

**Knoxville Utilities Board
Board Meeting
Minutes
Thursday, June 17, 2021 8:30 a.m.**

Call to Order

The Knoxville Utilities Board met in regular session in the Mintha E. Roach Corporate Services and Conference Center at 4505 Middlebrook Pike, on Thursday, June 17, 2021, pursuant to the public notice published in the May 22, 2021, edition of the *News Sentinel*. Chair Jerry Askew called the meeting to order at 8:30 a.m.

Roll Call

Commissioners Present: Jerry Askew, Kathy Hamilton, Celeste Herbert, Adrienne Simpson-Brown, Tyvi Small, and John Worden.

Commissioner Absent: Claudia Caballero

Approval of Minutes

Upon a motion by Commissioner Small and a second by Commissioner Herbert, the May 20, 2021 Board Meeting minutes were approved by a roll call vote. The following Commissioners voted "aye": Askew, Hamilton, Herbert, Simpson-Brown, Small, and Worden. No Commissioner voted "nay".

Upon a motion by Commissioner Hamilton and a second by Commissioner Simpson-Brown, the May 26, 2021 Broadband Public Forum minutes were approved by a roll call vote. The following Commissioners voted "aye": Askew, Hamilton, Herbert, Simpson-Brown, Small, and Worden. No Commissioner voted "nay".

Old Business

Resolution 1434, A Resolution Replacing the Existing Rate Schedules of the Water Division, and Amending Certain Rate Schedules of the Wastewater Division as Previously Established by Resolution 1060 as Heretofore Amended

This Resolution Replaces the Existing Rate Schedules of the Water Division, Providing for a Rate Increase for the Water Division Effective July 1, 2021

June 17, 2021

This Resolution Amends the Existing Rate Schedules, Wastewater General Service - Residential, Wastewater General Service - Nonresidential, and

Schedule E – Wholesale Wastewater Treatment, of the Wastewater Division Effective July 1, 2021

President Gabriel Bolas recognized Mark Walker, Senior Vice President and Chief Financial Officer, who reminded Commissioners he provided details last month on a proposed 2% water rate increase on first reading. Mr. Walker provided a brief overview of the resolution, which adjusts water rate schedules to provide for the 2% water rate increase and adds language to water and wastewater rate schedules that will allow future water and wastewater service billings to be in gallons.

President Bolas recommended adoption of Resolution 1434 on second and final reading. His written recommendation is included in Attachment 1.

Upon a motion by Commissioner Hamilton and a second by Commissioner Simpson-Brown, Resolution 1434 was adopted by a roll call vote on second and final reading. The following Commissioners voted "aye": Askew, Hamilton, Herbert, Simpson-Brown, Small, and Worden. No Commissioner voted "nay".

New Business

Resolution 1439, A Resolution Authorizing the Knoxville Utilities Board to Provide Broadband Services to the Fullest Extent Permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6 and Other Applicable Law and Requesting the Council of the City of Knoxville, Tennessee to Authorize KUB to Provide Broadband Services to the Fullest Extent Permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6 and Other Applicable Law

Resolution 1440, A Resolution of the Council of the City of Knoxville, Tennessee, Authorizing the Mayor of the City of Knoxville, Tennessee, to Execute a Interlocal Cooperation Agreement with the Knoxville Utilities Board for the Purpose of Providing Funding for the Knoxville Utilities Board's Community Low-Income Internet Program to Pay for Internet Service for Eligible Low-Income Households Receiving Broadband Service from the Knoxville Utilities Board and Located within the Jurisdictional Limits of the City of Knoxville

June 17, 2021

President Bolas reviewed with the Board the many steps taken to be able to recommend to the Board that KUB be authorized to provide broadband services to the fullest extent permitted by law. Those steps include broadband feasibility assessment, customer surveys, public meetings, and having KUB's Fiber to the Home Business Plan approved by the Office of the Comptroller of the Treasury for the State of Tennessee and the Tennessee Valley Authority.

Mr. Bolas noted that KUB customers have expressed overwhelming support for KUB providing broadband services, that KUB's electric system will experience a material improvement in reliability from having a high-speed fiber-optic network, and that the funding plan for the fiber network and broadband services is balanced and will also help stabilize electric rates over the long-term.

Mr. Bolas also advised the Board that KUB has been very intentional and collaborative in its efforts to address the needs of its lower-income customers. To that end KUB intends to establish a community low-income internet program and enter into an interlocal cooperation agreement with the City of Knoxville to provide funding for the community low-income internet program. KUB also intends to partner with other public and private funding sources for the program.

President Bolas recommended adoption of Resolution 1439 on first and final reading. His written recommendation is included in Attachment 2.

Upon a motion by Commissioner Small and a second by Commissioner Herbert, Resolution 1439 was adopted by a roll call vote on first and final reading. The following Commissioners voted "aye": Askew, Hamilton, Herbert, Simpson-Brown, Small, and Worden. No Commissioner voted "nay".

President Bolas recommended adoption of Resolution 1440 on first and final reading. His written recommendation is included in Attachment 3.

Upon a motion by Commissioner Simpson-Brown and a second by Commissioner Hamilton, Resolution 1440 was adopted by a roll call vote on first and final reading. The following Commissioners voted "aye": Askew, Hamilton, Herbert, Simpson-Brown, Small, and Worden. No Commissioner voted "nay".

President's Report

Long-term Natural Gas Supply Contract

President Bolas reminded Commissioners they previously granted authority for KUB to enter into a long-term natural gas supply agreement with Tennergy that would provide a significant discount to market prices. KUB recently executed this agreement and he recognized Wayne Brintnall, an analyst in Rates & Analytical Services, to provide details on this effort.

June 17, 2021

COVID Utility Relief Effort (CURE)/TVA Home Uplift Funding

President Bolas recognized Tiffany Martin, Vice President and Chief Customer Officer, to provide an update on the COVID Utility Relief Effort (CURE) and Home Weatherization programs.

Other Business

None

Public Comment

Erin Gill – Chief Policy Officer – City of Knoxville

Adjournment

There being nothing further to come before the Board, Chair Askew declared the Board meeting adjourned at 9:42 a.m.



Jerry Askew, Chair



Mark Walker, Board Secretary

Attachments

Attachment 1	<p>Recommendation Letter and Resolution 1434 – A Resolution Replacing the Existing Rate Schedules of the Water Division, and Amending Certain Rate Schedules of the Wastewater Division as Previously Established by Resolution 1060 as Heretofore Amended</p> <p>This Resolution Replaces the Existing Rate Schedules of the Water Division, Providing for a Rate Increase for the Water Division Effective July 1, 2021</p> <p>This Resolution Amends the Existing Rate Schedules, Wastewater General Service - Residential, Wastewater General Service - Nonresidential, and Schedule E – Wholesale Wastewater Treatment, of the Wastewater Division Effective July 1, 2021</p>	<p><u>Page(s)</u> 10652 – 10666</p>
Attachment 2	<p>Resolution 1439 – A Resolution Authorizing the Knoxville Utilities Board to Provide Broadband Services to the Fullest Extent Permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6 and Other Applicable Law and Requesting the Council of the City of Knoxville, Tennessee to Authorize KUB to Provide Broadband Services to the Fullest Extent Permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6 and Other Applicable Law</p>	10667 – 10671
Attachment 3	<p>Resolution 1440 – A Resolution of the Council of the City of Knoxville, Tennessee, Authorizing the Mayor of the City of Knoxville, Tennessee, to Execute a Interlocal Cooperation Agreement with the Knoxville Utilities Board for the Purpose of Providing Funding for the Knoxville Utilities Board’s Community Low-Income Internet Program to Pay for Internet Service for Eligible Low-Income Households Receiving Broadband Service from the Knoxville Utilities Board and Located within the Jurisdictional Limits of the City of Knoxville</p>	10672 – 10682



Knoxville Utilities Board

June 11, 2021

Knoxville Utilities Board
445 S. Gay Street
Knoxville, Tennessee 37902-1109

Commissioners:

The June 17 Board meeting agenda includes consideration of the following official action items: (i) a proposed 2% water rate increase on second and final reading; (ii) a resolution authorizing KUB to provide broadband services and requesting City Council authorization for KUB to provide broadband services, pursuant to state law and otherwise applicable law; (iii) a resolution authorizing the establishment of a community low-income internet program and requesting City Council approval of an interlocal cooperation agreement between KUB and the City for the purpose of the City providing funding for the community low-income internet program.

An overview of each official action item is provided below:

Resolution 1434 (Second Reading)

Resolution 1434 replaces the existing rate schedules of the Water Division to provide for a 2% increase in water rates and include language allowing for future billings to water system customers to be in gallons, as applicable. The resolution also amends the rate schedules of the Wastewater Division to include language that would permit future billings to wastewater system customers to be in gallons, as applicable.

Resolution 1434 was approved on the first of two readings at the Board's May 20 meeting. If approved on second and final reading, the proposed 2% water rate increase would go into effect on July 1, 2021 and be reflected on customers' bills beginning in August 2021.

A copy of Resolution 1434 is enclosed for your information. I recommend its approval on second and final reading.

Resolution 1439

Resolution 1439 authorizes KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law, and requests City Council authorize KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law.

As you know, KUB previously performed a broadband feasibility study and conducted a customer survey, which indicated the need for higher-speed symmetrical internet service in KUB's electric service territory, including Knoxville, Knox County, and parts of six surrounding counties. KUB's electric service territory includes several rural areas, where internet service is limited in both availability and speed. The survey also indicated our customers' desire for KUB to enter the broadband services market.

In response to these findings, KUB developed a Fiber to the Home Business Plan ("Business Plan") for the provision of fiber-optic high-speed broadband services, including cable television, internet service, and other related services, within its electric service territory. Pursuant to Resolution 1433 adopted by the Board on March 11, 2021, the Business Plan was submitted to the Office of the Comptroller of the Treasury for the State of Tennessee for review, as required by state law. In its written analysis of the Business Plan, the Office of the Comptroller determined the Business Plan to be financially feasible. Pursuant to its power supply contract with TVA, KUB also submitted the Business Plan and supporting information to TVA for approval. In its approval of the Business Plan, TVA found no cross subsidization exists between KUB's Electric Division and Fiber Division and found the Business Plan to present low risk to KUB's electric ratepayers.

Pursuant to Resolution 1438 adopted by the Board on May 20, 2021, the Board held a public hearing on May 26, 2021, on KUB's intent to provide broadband services. Including comments received at the public hearing and through other means, there has been overwhelming support for KUB entering the broadband services market. A compilation of all comments received from customers on this topic has been shared with you separately.

In consideration of the foregoing, Resolution 1439 has been prepared, authorizing KUB to provide broadband services to the fullest extent permitted by law, and requesting City Council to authorize KUB to provide broadband services to the fullest extent permitted by law.

If Resolution 1439 is approved by the Board on first and final reading, KUB will request City Council authorization at Council's meeting on June 29, 2021.

A draft of Resolution 1439, including the proposed City Council resolution, is enclosed for your information. I recommend its approval on first and final reading.

Resolution 1440

Resolution 1440 authorizes the establishment of a community low-income internet program to be administered by KUB to serve eligible low-income households in KUB's broadband service territory. Resolution 1440 also requests City Council authorize the City to enter into an interlocal cooperation agreement with KUB for the purpose of providing funding for KUB's community low-income internet program for eligible low-income households within the jurisdictional limits of the City.

If KUB is authorized to enter the broadband services market by the Board and City Council, Staff is recommending KUB establish a community low-income internet program to serve eligible low-income households in KUB's broadband service territory with funding provided by both public and private sources.

If so authorized, the anticipated effective date of the program would be July 1, 2022, although benefits payable on behalf of eligible low-income households may commence later based on availability of KUB broadband internet service and availability of funding.

The community low-income internet program would be administered by KUB with low-income eligibility to be determined in cooperation with the City and other potential funders.

Resolution 1440 also authorizes KUB to enter into separate interlocal cooperation agreements with the City, and other local governmental entities who may wish to do so, for the purpose of providing funding for the community low-income internet program.

A draft of Resolution 1440, including the proposed City Council resolution, is also enclosed for your information. I recommend its approval on first and final reading.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gabriel Bolas". The signature is fluid and cursive, with a large initial "G" and "B".

Gabriel J. Bolas II
President and CEO

Enclosures

RESOLUTION NO. 1434

A Resolution Replacing the Existing Rate Schedules of the Water Division, and Amending Certain Rate Schedules of the Wastewater Division as Previously Established by Resolution 1060 as Heretofore Amended

This Resolution Replaces the Existing Rate Schedules of the Water Division, Providing for a Rate Increase for the Water Division Effective July 1, 2021

This Resolution Amends the Existing Rate Schedules, Wastewater General Service - Residential, Wastewater General Service - Nonresidential, and Schedule E – Wholesale Wastewater Treatment, of the Wastewater Division Effective July 1, 2021

Whereas, by the provisions of the Charter of the City of Knoxville, Tennessee (the "City"), the management and operation of both the City's water distribution and treatment system and the City's wastewater collection and treatment system have been placed under the jurisdiction of the Board of Commissioners (the "Board") of the Knoxville Utilities Board ("KUB"); and

Whereas, the Board previously adopted Resolution 1060, as heretofore amended, providing rate schedules for the Water and Wastewater Divisions of KUB; and

Whereas, the Board previously recognized the need for a strategic long-term solution to the issue of aging infrastructure, and has directed and reaffirmed KUB's comprehensive maintenance and replacement programs, referred to as Century II, for all divisions, including the Water Division; and

Whereas, the Board previously endorsed long-term funding plans for all divisions, including the Water Division, providing financial support for Century II in support of safe, reliable, and affordable utility services for current and future generations of KUB customers; and

Whereas, a previously planned rate increase for the Water Division was deferred due to the global pandemic; and

Whereas, at the Board's financial workshop on April 15, 2021, staff reviewed the ten-year funding plan for the Water Division which included a 2% rate increase for fiscal year 2022; and

Whereas, the Board has determined, based on the projected level of expenditures for the Water Division that the proposed rate increase is necessary to provide additional revenue to support the needed level of investment in infrastructure maintenance and replacement for the water system; and

Whereas, to provide billing flexibility, KUB staff has recommended adding language to the rate schedules of the Water and Wastewater Divisions regarding the conversion factor required to convert one hundred cubic feet ("Ccf") to gallons; and

Whereas, in accordance with Section 1107(F) of the Charter of the City, the Board is required to set rates for water service sufficient to pay all obligations of the Water Division; and

Whereas, in accordance with Section 1107(H) of the Charter of the City, the Board is required to set rates for wastewater service sufficient to pay all obligations of the Wastewater Division; and

Whereas, in accordance with Section 1107(L) of the Charter, KUB has provided the required public notice of not less than five (5) days prior to a meeting of the Board when a rate change is to be considered.

Now, Therefore, Be It Hereby Resolved by The Board of Commissioners of The Knoxville Utilities Board:

Section 1. That all existing rate schedules of the Water Division as set forth in Section 3 of Resolution No. 1060, as heretofore amended, are hereby deleted in their entirety and replaced with the rate schedules of the Water Division as set forth in Exhibit A to the Resolution, to be effective July 1, 2021.

Section 2. That the Wastewater Division Rate Schedules entitled WASTEWATER GENERAL SERVICE – RESIDENTIAL RATE SCHEDULE, and WASTEWATER GENERAL SERVICE – NONRESIDENTIAL RATE SCHEDULE as set forth in Section 4 of Resolution No. 1060, as heretofore amended, are hereby amended by inserting into the "Rate" section the following language: "KUB may, at its sole discretion, bill wastewater using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons." to be effective July 1, 2021.

Section 3. That the Wastewater Division Rate Schedule entitled SCHEDULE E – WHOLESale WASTEWATER TREATMENT as set forth in Section 4 of Resolution No. 1060, as heretofore amended, is amended by inserting into the “Rate” section the following language: “KUB may, at its sole discretion, bill wastewater using the same rates converted to a rate per Ccf for usage measured in Ccf: 1 Ccf equals 748 gallons.” to be effective July 1, 2021.

Jerry Askew/s
Jerry Askew, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
READING: 5-20-21
APPROVED ON 2nd
READING: 6-17-21
EFFECTIVE DATE: 7-1-21
MINUTE BOOK 43 PAGE 10655-10666

**RESOLUTION 1434
EXHIBIT A
RATE SCHEDULES OF THE WATER DIVISION
EFFECTIVE JULY 1, 2021**

**Knoxville Utilities Board
Water Division**

WATER GENERAL SERVICE - RESIDENTIAL

Availability

Service under this rate schedule shall be available only to residential customers served individually through a separate meter.

An existing customer or applicant for service under this schedule may be required to execute a contract specifying, among other things, a minimum bill and minimum term for service under this schedule.

Rate

The Water Service Charge shall be calculated using the applicable rate tables provided below, based on the customer's meter size and monthly water usage. KUB may, at its sole discretion, bill water using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

In the event more than one meter is utilized to determine billed consumption, multiple basic service charges may apply. Charges will apply without regard to ownership of the meter(s).

1. Inside City Rate

For water furnished to premises entirely within the corporate limits of the City of Knoxville:

Basic Service Charge

5/8" meter	\$18.00
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For meters greater than 5/8" the Customer Charges listed in the Water Nonresidential schedule shall be utilized.

Commodity Charge

First	2 Ccf	at	\$ 1.10 per Ccf
Over	2 Ccf	at	\$ 2.80 per Ccf

2. Outside City Rate

For water furnished to premises upon which any water faucet or other outlet is outside the corporate limits of the City of Knoxville:

Basic Service Charge

5/8" meter \$ 19.40

For meters greater than 5/8" the Customer Charges listed in the Water Nonresidential schedule shall be utilized.

Commodity Charge

First	2 Ccf	at	\$ 1.20 per Ccf
Over	2 Ccf	at	\$ 3.35 per Ccf

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

WATER GENERAL SERVICE – NONRESIDENTIAL

Availability

Service under this rate schedule shall be available to any commercial or industrial customer.

An existing customer or applicant for service under this schedule may be required to execute a contract specifying, among other things, a minimum bill and minimum term for service under this schedule.

Rate

The Water Service Charge shall be calculated using the applicable rate tables provided below, based on the customer's meter size and monthly water usage. KUB may, at its sole discretion, bill water using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

In the event more than one meter is utilized to determine billed consumption, multiple customer charges may apply. Charges will apply without regard to ownership of the meter(s).

3. Inside City / Industrial Park Rate

For water furnished to premises entirely within the corporate limits of the City of Knoxville or within the boundaries of an area recognized as an industrial park by the Tennessee Department of Economic and Community Development:

Customer Charge

5/8" meter	\$ 18.50
1" meter	\$ 32.10
1 1/2" meter	\$ 51.00
2" meter	\$ 66.00
3" meter	\$ 176.00
4" meter	\$ 281.00
6" meter	\$ 583.00
8" meter	\$ 1,026.00
10" meter	\$ 1,563.00
12" meter	\$ 2,357.00

Commodity Charge

First	2 Ccf	at	\$ 2.20 per Ccf
Next	8 Ccf	at	\$ 4.65 per Ccf
Next	90 Ccf	at	\$ 5.70 per Ccf
Next	300 Ccf	at	\$ 4.25 per Ccf
Next	4,600 Ccf	at	\$ 2.65 per Ccf
Over	5,000 Ccf	at	\$ 1.25 per Ccf

4. Outside – City Rate

For water furnished to premises upon which any water faucet or other outlet is outside the corporate limits of the City of Knoxville, excluding premises within the boundaries of an area recognized as an industrial park by the Tennessee Department of Economic and Community Development:

Customer Charge

5/8" meter	\$ 20.00
1" meter	\$ 37.00
1 ½" meter	\$ 57.50
2" meter	\$ 76.50
3" meter	\$ 207.00
4" meter	\$ 336.00
6" meter	\$ 715.00
8" meter	\$ 1,255.50
10" meter	\$ 1,910.50
12" meter	\$ 2,830.50

Commodity Charge

First	2 Ccf	at	\$ 2.60 per Ccf
Next	8 Ccf	at	\$ 5.35 per Ccf
Next	90 Ccf	at	\$ 6.90 per Ccf
Next	300 Ccf	at	\$ 4.95 per Ccf
Next	4,600 Ccf	at	\$ 3.20 per Ccf
Over	5,000 Ccf	at	\$ 1.50 per Ccf

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

SCHEDULE B – PRIVATE FIRE SERVICE

Availability

Under this schedule, KUB provides water supply to privately owned automatic sprinklers or hose outlets. Such service is available to any residential, commercial, or industrial customer.

Rate

The private Fire Service Charge shall be calculated using the table below based on the customer's fire line connections.

Monthly Service Charge per Connection

Connection less than 4"	\$ 32.14
4" Connection	\$ 97.65
6" Connection	\$ 213.15
8" Connection	\$ 374.15
10" Connection	\$ 570.85
12" Connection and greater	\$ 843.85

These service charges shall be in addition to the charge for any water use through fire line connections. The amount of unmetered water so used, as determined by KUB, shall be paid for at KUB's applicable rate schedules.

No charge under this Schedule B shall be made where the water supply to private fire protection facilities is through one or more metered connection(s) for which payment is made under the Water General Service – Nonresidential Rate Schedule.

No credit for charges under this rate schedule shall be allowed against the Water General Service – Nonresidential Rate Schedule charge for water supplied through a fire line to one or more metered connection(s) where the fire line serves as a connecting line between the metered connection(s) and KUB's mains.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

SCHEDULE C – UNMETERED GOVERNMENT SERVICE

For water used from KUB's mains with KUB's permission by any department of a governmental entity through unmetered fire hydrants for purposes other than for public fire service:

Inside – City Rate

The total amount of water used monthly by each department of a governmental entity for such purposes through a fire hydrant within the corporate limits of the City of Knoxville shall be billed to each such department at the Inside City rates set forth in the Water General Service – Nonresidential Rate Schedule.

Outside – City Rate

The total amount of water used monthly by each department of a governmental entity for such purposes through a fire hydrant outside the corporate limits of the City of Knoxville shall be billed to each such department at the Outside City rates set forth in the Water General Service – Nonresidential Rate Schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

SCHEDULE D – PUBLIC FIRE PROTECTION SERVICE

Availability

Service under this schedule shall be available only to a governmental entity that undertakes to provide public fire protection service for an area that contains at least four square miles. KUB reserves the right to require any applicant for service under this schedule to execute a contract specifying, among other things, a minimum bill and minimum term for service.

Rate

For public fire protection service rendered, the governmental entity shall pay KUB a fire protection service charge at the rate of \$534.69 per year for each KUB owned public fire hydrant located within the jurisdictional boundaries of the governmental entity and within areas provided public fire protection service by such governmental entity. In addition to the fire protection service charge, the governmental entity shall pay for all water used for fire fighting at rates set forth in the Water General Service – Nonresidential Rate Schedule.

KUB may contract with other utility providers to supply public fire protection service to an eligible governmental entity in any service area (or portion thereof), where KUB determines it desirable to do so. Charges to a governmental entity for fire protection service provided under such a contract shall be at the same rate specified above, and the hydrants of the utility provider utilized under such a contract shall be deemed to be facilities owned by KUB for the sole purpose of calculating charges under this schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

**Knoxville Utilities Board
Water Division**

SCHEDULE E – SALES FOR RESALE

Availability

For water purchased on an interruptible basis for resale by a customer that does not use KUB as its sole supplier of water. This service shall be available only on an interruptible basis and only to the extent, in KUB's sole opinion, that such service can be supplied through existing facilities without adversely affecting water service to any other customer of KUB. Nothing contained herein shall prevent KUB from providing water for resale under the Water General Service – Nonresidential Rate Schedule.

Commodity Charge

\$ 1.48 per Ccf

KUB may, at its sole discretion, bill water using the same rates converted to a rate per gallon for usage measured in gallons: 1 Ccf equals 748 gallons.

Any unauthorized usage under this tariff shall be billed at the Outside City rates set forth in the Water General Service – Nonresidential Rate Schedule.

Rules and Regulations

Service is subject to Rules and Regulations of KUB.

RESOLUTION NO. 1439

A Resolution Authorizing the Knoxville Utilities Board to Provide Broadband Services to the Fullest Extent Permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6 and Other Applicable Law and Requesting the Council of the City of Knoxville, Tennessee to Authorize KUB to Provide Broadband Services to the Fullest Extent Permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6 and Other Applicable Law

Whereas, KUB has developed a detailed Fiber to the Home Business Plan ("Business Plan") for the provision of fiber-optic high-speed broadband services, including cable television, internet service, and other related services, pursuant to Tennessee Code Annotated, Title 7, Chapter 52, Part 6 and otherwise applicable law, and pursuant to the authorization of the Board of Commissioners of KUB (the "Board") through Resolution No. 1433, submitted the Business Plan to the Office of the Comptroller of the Treasury for the State of Tennessee (the "Comptroller"), and the Board has considered the Comptroller's written analysis of the Business Plan; and

Whereas, in its written analysis dated May 11, 2021, the Comptroller determined the Business Plan to be financially feasible; and

Whereas, pursuant to its power supply contract with the Tennessee Valley Authority ("TVA"), KUB submitted the Business Plan and supporting information to TVA for review; and

Whereas, in its approval of the Business Plan, TVA found no cross-subsidization exists between KUB's Electric Division and Fiber Division, and that the Business Plan presents low risk to KUB's electric ratepayers; and

Whereas, the Board previously adopted Resolution No. 1438, acknowledging the Board's consideration of the written analysis of the Comptroller, and calling for a public hearing on KUB's intent to provide broadband services; and

Whereas, pursuant to a notice of the hearing published in the Knoxville News Sentinel, dated May 16, 2021, followed by a notice published in the Knoxville News Sentinel, dated May 23, 2021, the Board held a public hearing on May 26, 2021, on KUB's intent to provide broadband services; and

Whereas, all interested parties were invited to attend the public hearing and were permitted to ask KUB staff questions about the Business Plan and KUB's intent to provide broadband services; and

Whereas, all interested parties at the public hearing were invited to present oral and written comments to the Board concerning the proposed Business Plan and KUB's intent to provide broadband services; and

Whereas, pursuant to a notice published in the Knoxville News Sentinel, dated January 2, 2021, as amended May 22, 2021, the Board has convened its regular monthly meeting and has considered authorizing KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law; and

Whereas, after consideration of the foregoing, including the comments of all interested parties submitted at the public hearing and through other means, the Board has determined that KUB should provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law, subject only to the approval of the Council of the City of Knoxville, Tennessee (the "City Council"); and

Whereas, the Board has prepared for passage by City Council a resolution authorizing KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law, a copy of which is attached hereto and made a part hereof (the "Proposed Broadband Resolution").

Now, Therefore, Be It Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board:

Section 1. That, subject only to the approval of City Council, KUB is hereby authorized to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law.

Section 2. The Board hereby determines and finds that it is in the best interest of the City of Knoxville, Tennessee (the "City") that the City Council adopt the Proposed Broadband Resolution, in substantially the form presented to this meeting with only such changes as approved by the President and CEO of KUB.

Section 3. The Board hereby formally requests City Council adopt the Proposed Broadband Resolution, in substantially the form presented to this meeting with only such changes as approved by the President and CEO of KUB, and this Board does hereby adopt, ratify, approve, consent, and agree to each and every recital and provision contained in the Proposed Broadband Resolution.

Section 4. That, subject to City Council approval of the Proposed Broadband Resolution, the Board hereby establishes a Fiber Division for the provision of broadband services pursuant to Tennessee Code Annotated, Title 7, Chapter 52, Part 6 (the "Fiber Division") to be financially separate from KUB's Electric, Natural Gas, Water, and Wastewater Divisions; and

Section 5. That the President and CEO, or his designee, is hereby authorized to take such further steps as are necessary to effectuate this resolution.

Section 6. The Secretary of the Board shall deliver a certified copy of this resolution to the Mayor of the City and City Council as formal evidence of this Board's action in connection therewith.

Section 7. Be it Further Resolved that this resolution shall take effect from and after its passage.

Jerry Askew/s
Jerry Askew, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 6-17-21
EFFECTIVE DATE: 6-17-21
MINUTE BOOK 43 PAGE 10667-10671

RESOLUTION

A Resolution of the Council of the City of Knoxville, Tennessee, Authorizing the Knoxville Utilities Board to Provide Broadband Services to the Fullest Extent Permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and Otherwise Applicable Law

Whereas, KUB has developed a detailed Fiber to the Home Business Plan (“Business Plan”) for the provision of fiber-optic high-speed broadband services, including cable television, internet service, and other related services, pursuant to applicable law, and pursuant to the authorization of the Board of Commissioners of KUB (the “KUB Board”) through passage of Resolution No. 1433, submitted the Business Plan to the Office of the Comptroller of the Treasury for the State of Tennessee (the “Comptroller”), and the KUB Board has considered the Comptroller’s written analysis of the Business Plan; and

Whereas, in its written analysis dated May 11, 2021, the Comptroller determined the Business Plan to be financially feasible; and

Whereas, pursuant to its power supply contract with the Tennessee Valley Authority (“TVA”), KUB submitted the Business Plan and supporting information to TVA for review; and

Whereas, in its approval of the Business Plan, TVA found no cross-subsidization exists between KUB’s Electric Division and Fiber Division, and that the Business Plan presents low risk to KUB’s electric ratepayers; and

Whereas, pursuant to a notice of the hearing published in the Knoxville News Sentinel, dated May 16, 2021, followed by a notice published in the Knoxville News Sentinel, dated May 23, 2021, the KUB Board held a public hearing on May 26, 2021, on KUB’s intent to provide broadband services; and

Whereas, all interested parties were invited to attend the public hearing and were permitted to ask KUB staff questions about the Business Plan and KUB’s intent to provide broadband services; and

Whereas, all interested parties at the public hearing were invited to present oral and written comments to the KUB Board concerning the proposed Business Plan and KUB’s intent to provide broadband services; and

Whereas, pursuant to a notice published in the Knoxville News Sentinel, dated January 2, 2021, as amended May 22, 2021, the KUB Board convened its regular monthly meeting on June 17, 2021, and considered authorizing KUB to provide broadband services in accordance with Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law; and

Whereas, after consideration of the foregoing, including the comments of all interested parties submitted at the public hearing and through other means, the KUB Board has determined that KUB should provide broadband services under the authority of Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law, subject only to the approval of the Council of the City of Knoxville, Tennessee (the "City Council"); and

Whereas, the KUB Board, by its passage of Resolution No. 1439 on June 17, 2021, and the delivery of same to City Council, has requested City Council pass a resolution authorizing KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law.

NOW THEREFORE BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KNOXVILLE:

Section 1. That KUB is authorized to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law.

Section 2. That this resolution shall take effect immediately upon its passage, the public welfare requiring it, and a certified copy hereof shall be delivered to the President and CEO of KUB as formal evidence of this Council's action in connection therewith.

Mayor

City Recorder

RESOLUTION NO. 1440

A Resolution Authorizing the Establishment of a Community Low-Income Internet Program to Serve Eligible Low-Income Households in KUB's Broadband Service Territory and Requesting the Council of the City of Knoxville, Tennessee to Authorize the City to Enter into an Interlocal Cooperation Agreement with KUB for the Purpose of Providing Funding for the Community Low-Income Internet Program for Eligible Low-Income Households within the Jurisdictional Limits of the City of Knoxville

Whereas, KUB has developed a detailed Fiber to the Home Business Plan ("Business Plan") for the provision of fiber-optic high-speed broadband services, including cable television, internet service, and other related services, pursuant to Tennessee Code Annotated, Title 7, Chapter 52, Part 6 and otherwise applicable law, and pursuant to the authorization of the Board of Commissioners of KUB (the "Board") through Resolution No. 1433, submitted the Business Plan to the Office of the Comptroller of the Treasury for the State of Tennessee (the "Comptroller"), and the Board has considered the Comptroller's written analysis of the Business Plan; and

Whereas, in its written analysis dated May 11, 2021, the Comptroller determined the Business Plan to be financially feasible; and

Whereas, pursuant to its power supply contract with the Tennessee Valley Authority ("TVA"), KUB submitted the Business Plan and supporting information to TVA for review; and

Whereas, in its approval of the Business Plan, TVA found no cross-subsidization exists between KUB's Electric Division and Fiber Division, and that the Business Plan presents low risk to KUB's electric ratepayers; and

Whereas, the Board previously adopted Resolution No. 1438, acknowledging the Board's consideration of the written analysis of the Comptroller, and calling for a public hearing on KUB's intent to provide broadband services; and

Whereas, pursuant to a notice of the hearing published in the Knoxville News Sentinel, dated May 16, 2021, followed by a notice published in the Knoxville News Sentinel, dated May 23, 2021, the Board held a public hearing on May 26, 2021, on KUB's intent to provide broadband services; and

Whereas, all interested parties were invited to attend the public hearing and were permitted to ask KUB staff questions about the Business Plan and KUB's intent to provide broadband services; and

Whereas, all interested parties at the public hearing were invited to present oral and written comments to the Board concerning the proposed Business Plan and KUB's intent to provide broadband services; and

Whereas, pursuant to a notice published in the Knoxville News Sentinel, dated January 2, 2021, as amended May 22, 2021, the Board has convened its regular monthly meeting and considered authorizing KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law; and

Whereas, after consideration of the foregoing, including the comments of all interested parties submitted at the public hearing and through other means, the Board adopted Resolution No. 1439, authorizing KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law, subject only to the approval of the Council of the City of Knoxville, Tennessee (the "City Council"); and

Whereas, the Board has prepared for passage by City Council a resolution authorizing KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law; and

Whereas, subject to the approval of the City Council for KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law, the Board finds it is in the best interest of KUB and its customers for KUB to establish a Community Low-Income Internet Program to serve eligible low-income households in KUB's broadband service territory; and

Whereas, the Board has prepared for passage by City Council a resolution authorizing the City to enter into an interlocal cooperation agreement with KUB to provide funding for the Community Low-Income Internet Program for eligible low-income households within the jurisdictional limits of the City of Knoxville, a copy of which is attached hereto and made a part hereof (the "Proposed Interlocal Agreement Resolution").

Now, Therefore, Be It Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board:

Section 1. That, subject only to the approval of City Council for KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law, the Board hereby authorizes the President and CEO, or his designee, to establish a Community Low-Income Internet Program to serve eligible low-income households in KUB's broadband service territory.

Section 2. The Board hereby determines and finds that it is in the best interest of the City of Knoxville, Tennessee (the "City") that the City Council adopt the Proposed Interlocal Agreement Resolution, in substantially the form presented to this meeting with only such changes as approved by the President and CEO of KUB.

Section 3. The Board hereby formally requests City Council adopt the Proposed Interlocal Agreement Resolution, in substantially the form presented to this meeting with only such changes as approved by the President and CEO of KUB, and this Board does hereby adopt, ratify, approve, consent, and agree to each and every recital and provision contained in the Proposed Interlocal Agreement Resolution.

Section 4. That, subject to the approval of City Council for KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law, the Board hereby authorizes the President and CEO, or his designee, to enter into separate interlocal cooperation agreements with the City, and other local government entities who may wish to do so, for the purpose of providing funding for the Community Low-Income Internet Program.

Section 5. That the President and CEO, or his designee, is hereby authorized to take such further steps as are necessary to effectuate this resolution.

Section 6. The Secretary of the Board shall deliver a certified copy of this resolution to the Mayor of the City and City Council as formal evidence of this Board's action in connection therewith.

Section 7. Be it Further Resolved, that this resolution shall take effect from and after its passage.

Jerry Askew/s
Jerry Askew, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 6-17-21
EFFECTIVE DATE: 6-17-21
MINUTE BOOK 43 PAGE 10672-10682

RESOLUTION

A Resolution of the Council of the City of Knoxville, Tennessee, Authorizing the Mayor of the City of Knoxville, Tennessee, to Execute an Interlocal Cooperation Agreement with the Knoxville Utilities Board for the Purpose of Providing Funding for the Knoxville Utilities Board's Community Low-Income Internet Program to Pay for Internet Service for Eligible Low-Income Households Receiving Broadband Service from the Knoxville Utilities Board and Located within the Jurisdictional Limits of the City of Knoxville

Whereas, KUB has developed a detailed Fiber to the Home Business Plan ("Business Plan") for the provision of fiber-optic high-speed broadband services, including cable television, internet service, and other related services, pursuant to applicable law, and pursuant to the authorization of the Board of Commissioners of KUB (the "KUB Board") through passage of Resolution No. 1433, submitted the Business Plan to the Office of the Comptroller of the Treasury for the State of Tennessee (the "Comptroller"), and the KUB Board has considered the Comptroller's written analysis of the Business Plan; and

Whereas, in its written analysis dated May 11, 2021, the Comptroller determined the Business Plan to be financially feasible; and

Whereas, pursuant to its power supply contract with the Tennessee Valley Authority ("TVA"), KUB submitted the Business Plan and supporting information to TVA for review; and

Whereas, in its approval of the Business Plan, TVA found no cross-subsidization exists between KUB's Electric Division and Fiber Division, and that the Business Plan presents low risk to KUB's electric ratepayers; and

Whereas, pursuant to a notice of the hearing published in the Knoxville News Sentinel, dated May 16, 2021, followed by a notice published in the Knoxville News Sentinel, dated May 23, 2021, the KUB Board held a public hearing on May 26, 2021, on KUB's intent to provide broadband services; and

Whereas, all interested parties were invited to attend the public hearing and were permitted to ask KUB staff questions about the Business Plan and KUB's intent to provide broadband services; and

Whereas, all interested parties at the public hearing were invited to present oral and written comments to the KUB Board concerning the proposed Business Plan and KUB's intent to provide broadband services; and

Whereas, pursuant to a notice published in the Knoxville News Sentinel, dated January 2, 2021, as amended May 22, 2021, the KUB Board convened its regular monthly meeting on June 17, 2021, and considered authorizing KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law; and

Whereas, after consideration of the foregoing, including the comments of all interested parties submitted at the public hearing and through other means, the KUB Board has determined that KUB should provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law, subject only to the approval of the Council of the City of Knoxville, Tennessee (the "City Council"); and

Whereas, the KUB Board, by its passage of Resolution No. 1439 on June 17, 2021, and the delivery of same to City Council, has requested City Council pass a resolution authorizing KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law; and

Whereas, subject to the approval of a resolution by City Council authorizing KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law, and pursuant to Resolution No. 1440, adopted by the KUB Board on June 17, 2021, KUB intends to establish a Community Low-Income Internet Program to serve eligible low-income households within KUB's broadband service territory; and

Whereas, the KUB Board, by its passage of Resolution No. 1440 on June 17, 2021, and delivery of same to City Council, has requested City Council pass a resolution authorizing the City to enter into an interlocal cooperation agreement with KUB for the purpose of providing funding for KUB's Community Low-Income Internet Program for eligible low-income households receiving KUB broadband service within the jurisdictional limits of the City; and

Whereas, City Council has determined it is in the best interest of the City for the City to provide funding for KUB's Community Low-Income Internet Program to pay for internet service for eligible low-income households receiving KUB broadband service and located within the jurisdictional limits of the City.

NOW THEREFORE BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF KNOXVILLE:

Section 1. That the Mayor of the City is hereby authorized to execute the attached Interlocal Cooperation Agreement ("Agreement") between the City and KUB for the purpose of providing funding for KUB's Community Low-Income Internet Program to pay for internet service for eligible low-income households receiving KUB broadband service and located within the jurisdictional limits of the City, on such terms and conditions as reflected in the Agreement.

Section 2. That this resolution shall take effect immediately upon its passage, the public welfare requiring it, and a certified copy hereof shall be delivered to the President and CEO of KUB as formal evidence of this Council's action in connection therewith.

Mayor

City Recorder

**INTERLOCAL COOPERATION AGREEMENT AMONG THE KNOXVILLE
UTILITIES BOARD AND THE CITY OF KNOXVILLE, TENNESSEE,
RELATED TO THE CITY PROVIDING FUNDING FOR THE KNOXVILLE
UTILITIES BOARD'S COMMUNITY LOW-INCOME INTERNET PROGRAM**

This Interlocal Cooperation Agreement ("Agreement") is made and entered into as of this ____ day of _____, 2021, between the KNOXVILLE UTILITIES BOARD and the CITY OF KNOXVILLE, TENNESSEE.

RECITALS

WHEREAS, the Knoxville Utilities Board ("KUB") is an independent agency of the City of Knoxville, Tennessee (the "City") that controls, manages, and has jurisdiction over the water, electric power, natural gas, and wastewater systems of the City; and

WHEREAS, KUB has developed a detailed Fiber to the Home Business Plan ("Business Plan") for the provision of fiber optic high-speed broadband services, including cable television, internet, and other related services, pursuant to Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law, and pursuant to the authorization of the Board of Commissioners of KUB (the "KUB Board") through KUB Resolution No. 1433, submitted the Business Plan to the Office of the Comptroller of the Treasury for the State of Tennessee (the "Comptroller"); and

WHEREAS, the Comptroller determined the Business Plan to be financially feasible; and

WHEREAS, pursuant to its power supply contract with the Tennessee Valley Authority ("TVA"), KUB submitted the Business Plan and supporting information to TVA for review; and

WHEREAS, in its approval of the Business Plan, TVA found no cross-subsidization exists between KUB's Electric Division and Fiber Division, and that the Business Plan presents low risk to KUB's electric ratepayers; and

WHEREAS, pursuant to Tennessee Code Annotated, Title 7, Chapter 52, Part 6, the KUB Board held a public hearing on May 26, 2021, on KUB's intent to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law; and

WHEREAS, upon consideration of the foregoing and including the comments of all interested parties submitted at the public hearing and through other means, the KUB Board, by its passage of KUB Resolution No. 1439 on June 17, 2021, has authorized KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law, subject only to the approval of the Council of the City of Knoxville, Tennessee (the "City Council"); and

WHEREAS, the KUB Board, by its passage of KUB Resolution No. 1439 on June 17, 2021, and the delivery of same to City Council, has requested City Council pass a resolution authorizing KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law; and

WHEREAS, subject to the approval of a resolution by City Council authorizing KUB to provide broadband services to the fullest extent permitted by Tennessee Code Annotated, Title 7, Chapter 52, Part 6, and otherwise applicable law, and pursuant to KUB Resolution No. 1440, adopted by the KUB Board on June 17, 2021, KUB intends to establish a Community Low-Income Internet Program to serve eligible low-income households within KUB's broadband service territory; and

WHEREAS, the KUB Board, by its passage of KUB Resolution No. 1440 on June 17, 2021, and delivery of same to City Council, has requested City Council pass a resolution authorizing the City to enter an interlocal cooperation agreement with KUB for the purpose of providing funding for KUB's Community Low-Income Internet Program for eligible low-income households receiving KUB broadband service within the jurisdictional limits of the City; and

WHEREAS, City Council has determined it is in the best interest of the City for the City to provide funding for KUB's Community Low-Income Internet Program to pay for internet service for eligible low-income households receiving KUB broadband service and located within the jurisdictional limits of the City.

WHEREAS, the parties are authorized to enter into this Agreement pursuant to the Interlocal Cooperation Act, codified at Section 12-9-101 et seq., Tennessee Code Annotated to effect the purposes stated herein.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises made herein and other good and valuable consideration, and pursuant to the authority granted them by the City Charter, Tennessee law, and any applicable ordinances, the parties agree as follows.

1. Establishment of the Community Low-Income Internet Program. The City and KUB hereby agree that KUB shall establish the Community Low-Income Internet Program (the "Program") to provide for broadband internet service for eligible low-income households.

2. City Funding. Pursuant to the establishment of the Program by KUB, and subject to the terms and conditions set forth in this Agreement, the City shall make annual funding contributions to the Program commencing with the Effective Date of the Program, for the sole purpose of paying for internet service for eligible low-income households receiving broadband services from KUB and located within the jurisdictional limits of the City.

3. Program Effective Date. The Effective Date of the Community Low-Income Internet Program shall be July 1, 2022, although benefits payable on the behalf of eligible low-income households within the jurisdictional limits of the City may commence later based on availability of KUB broadband internet service and availability of funding subject to the terms and conditions of this Agreement.

4. Program Eligibility. The Program shall serve residential households served by KUB broadband internet service meeting certain low-income criteria as determined by KUB, although the City and KUB shall work together in good faith to determine eligibility criteria for the use of funds provided by the City.

5. Determination of Annual Funding Contribution. For each fiscal year commencing on or after the Effective Date, KUB, in coordination with the City's Chief Financial Officer, shall work together in good faith to determine the amount of the City's annual funding contribution ("Annual Contribution") to the Program. The Annual Contribution shall take into consideration relevant factors including but not limited to the following: Program funding requirements for low-income households enrolled in the Program and located within the jurisdictional limits of the City; amount of in-lieu-of-tax payments received by the City from KUB attributable to KUB's entry into the broadband services market; and any other relevant financial impacts or resources pertaining to KUB's entry into the broadband services market as agreed upon by the City and KUB.

6. Timing of Annual Funding Contribution. For each fiscal year commencing on or after the Effective Date, the Annual Contribution, if any, will be made by the City to KUB no less than ninety (90) days after the beginning of each fiscal year. In the event the City needs to make the Annual Contribution after ninety (90) days, the parties will work together to determine an appropriate date.

7. Segregation of Funds. The parties agree that all Program funding contributions received by KUB from the City shall be segregated from all other KUB funds and shall be held by KUB in a separate bank account established exclusively for the administration of the Program.

8. Auditing of the Program. The Program shall be subject to an annual audit as part of KUB's annual financial audit conducted by an independent certified public accounting firm. Any findings related to the Program resulting from the annual audit shall be promptly communicated to the Mayor of the City. The City retains the right to commission an additional independent audit of the Program.

9. Annual Reporting. KUB shall provide the City with an annual report on the Community Low-Income Internet Program no less than ninety (90) days after the end of KUB's fiscal year, provided such reporting shall commence with the fiscal year in which the initial annual funding contribution for the Program is received from the City.

10. Term. The initial term of this Agreement shall commence on the Effective Date and expire on the date that is ten (10) years after the Effective Date. Thereafter, this Agreement shall automatically renew for a period of one (1) year on each anniversary of the Effective Date, unless either party provides the other party with written notice of termination, at least thirty (30) days prior to such anniversary of the Effective Date.

11. Entire Agreement. This Agreement constitutes the entire, integrated agreement of the parties hereto and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. The Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

12. Non-Assignment. This Agreement and the rights and duties hereunder shall not be assigned by either party without the written consent of the other party.

13. Successors. All provisions herein shall inure to and become binding upon the successors, representatives, receivers, and trustees of the parties hereto.

14. Amendments and Modifications. This Agreement is intended by the parties as the final expression of their agreement and is intended as a complete statement of the terms herein. No amendment, modification, or alteration to this Agreement shall be valid or enforceable nor shall any waiver of any provision be effective unless such amendment, modification, or alteration is approved, in writing, by the governing body of the parties hereto. The amendment of any agreement between the parties hereto and any other person or entity which deletes, alters, or amends a provision in such agreement relating to the rights of any other party hereto without the prior, written consent of such party to such amendment shall constitute a breach of this Interlocal Agreement.

15. Limitation of Liability. All covenants, stipulations, promises, agreements, and obligations of the parties contained in this Agreement shall be deemed to be the respective limited covenants, stipulations, promises, agreements, and obligations of the parties hereto, as applicable, and not of any officer, director, employee, or agent of such parties nor of any incorporator, director, employee, or agent of any successor corporation to any such party, in its individual capacity. No recourse shall be had against any such individual, either directly or otherwise under or upon any obligation, covenant, stipulation, promise, or agreement contained herein or in any other document executed in connection herewith.

Signatures on Following Page

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their duly authorized representatives.

CITY OF KNOXVILLE, TENNESSEE

By: _____
Indya Kincannon
Mayor

APPROVED AS TO FORM:

By: _____
Charles W. Swanson
Law Director

THE KNOXVILLE UTILITIES BOARD

By: _____
Gabriel J. Bolas II
President and CEO