page total which matches to the semi-monthly check,
  2. Monthly billing report summarized by revenue type for posting to general ledger.

3. Month end accounts receivable aging report by customer.
  4. Monthly listing of new customers by name, location, and water meter size.
  5. Monthly listing of customers who have closed their accounts and are no longer customers.
  6. Monthly detailed utility billing adjustment report by account ID and by customer.
  7. The names and addresses of customers turned over to the collection agency every 45 days.
- D. Oak Grove service technicians will perform cut-off services on those customers determined to be delinquent. A final notice bill will be issued to each utility customer delinquent with the due date, including the date for termination of water and sewer services. A copy of the cut-off report will be delivered to HWEA at the end of each month.
- E. Oak Grove will provide to HWEA any other report upon written request by the Financial Director of HWEA.

## II. Cost of Services

- A. Oak Grove will provide a monthly detailed invoice for the HWEA Oak Grove Sewer Utility billing and collection services to HWEA.
- B. The cost of billing and collection services include:
1. \$0.04 per bill
  2. 30% of the postage cost for mailing the bills
  3. \$1,500 per month for collection of fee revenues, preparation of all billing and collection reports, and for cut-off service on delinquent accounts.
- C. Oak Grove contracts with Pennyrile Collections to recover bad debts. Oak Grove will send HWEA a check for collected bad debts less the 35% collection fee that Pennyrile charges. A copy of the Pennyrile Collection billing will be attached to the check.

D. For additional billing and collection reports requested by the Financial Director of HWEA, a cost of \$25 per report will be charged.

E. Payment to Oak Grove for billing and collection services is due within 20 days of the invoice date.

III. Contract Amendment

This contract may be amended or revised at anytime upon the written consent of both parties. In order to be binding the amendment must be written, dated, and signed by the General Manager of HWEA and the Mayor of Oak Grove, Kentucky.

IV. Termination of Services

This contract may be terminated by either party upon ninety (90) days written notice of said termination.

Hereby Approved:

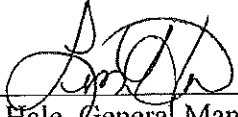
Dan Potter  
Dan Potter, Mayor  
Oak Grove, Kentucky

Date June 13, 2008

I, the undersigned, a Notary Public in and for the State of Kentucky and Christian County, do hereby certify that on the 13<sup>th</sup> day of June 2008, personally appeared before me Evelyn McDaniel in the foregoing instrument, and acknowledged the signing of thereof to be their voluntary act for the uses and purposes set forth.

Evelyn McDaniel My Commission expires 08/06/11  
Notary Public

SEAL

  
\_\_\_\_\_  
Len Hale, General Manager  
Hopkinsville Water Environment Authority

6/16/08  
\_\_\_\_\_  
Date

I, the undersigned, a Notary Public in and for the State of Kentucky and Christian County, do hereby certify that on the 16 day of June 2008, personally appeared before me Lisa Olivier in the foregoing instrument, and acknowledged the signing of thereof to be their voluntary act for the uses and purposes set forth.

Lisa Olivier My Commission expires 9-17-2011  
\_\_\_\_\_  
Notary Public

SEAL