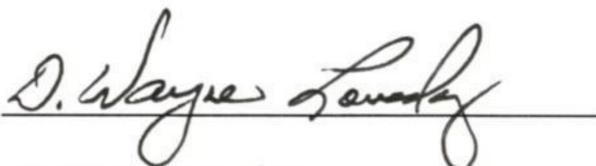


# Supplemental Environmental Project Semi-Annual Report Volume 2

**Second Semi-Annual Report  
July 1, 2005 – December 31, 2005**

**Submitted to EPA on January 27, 2006**

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering such information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.



D. Wayne Loveday



Date

0001306

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**Supplemental Environmental Project  
Second Semi-Annual Report  
July 1, 2005, through December 31, 2005**

**1. Introduction**

KUB is required to perform and complete a Supplemental Environmental Project (SEP) as set forth in Section VIII. Supplemental Environmental Project and Appendix B Supplemental Environment Project of the Consent Decree (CD). *This project was undertaken in connection with the settlement of a civil enforcement action taken by the United States for violations of the Clean Water Act.* This Semi-Annual Report covers events from July 1, 2005 through December 31, 2005.

In addition to the required SEP funding, KUB has also voluntarily established a low-income, no interest loan program. This program will serve customers earning 60 percent of the median income. The cost of the lateral repair or replacement will be added to the customers' bill over a period of 48 months.

**2. Deposit of Funds to the SEP Escrow by KUB**

KUB made the second deposit of \$150,000 to the Escrow Account on August 11, 2005. A copy of the deposit documentation for that payment was submitted to EPA on September 7, 2005 and is in Appendix A.

**3. Disbursement of Funds From the SEP Escrow by Escrow Agent to the Third Party Administrator to Pay Plumbers for Services Completed**

As of December 31, 2005, no disbursements have been made from the SEP Escrow Account. Three defective laterals were replaced during this reporting period. Disbursements from the Escrow Account will be made to the Third Party Administrator upon receipt of an invoice and supporting documentation for each lateral replacement.

**4. Balance of Funds in the SEP Escrow**

The balance in the SEP Escrow Account, as of December 31, 2005, is \$304,376.35. The deposits to the escrow account and the accrued interest for this reporting period are shown in the table below.

Date	Deposit	Disbursement	Accrued Interest	Balance
07/01/2005			\$305.82	\$151,047.13
08/01/2005			\$337.77	\$151,384.90
08/11/2005	\$150,000.00			\$301,384.90
09/01/2005			\$606.46	\$301,991.36
10/01/2005			\$739.34	\$302,730.70
11/01/2005			\$810.78	\$303,541.48
12/01/2005			\$834.87	\$304,376.35

**5. Payment of Funds by Third Party Administrator to Plumbers**

In this reporting period, the Third Party Administrator made the following payment to a plumber for services completed at the property listed below.

Property Address	Plumber	Amount
[REDACTED]	Lyon Plumbing	\$1,250.00

**6. Location of Private Residential Properties Where Services Have Been Performed Under the SEP Program**

Private service laterals have been repaired or replaced under the SEP program at the following locations.

Homeowner Name	Property Address	Work Completed Date
[REDACTED]	[REDACTED]	11/10/2005
[REDACTED]	[REDACTED]	12/08/2005
[REDACTED]	[REDACTED]	12/26/2005

**7. SEP Implementation Tasks**

**Third Party Administrator**

KUB and Knoxville-Knox County Community Action Committee (CAC) signed a Statement of Work on June 10, 2005 that authorized CAC to begin work on program set-up activities for administering the SEP. Under this Statement of Work, CAC developed a Policies and Procedures Handbook for the Pace 10 Residential Assistance Program. The handbook contains a copy of the Plumbing Contractor Contract used by CAC for the work bid to each plumber.

The contract between CAC and KUB establishing CAC as the Third Party Administrator was finalized and signed in August 2005. A copy of the contract is in Appendix B.

### **Private Lateral Tracker**

KUB completed development of a Lotus Notes information management system (IMS) application, called the Private Lateral Tracker, to track the Program's enforcement response, issuance of City plumbing permits, and CAC's activity for SEP eligible customers. KUB uses the IMS to track inspection, property ownership, enforcement notification, the appeal process, and other customer communications from initial lateral inspection through completion of the repair or replacement of the lateral. Sample screen shots of the IMS are in Appendix C.

The IMS is designed to also collect and track information for the City of Knoxville and CAC. The City of Knoxville enters information about the date the plumbing permit is issued, the date the final inspection is complete, and when reminder notices are sent by the city to the property owner under the City of Knoxville tab in the IMS. CAC enters information under the Res. Assistance tab to capture the initial contact with the customer, approval for assistance, cost of repair or replacement, and key dates associated with the repair or replacement of the lateral. The City of Knoxville and CAC can also view the information entered by KUB. KUB trained City of Knoxville and CAC personnel on the use of the IMS.

## **8. Tasks Scheduled for the Next Six Months**

The following tasks are scheduled for the next six months:

- Continue to identify property owners with defective laterals or prohibited connections
- Continue private lateral enforcement response
- Make payments from the Escrow account for work completed under the SEP

## **Appendix A**

### Escrow Deposit Documentation



Knoxville Utilities Board

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September 7, 2005

**VIA CERTIFIED MAIL**

Mr. Doug Mundrick  
Chief, Water Programs Enforcement Branch  
Water Management Division  
U.S. Environmental Protection Agency, Region 4  
Atlanta Federal Center  
61 Forsyth Street, SW  
Atlanta, GA 30303

Re: Payment of \$150,000 Supplemental Environmental Project (SEP)  
payment: U.S., et al. v. Knoxville Utilities Board (KUB): Case Nos. 3:04-CV-  
568 and 3:03-CV-497; DOJ Case No. 90-5-1-1-08186

Dear Mr. Mundrick:

KUB paid the second SEP payment in the amount of \$150,000 to the SEP escrow account identified in the executed Escrow Agreement on August 11, 2005, as required by Appendix B.D.1 of the Consent Decree (CD). KUB is required to make this second payment no later than six (6) months after the Date of Entry of the CD, which was entered in the United States District Court for the Eastern District of Tennessee, Northern Division, Knoxville, Tennessee, on February 11, 2005.

Appendix B.D.1. also requires KUB to provide documentation of the deposit to the SEP Escrow within thirty (30) days of each such deposit. An account transaction statement and a copy of an e-mail requesting the funds be transferred to the escrow account are enclosed as proof of payment.

Mr. Mundrick  
Page 2  
September 7, 2005

If you have any questions, please call Mark Walker, Vice President of Finance, at (865) 594-7418.

Sincerely,



Bill R. Elmore  
Senior Vice President and Chief Operating Officer

cc: Chief, Environmental Enforcement Section,  
Environment and Natural Resources Division, DOJ  
E. Joseph Sanders, General Counsel, TDEC  
Renee Victoria Hoyos, Executive Director, TCWN  
Bill Haslam, Mayor, City of Knoxville  
Hiram G. Tipton, Hodges, Doughty & Carson, PLLC  
Paul Davis, TDEC  
Susan H. Richardson, Kilpatrick Stockton, LLP  
John West, TDEC  
Wayne Loveday, Director, Plants and Collection System, KUB

Enclosures

0001313



**AMSOUTH BANK**  
**Account Transaction Inquiry Dtl**

Run on 8/19/2005 3:33:18 PM

RECEIVED FROM KNOXVILLE  
UTILITIES BOARD DDA# 40 PER  
STEVEN ROACH EMAIL DATED  
08/11/2005

CASH RCVD  
Ref: A/C\* 2082000792 SD\* 08/11/2005 SEQ\* 1

---

Account #	2082000792 Cusip	CASH
Settlement Date	08/11/2005 Principal Cash	150,000.00
Trade/Effective Date	08/11/2005 Funds Code	0-GOOD FUNDS
Tax Code	419-MISC. RECEIPTS - UNKNOWN TAX STATUS	
Income Code	0-NO INCOME CODE	



Dale Grubbs/CSD/FIN/KUB  
08/11/2005 12:55 PM

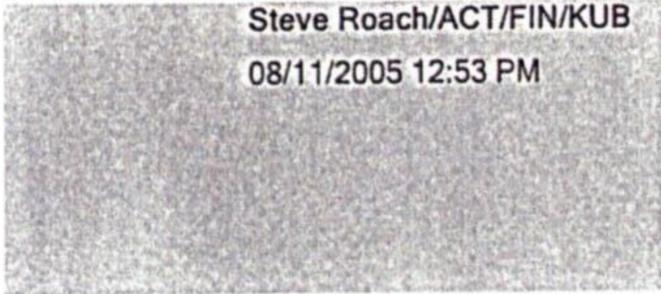
To Patricia R Green/ODD/CSV/KUB@KUB  
cc Dawn Mosteit/ODD/CSV/KUB@KUB  
bcc  
Subject Fw: Money transfer

FYI -

Thanks, DG

Dale Grubbs  
CSD Supervisor  
Accounts Processing  
Phone (865) 558-2358  
Fax (865) 558-2386  
E-Mail dgrubbs@kub.org

----- Forwarded by Dale Grubbs/CSD/FIN/KUB on 08/11/2005 12:55 PM -----



Steve Roach/ACT/FIN/KUB  
08/11/2005 12:53 PM

To Dale Grubbs/CSD/FIN/KUB@KUB  
cc  
Subject Fw: Money transfer

----- Forwarded by Steve Roach/ACT/FIN/KUB on 08/11/2005 12:53 PM -----



kimberly.shaw@amsouth.co  
m  
08/11/2005 11:31 AM

To "Steve Roach" <SRoach@kub.org>  
cc  
Subject Re: Money transfer

Steven your request has been completed. Thanks & have a great day.

Kimberly Shaw  
AmSouth Bank  
Endowments and Foundations  
Phone (615) 748-2167  
Fax (615) 736-6100  
kimberly.shaw@amsouth.com

"Steve Roach"  
<SRoach@kub.org>

08/11/2005 07:22  
AM

kimberly.shaw@amsouth.com

To  
cc

0001315

Subject

Money transfer

Please transfer \$150,000.00 from our AmSouth DDA account # 0000000040 to our AmSouth escrow account # 2082000792 today. Please notify me by return email or phone when this has been done.

Thank you for your assistance.

Steve Roach  
Cash Manager  
Knoxville Utilities Board  
865-594-7225

0001316

**Appendix B**

Third Party Administrator Contract

**SUPPLEMENTAL ENVIRONMENTAL PROJECT/THIRD PARTY  
ADMINISTRATOR  
AGREEMENT**

This Agreement, made and entered into this day August 1, 2005, by and between the **KNOXVILLE UTILITIES BOARD**, a municipal utility existing under and by virtue of the Charter of the City of Knoxville, Tennessee, a municipal corporation organized and existing under the laws of the State of Tennessee, hereafter called ("KUB"), and Knoxville-Knox County Community Action Committee, hereinafter called ("CAC") a public agency existing under the laws of the State of Tennessee.

**WITNESSETH**

**WHEREAS**, pursuant to a Consent Decree under the Clean Water Act entered with the United States District Court for the Eastern District of Tennessee, Northern Division, on February 11, 2005 (the "Consent Decree"), KUB is required to establish a Supplemental Environmental Project ("SEP Program") to reduce extraneous flows entering its Wastewater Collection System through defective and leaking residential private laterals ("Private Laterals") and through illicit connections from residential properties ("Illicit Connections");

**WHEREAS**, KUB is required under the terms of the SEP Program to provide financial assistance to eligible residential property owners to repair or replace Private Laterals and remove Illicit Connections ("SEP Funding") and to contract with a local, non-profit entity such as CAC to act as a third party administrator to administer the SEP Program; and

**WHEREAS**, KUB, is supplementing the mandated funding of the SEP Program with KUB appropriated funds as determined by KUB via its annual budgeting process to provide financial assistance for a low income loan program to eligible property owners to repair or replace Private Laterals and remove Illicit Connections ("KUB Funding Assistance") and to contract with a local, non-profit entity such as CAC to act as a third party administrator to administer the supplemental KUB funds and to segregate the KUB Funding Assistance from the SEP Funding as required by the Consent Decree; and

**WHEREAS**, CAC has experience with administering programs similar to the SEP and qualifying residential property owners for financial assistance for programs similar to the SEP Program; and

**NOW, THEREFORE**, CAC and KUB for adequate consideration mutually agree as follows:

**I. RESPONSIBILITIES OF THE PARTIES**

- 1.1 Responsibilities of CAC for the SEP Program. CAC shall act as KUB's third party administrator for the SEP Program, administering the SEP Program on

KUB's behalf and qualifying residential property owners for financial assistance under guidelines approved by KUB. The responsibilities of CAC under this Agreement, working in cooperation with KUB, shall be as follows:

- a) Develop list of approved contractors and plumbers who will perform services at agreed upon costs and in accordance with current plumbing code requirements.
- b) Develop contracts to be used to retain selected plumbers.
- c) Require work to be completed by selected plumbers within one hundred twenty (120) days of KUB's notification of noncompliance to a customer that said customer has a defective private lateral or improper connection.
- d) Train personnel to administer program.
- e) Segregate costs reimbursed with mandated SEP Funding from costs reimbursed by supplemental KUB Funding Assistance.
- f) Provide KUB with tracking evidence of disbursement of SEP Program funds to CAC qualified plumbers and contractors, acceptable evidence being invoices, purchase orders, or other documentation identifying and itemizing costs of goods or services. KUB will not consider cancelled drafts as acceptable evidence unless the document specifically identifies and itemizes individual costs of the goods and services.
- g) Develop information management system to maintain records of disbursement of funds to plumbers and records of location data of eligible property owners who have had work performed on their property under the SEP Program.
- h) Work with KUB to develop financial hardship qualifications to identify eligible residential property owners for payment to plumbers for work performed under the SEP Program, using 2000 census information to identify moderate, low, and very low income levels to receive funds.
- i) Determine if residential property owners meet financial hardship qualifications and, if so, assist them in securing a plumber to complete the required work under the SEP Program.
- j) Develop scopes of work, fee schedules, forms, and contracts to be used by CAC, plumbers, and eligible residential property owners.
- k) Obtain required funds for disbursement to plumbers upon presentation of such documentation to the SEP Escrow Agent, as identified by KUB.
- l) Receive invoices from plumbers, obtain funds from the SEP Program Escrow Account and disburse payments to plumbers upon receipt of final invoices and documentation that the work has been properly completed.
- m) Maintain records of disbursement of funds from the SEP Program Escrow Account to plumbers and records of location data of residential property owners who have had work performed at their property as a result of the SEP Program.
- n) Prepare monthly status reports to provide KUB's SEP Program Manager with pertinent information for preparation of Consent Decree progress reports to allow the KUB SEP Program Manager to monitor compliance

of the SEP Program. These monthly status reports must include, as a minimum, the following information:

- i. Name and property address of all residential property owners receiving services during each preceding month;
- ii. Description of services performed;
- iii. Documentation for disbursement of payment to plumbers after CAC's receipt of final invoice and documentation that the work has been properly completed.

1.2 Responsibilities of CAC for the KUB Funding Assistance Program. CAC shall act as KUB's third party administrator for the KUB Funding Assistance Program, administering the KUB Funding Assistance Program on KUB's behalf and qualifying residential property owners for financial assistance under guidelines approved by KUB. The responsibilities of CAC under this Agreement, working in cooperation with KUB, shall be as follows:

- a) Develop list of approved contractors and plumbers who will perform services at agreed upon costs and in accordance with current plumbing code requirements.
- b) Develop contracts to be used to retain selected plumbers.
- c) Require work to be completed by selected plumbers within one hundred twenty (120) days of KUB's notification of noncompliance to a customer that said customer has a defective private lateral or improper connection.
- d) Train personnel to administer program.
- e) Segregate costs reimbursed with mandated SEP Program funding from costs reimbursed from the supplemental KUB Funding Assistance Program.
- f) Provide KUB with tracking evidence of disbursement of KUB Funding Assistance to CAC approved plumbers and contractors, acceptable evidence being invoices, purchase orders, or other documentation identifying and itemizing costs of goods or services. KUB will not consider cancelled drafts as acceptable evidence unless the document specifically identifies and itemizes individual costs of the goods and services.
- g) Develop information management system to maintain records of disbursement of funds to plumbers and records of location data of eligible property owners who have had work performed on their property under the KUB Funding Assistance Program.
- h) Work with KUB to develop financial hardship qualifications to identify eligible residential property owners for payment to plumbers for work performed under the KUB Funding Assistance Program, using 2000 census information to identify moderate, low, and very low income levels to receive funds.

- i) Determine if residential property owners meet financial hardship qualifications and, if so, assist them in securing a plumber to complete the required work under the KUB Funding Assistance Program.
- j) Develop scopes of work, fee schedules, forms, and contracts to be used by CAC, plumbers, and eligible residential property owners.
- k) Obtain required funds for disbursement to plumbers upon presentation of such documentation to the KUB Funding Assistance Program Manager, as identified by KUB.
- l) Receive invoices from plumbers, obtain funds from the KUB Funding Assistance Program and disburse payments to plumbers upon receipt of final invoices and documentation that the work has been properly completed.
- m) Maintain records of disbursement of funds from the KUB Funding Assistance Program to plumbers and records of location data of residential property owners who have had work performed at their property as a result of the KUB Funding Assistance Program.
- n) Prepare monthly status reports to provide the KUB Funding Assistance Program Manager. These monthly status reports must include, as a minimum, the following information:
  - i. Name and property address of all residential property owners receiving services during each preceding month;
  - ii. Description of the work performed;
  - iii. Documentation for disbursement of payment to plumbers after CAC's receipt of final invoice and documentation that the work has been properly completed.

1.3 Responsibilities of KUB. KUB shall ensure that the following responsibilities are met to ensure success of the SEP Program:

- a) Designate an employee to work with CAC to set up the SEP Program and serve as the primary liaison between KUB and CAC for the duration of the SEP Program (the "SEP Program Manager").
- b) Establish a SEP Program escrow account and designate an Escrow Agent for the SEP Program.
- c) Deposit into the SEP Escrow Account and maintain records of funds deposited in accordance with the terms of the SEP Program.
- d) Approve lists of plumbers and contracts developed by CAC.
- e) Approve eligibility requirements developed by CAC to identify residential property owners eligible for SEP Program funds.
- f) Notify residential owners of Illicit Connection(s) or Defective Private Lateral(s), including information on the need to secure appropriate permits and the availability of SEP Program funds to eligible residential property owners.
- g) Train personnel of CAC of SEP Program and Consent Decree requirements and provide CAC with a copy of the Consent Decree.

- h) Provide plumbers (upon request from CAC) with relevant information regarding the results of KUB's Continuing Sewer System Assessment Program (CSSAP).
- i) Coordinate regulatory reporting requirements required by the Consent Decree with CAC.
- j) Determine that repairs of Private Laterals or removal of Illicit Connections are initiated and completed in a timely manner and have been approved by the Plumbing Inspector of the City of Knoxville as being in conformance with the most recent version of the Plumbing Code as adopted by the City of Knoxville (if within City limits), and also conform with KUB's Rules and Regulations for its Wastewater Division, and KUB's Standards and Specifications for its Wastewater Division.
- k) Provide administrative and legal services as needed to support the SEP Program.

1.4 Responsibilities of KUB for the KUB Funding Assistance Program. KUB shall ensure that the following responsibilities are met to ensure success of the KUB Funding Assistance Program:

- a) Designate an employee to work with CAC to set up the KUB Funding Assistance Program and serve as the primary liaison between KUB and CAC for the duration of the KUB Funding Assistance Program (the "KUB Funding Assistance Program Manager").
- b) Approve lists of plumbers and contracts developed by CAC.
- c) Approve eligibility requirements developed by CAC to identify residential property owners eligible for KUB Funding Assistance Program funds.
- d) Notify residential owners of Illicit Connection(s) or Defective Private Lateral(s), including information on the need to secure appropriate permits and the availability of KUB Funding Assistance Program funds to eligible residential property owners.
- e) Train personnel of CAC of KUB Funding Assistance Program requirements.
- f) Provide plumbers (upon request from CAC) with relevant information regarding the results of KUB's Continuing Sewer System Assessment Program (CSSAP).
- g) Coordinate KUB Funding Assistance Program reporting requirements as requested by KUB.
- h) Determine that repairs of Private Laterals or removal of Illicit Connections are initiated and completed in a timely manner and have been approved by the Plumbing Inspector of the City of Knoxville (if within City limits) as being in conformance with the most recent version of the Plumbing Code as adopted by the City of Knoxville, and also conform with KUB's Rules and Regulations for its Wastewater Division, and KUB's Standards and Specifications for its Wastewater Division.

- i) Provide administrative and legal services as needed to support the KUB Funding Assistance Program.

1.5 Statements of Work. It is hereby understood by both parties that in order to fully implement the SEP Program and the KUB Funding Assistance Program, the parties may need to revise, clarify, or more carefully detail the responsibilities of both parties under this Agreement. Any such revision or clarification shall be in writing, mutually agreed to by both parties and shall be considered a Statement of Work. At a minimum, each Statement of Work shall detail the responsibilities of KUB and CAC for accomplishing the tasks listed in the Statement of Work and a timeline for accomplishing individual tasks listed in the Statement of Work. Each Statement of Work shall be considered an amendment to this Agreement, and shall incorporate this Agreement by reference.

## **II. TERM**

- 2.1 The effective date of this Agreement shall be August 1, 2005.
- 2.2 The initial term of this Agreement shall be until July 31, 2013, or until all funds managed by CAC under this agreement have been expended, whichever event occurs first. After the Initial Term, KUB and CAC may mutually agree to renew this Agreement in increments of at least one (1) year each for five (5) for a total contract term not to exceed fifteen (15) years.
- 2.3 This Agreement may be terminated by either party without cause by giving at least one hundred eighty (180) days written notice.
- 2.4 This Agreement shall consist of:
  - a) This Agreement;
  - b) Exhibit "A"-CAC Cost Schedule
  - c) Subsequent Statement(s) of Work pursuant to Section 1.5.

In the event of a conflict between the terms of this Agreement and the terms of any subsequent Statement of Work, this Agreement shall prevail.

## **III. COMPENSATION AND PAYMENT**

- 3.1 KUB shall pay CAC for SEP Program administration services performed by CAC according to the price schedule set out in Exhibit "A" to this Agreement. All pricing for the SEP Program Third Party Administrative Services used by KUB under this Agreement shall be firm for a twelve-month period beginning August 1, 2005. Any price change proposed by CAC after said twelve month period must be approved by KUB and must

be presented to KUB in writing 90 days before the price change is to take effect. KUB agrees to review the request and provide CAC a response 45 days before the price change is to take effect. Upon approval by KUB, the written approval of the price change shall be considered an amendment to this Agreement.

3.2 CAC shall supply to KUB invoices by the 10<sup>th</sup> of each month for administration of KUB's SEP Program.

3.3 Invoices for the SEP Program Third Party Administrative Services shall be sent to:

Knoxville Utilities Board  
Attn: SEP Program Manager  
P.O. Box 51326  
Knoxville, Tennessee 37950-1326

3.4 Payment by KUB for SEP Program Third Party Administrative Services shall be sent to:

Knoxville-Knox County Community Action Committee  
(CAC)  
P.O. Box 51650  
Knoxville, Tennessee 37950-1650

#### **IV. INDEMNIFICATION**

4.1 Each party hereto, to the extent permitted by Tennessee law, agrees to indemnify and hold harmless the other party from and against any and all demands, liabilities, obligations, claims, penalties, losses, suits, and the costs and expenses incident thereto (including the cost of defense, settlement and reasonable attorney's fees) which such other party may incur, become responsible for, or pay out as a result of death or bodily injury to any person, damage or destruction to the property of any member of the public, the violation of governmental laws, regulations or orders, or any other claim of loss or damage against such other party, by any third party, arising out of, or because of any negligent or willful act or omission on the part of the indemnifying party or its employees.

Notwithstanding anything else herein to the contrary, the indemnity provision of this paragraph shall not be construed to change the liability of any party hereto for any claim that would otherwise be prohibited or limited under any applicable provisions of the Tennessee Governmental Tort Liability Act, as codified at Tenn. Code Ann., §§29-20-101, et seq., as it may be amended from time to time by act of the legislature (the

“Act”), it being the intent of this section not to waive, diminish, or otherwise affect the statutory limits of liability, the statutory immunity, or the extent of immunity that may have been established for any party hereto under the Act.

In no event will either party be responsible for indemnification of the other party for the negligence, breach of contract, or willful or other act or omissions of such other party or its employees, subcontractors, or agents.

## V. INSURANCE

5.1 Insurance Coverage By CAC. Without limiting its liability under this Agreement, CAC shall maintain, during the life of this Agreement, the following insurance and shall furnish to KUB certificates of insurance as evidence thereof:

a. Comprehensive General Liability Insurance, including coverage for bodily injury and property damage, with limits equal to Tennessee Tort Liability Act, which are::

\$250,000. Per person for bodily injury or personal injury.

\$600,000. Per occurrence for bodily injury or personal injury.

\$ 85,000. Per occurrence for property damage.

\$3,000,000. Per occurrence for each other loss.

b. Automobile Liability Insurance, with limits not than required under Tennessee Tort Liability Act, which are:

\$250,000. Per person for bodily injury or personal injury.

\$600,000. Per occurrence for bodily injury or personal injury.

\$ 85,000. Per occurrence for property damage.

\$3,000,000. Per occurrence for each other loss.

c. Workers' Compensation Insurance, with limits not less than Five Hundred Thousand Dollars (\$500,000.00).

The coverage required of CAC under this section will name KUB as an additional insured except that the coverage for which KUB will be named as an additional insured will be limited to those claims against KUB that arise because of acts or omissions on the part of CAC for which CAC may be held solely liable and will be subject to all the terms and conditions of CAC insurance policy or policies. In no event will KUB be considered an additional insured under any policy of insurance issued to CAC or under any self-insurance retention by CAC for those claims arising in whole or in part out of KUB's own negligence or other fault.

## VI. MISCELLANEOUS

- 6.1 This Agreement shall be binding upon and shall inure to the benefit of KUB and CAC and each of their respective successors and assigns.
- 6.2 CAC may not assign this Agreement or any part of the SEP Program work and/or KUB Funding Program work without prior written consent of KUB.
- 6.3 No amendment, modification, or interpretation of the contract shall be effective unless the same is in writing and signed by a duly authorized representative of KUB and CAC.
- 6.4 This Agreement and any other writing specifically identified herein contain the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior written, oral, or implied understandings, negotiations, commitments and writings between the parties on the subject matter of this Agreement. This Agreement may not be amended, modified, altered or changed in any respect whatsoever, except by further agreement in writing duly executed by the parties to this Agreement.
- 6.5 Any notice that is required under this Agreement shall be provided as follows:

If to KUB:

Knoxville Utilities Board  
Customer Service Department  
Attn: SEP Program Manager  
4505 Middlebrook Pike  
Knoxville, Tennessee 37921

If to CAC:

Knoxville-Knox County Community Action Committee  
(CAC)  
Attn: Executive Director  
Cc: Director of Housing & Energy Services  
P.O. Box 51650  
Knoxville, Tennessee 37950-1650

- 6.6 CAC is an independent contractor with KUB and neither CAC nor any of its employees or subcontractors shall be deemed to be agents or employees of KUB.

- 6.7 If one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- 6.8 This Agreement shall be governed by and construed in accordance with the terms of the Consent Decree and all applicable federal, state, and local laws, statutes, rules and regulations.
- 6.9 In the event either party waives a breach or default of this Agreement by the other party, such waiver shall not be construed to be a continuing waiver of the same or any subsequent breach or default.

**In Witness Whereof**, the parties hereto have caused this Agreement to be executed in duplicate, as of the day and year first above written, each party hereto retaining an executed copy hereof.

KNOXVILLE UTILITIES BOARD

BY: Bill R. Elmore  
(signature)

BILL R. ELMORE  
(Print name)

ITS: CHIEF OPERATING OFFICER

DATE: 8-16-05

Knoxville-Knox County Community  
Action Committee

BY: Barbara Kelly  
(Signature)

Barbara Kelly  
(Print name)

ITS: Executive Director

DATE: August 15, 2005

**EXHIBIT "A"**

Schedule of payments to CAC for Management of the EPA mandated SEP Program and the PACE 10 Low Income Private Lateral Loan Program (KUB Funding Assistance)

Months:	CAC Management Fees per Month:
1-12 M	\$12,265.10
13-24M	\$12,109.50
25-36M	\$12,368.30
37-48M	\$12,633.57
49-60M	\$13,280.48
61-72M	\$13,184.18
73-84M	\$13,469.84
85-96M	\$13,762.65

## **Appendix C**

IMS Sample Screen Shots

Owner/Property

<b>Owner/Property</b>	<b>KUB</b>	<b>Notification</b>	<b>Res. Assistance</b>	<b>City of Knoxville</b>	<b>County</b>	<b>Appeal</b>	<b>Contact History</b>
<b>KUB Inspection</b>							
Smoke Insp. Date:	<input type="text" value="16"/>	Inspector:	<input type="text"/>	Packet Rcvd:	<input type="text" value="16"/>		
CCTV Insp. Date:	<input type="text" value="16"/>	Inspector:	<input type="text"/>				
Sub-Basin:	<input type="text"/>			<input type="radio"/> Repair	<input type="radio"/> Replace		
PACP Score:	<input type="text"/>						
Inspector Remarks:	<input type="text"/>						
Comments:	<input type="text"/>						
Documentation and Media(This field supports attachments)							
<input type="button" value="Attach..."/>							
<b>Description of Lateral Defect</b>							
Lateral IPID#:	<input type="text"/>	Lateral Material:	<input type="text"/>				
Lateral Size:	<input type="text"/>	Sewer Main Size:	<input type="text"/>				
Description of Defect:	<input type="text"/>						
Action Required:	<input type="text"/>						

KUB

<b>Owner/Property</b>	<b>KUB</b>	<b>Notification</b>	<b>Res. Assistance</b>	<b>City of Knoxville</b>	<b>County</b>	<b>Appeal</b>	<b>Contact History</b>
<b>KUB Inspection</b>							
Smoke Insp. Date:	<input type="text" value="16"/>	Inspector:	<input type="text"/>	Packet Rcvd:	<input type="text" value="16"/>		
CCTV Insp. Date:	<input type="text" value="16"/>	Inspector:	<input type="text"/>				
Sub-Basin:	<input type="text"/>			<input type="radio"/> Repair	<input type="radio"/> Replace		
PACP Score:	<input type="text"/>						
Inspector Remarks:	<input type="text"/>						
Comments:	<input type="text"/>						
Documentation and Media(This field supports attachments)							
<input type="button" value="Attach..."/>							
<b>Description of Lateral Defect</b>							
Lateral IPID#:	<input type="text"/>	Lateral Material:	<input type="text"/>				
Lateral Size:	<input type="text"/>	Sewer Main Size:	<input type="text"/>				
Description of Defect:	<input type="text"/>						
Action Required:	<input type="text"/>						

Notification

Owner/Property | KUB | Notification | Res. Assistance | City of Knoxville | County | Appeal | Contact History

Notification Tracking

Day	Action	Required Date	Complete Date		Received Date
0	Notice of Non-Compliance		16	Certified Mail #:	16
7	PLPC Follow-up Contact	12/23/2005	16	Call Notes:	
30	NOV Letter Sent	01/15/2006	16	Certified Mail #:	16
60	PLPC Follow-up Contact	02/14/2006	16	Call Notes:	
90	Termination Notice Sent	03/16/2006	16	Certified Mail #:	16
110	Doorhanger Date	04/05/2006	16	Delivered by:	
119	Warning Call	04/14/2006	16	Call Notes:	
120	Doorhanger Date	04/15/2006	16	Delivered by:	
120	Water Svc. Terminated	04/15/2006	16		
	Completion Letter Sent		16		
	Codes Enforcement Plumbing Inspector		16		
	Days Elapsed since NONC:	25			
	Appeal Ext. in Days	0		Additional Ext. in days	
					Refresh

Residential Assistance

<b>Owner/Property</b>	<b>KUB</b>	<b>Notification</b>	<b>Res. Assistance</b>	<b>City of Knoxville</b>	<b>County</b>	<b>Appeal</b>	<b>Contact History</b>
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**Residential Assistance Information**

Referred to CAC:  Referred By:

App Sent Date:  App Rcvd Date:

Decision Date:

Asst. Type:  Loan  Grant Approved:  Yes  No

Loan/Grant Notes:

**CAC Workflow**

CAC met with customer at property:

Estimated Cost:

Contract Open for Bids:

Contract Closed for Bids:

Contractor Name:

Contract Signed:

Permit Obtained:

Work Completed:

Disbursement Amount:

Disbursement Date:

Comments:

City of Knoxville

<b>Owner/Property</b>	<b>KUB</b>	<b>Notification</b>	<b>Res. Assistance</b>	<b>City of Knoxville</b>	<b>County</b>	<b>Appeal</b>	<b>Contact History</b>
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**City of Knoxville Information**

Date Notified: 12/16/2005 Notified By:

COK Reminder Sent:  Certified Mail #:

COK Reminder Rcvd:

Permit #:  Permit Date:

Inspector Name:  Approved Inspection Date:

Inspector Phone:

Comments:

**Contractor**

Contractor Name:  Phone:

Contractor Info:

County

<b>Owner/Property</b>	<b>KUB</b>	<b>Notification</b>	<b>Res. Assistance</b>	<b>City of Knoxville</b>	<b>County</b>	<b>Appeal</b>	<b>Contact History</b>
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**County Information**  
 Date Notified: 12/16/2005      Notified By: [ ]

Inspector Name: [ ]      Approved Inspection Date: [ 16 ]

Inspector Phone: [ ]

**Contractor**  
 Contractor Name: [ ]      Phone: [ ]

Contractor Info: [ ]

Appeal

<b>Owner/Property</b>	<b>KUB</b>	<b>Notification</b>	<b>Res. Assistance</b>	<b>City of Knoxville</b>	<b>County</b>	<b>Appeal</b>	<b>Contact History</b>
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**Appeal Process Information**

Appeal Request Date (Appeal Packet Sent) [ 16 ]      **NOV not yet recieved**

Appeal Recieved Date (Appeal Extension Start Date) [ 16 ]

Appeal Decision Date (Appeal Extension End Date) [ 16 ]      Decision:  Yes  No

**Appeals Process Checklist**

Reason for Appeal:	Documentation provided by Customer	Is documentation sufficient to validate Appeal?
<input type="checkbox"/> > Technical	<input type="checkbox"/> > CCTV photos of the interior of the private lateral <input type="checkbox"/> > Air testing results	<input type="radio"/> Yes <input type="radio"/> No
<input type="checkbox"/> > Lateral Ownership Dispute	<input type="checkbox"/> > Deed <input type="checkbox"/> > Easement clarifying ownership of lateral <input type="checkbox"/> > Property Survey	<input type="radio"/> Yes <input type="radio"/> No
<input type="checkbox"/> > Other	[ ]	<input type="radio"/> Yes <input type="radio"/> No

Contact History

<b>Owner/Property</b>	<b>KUB</b>	<b>Notification</b>	<b>Res. Assistance</b>	<b>City of Knoxville</b>	<b>County</b>	<b>Appeal</b>	<b>Contact History</b>
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