



AGENDA

BOARD OF MAYOR AND ALDERMEN REGULAR WORK SESSION

Monday, July 14, 2008
Council Room — City Hall
4:30 p.m.

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding

Alderman Valerie Joh

Vice Mayor Benjamin K. Mallicote

Alderman Charles K. Marsh, Jr.

Alderman Larry Munsey

Alderman Patrick W. Shull

Alderman Jantry Shupe

Leadership Team

John G. Campbell, City Manager

J. Michael Billingsley, City Attorney

Tom Bowman, Leisure Services Director

Jim Demming, City Recorder/CFO

Craig Dye, Fire Chief

Jeff Fleming, Assistant City Manager, Development Services

Chris McCart, Assistant to the City Mgr.

Ryan McReynolds, Public Works Director

Gale Osborne, Police Chief

Tim Whaley, Community and Gov't Relations Director

1. Call to Order
2. Roll Call
3. Work Session Tickler
4. Fuel Update – Steve Hightower
5. Update on City and County Sewer Agreement – Ryan McReynolds
6. Review of Items on July 15, 2008 Regular Business Agenda
7. Adjourn

Citizens wishing to comment on agenda items, please come to the podium and state your name and address. Please limit your comments to five minutes. Thank you.

**Work Session Tickler
July 15, 2008**

- **Fordtown Road Project - (Bill Albright) – UPDATED July 10, 2008 –** City Staff recently met with TDOT officials concerning the slow progress of Fordtown Road. I letter was also recently submitted to TDOT in Knoxville and Nashville requesting that they move the project along at a faster pace. The reason being is there are developers interested in the area surrounding the new Fordtown Road and they are, to a large degree, waiting for access from the new road before committing. TDOT admitted they had taken too long for completing the environmental review, but were hesitant to change the established schedule, which sets the bid opening and construction into late fall of 2009.
- **Netherland Inn Bridge project - (Gary Dault) – UPDATED July 10, 2008-** The last pier in the river is complete, which nearly completes the bridge substructure work. The base for roadway at the east end has been completed to the point where the bridge will tie in to it. Installation of water line sewer line relocation is ongoing.
- **Traffic Calming Measures – (Michael Thompson) – UPDATED July 11, 2008 –** Due to numerous questions regarding the procedures used in the Neighborhood Traffic Management Program (Traffic Calming) I have attached a memo explaining our methodology.
- **Shadyside Traffic Calming -** devices will be installed near the end of July, after all Public Works crews are back on regular duties following Funfest.
- **Essex & Suffolk Traffic Calming -** Public Hearing is scheduled for July 29th, 2008 from 11:00 am until 1:00 pm at the Northeast Church of Christ Fellowship Hall located at 2217 Beechnut Drive.
- **Energy Efficiency Measures – (Russ Nelson) – UPDATED June 27, 2008 –** Bays Mountain Park project (which is part of the phase II Energy Management Project for buildings not addressed in the first effort), these are the key activities taking place. Week of June 16th Activities * Detailed Lighting audit (all buildings) * Detailed analysis of potential HVAC upgrades (Improvement buildings, Allendale, Bays Mt Park) * Analysis of options for Bay Mt Park for Photo Voltaic and or solar water heating * Ongoing analysis of Bays Mt Park micro hydro power production (based on the current engineering analysis, assistance from AEP is being requested to improve easibility/options)

* Detailed control system analysis is being conducted on each facility to validate current control method and define upgrade options * Restroom upgrades are being reviewed for applicable buildings * Final review of planned window upgrades at applicable facilities * Options being defined for a Bays Mt Park "Energy Efficiency Exhibit" On engineering timeline is targeting the first week of July to have our primary recommendations defined and an overview of the project financials completed.

- **Higher Education - (Jeff Fleming) – UPDATED July 11, 2008 -**
 - May 23 – Meeting with Wilbur Smith Associates, AEP, City Engineering Dept., and David Mason to review utility relocations. Determined that the acquisition of the Fireman's Hall and Pete's Generator shop are critical to maintaining the project schedule.
 - May 27 – Meeting with Dr. Locke, Mayor Phillips, John Campbell, Jeff Fleming, David Mason, and additional NSTCC reps. to discuss furniture and equipment budget. Identified some items that could be included in the building project costs.
 - June 4 – Design Development Estimate will be ready. Meeting scheduled to review with MHM, City, & J.A. Street.
 - June 11 – Meeting with John Campbell, Jeff Fleming, David Mason, J.A. Street, McCarty Holsaple McCarty to review Design Development pricing. The current estimated costs are on target with the budget.
 - June 13 – EDA announced the award of \$1.5 million grant for KHEC. J.A. Street is proceeding with subcontractor pricing for the early package of site earthwork and the long lead time items of structural steel and elevators.
 - July 1 – BMA approves temporary contract to begin structural steel fabrication.
 - July 2 – Received pricing from J.A. Street for site work package and request to release for construction.
 - July 7 – Groundbreaking Ceremony.
 - July 9 – Meeting with MHM, J.A. Street, and Northeast State to review 90% Construction Drawings.
 - July 14 – Requesting authorization from the BMA to execute the GMP contract with J.A. Street to include the early construction items only. The final GMP amount will be presented for approval as a change order after the final construction drawings are complete.

- **Dog Park – (Kitty Frazier) — UPDATED July 9, 2008 –** Eastman Chemical company has completed the rough grading of the site. Final site preparation and paving should begin in about 2 weeks. Kingsport Dog park committee members participated in the Johnson City “Dog Days of Summer Event” and will conduct a dog walk event during Funfest.
- **Netherland Terrace Street Lighting – (Michael Thompson) – UPDATED July 11, 2008 –** Still awaiting a response from CSX on ability and cost to place streetlight poles in their right-of-way. Staff has contacted CSX representatives at least every other week since this item was requested.
- **KAHR Program – (Chris McCartt) – Updated July 11, 2008 -** Carpenters Helper and ASP have divided the list of 33 homes and are presently working on those homes or conducting site evaluations to determine what supplies will be needed. To date nearly 20 homes have been completed as part of the KAHR program and additional requests are being evaluated to see if they meet the criteria. Additionally, the City of Kingsport and the Kingsport Housing and Redevelopment Authority participated in the Lynn Garden Community Caring project. The Kingsport Community Development Office purchased over \$2,500 worth of building materials to aid various home rehab projects during the event. Additionally, Kingsport Public Works crews provided special trash pickup to support the areas taking part in the clean-up.
- **Netherland Inn Bank Barn – (Bill Albright) – UPDATED July 10, 2008 –** Progress is continuing on the Netherland Inn Bank Barn and “Pioneer Transportation Museum” (the first official museum in Kingsport !!). The foundation is nearing completion and the second floor framing has begun (see photo). Note the structure will include three full floors with a substantial amount of square footage. If good construction weather continues, it is anticipated the Barn will be under roof by mid to late August and, without any major interruptions, completion should occur sometime in late October.



Pioneer transportation at the Boatyard included (a) wagons to bring salt from Saltville (b) Flatboats to transport salt down the Holston River and (c) stagecoaches transporting people along the Old Stagecoach Road in front of Netherland Inn. A portion of the Pioneer Transportation Museum will highlight all three of these modes of transportation. Netherland Inn currently has (a) three wagons in storage (one from the late 1700's, which states it is one of the first wagons in Sullivan County (b) a full size flatboat project which will be built in front of the bank barn by the Holston River and will be an important part of the "story line" discussed at the museum and attendees will be able to view the full size flatboat from the windows of the museum and (c) the stagecoach that you have secured will be in the museum. In addition, there are transportation records of quantities shipped from the Boatyard area. The idea of the diorama is also a possibility.



AGENDA

BOARD OF MAYOR AND ALDERMEN

REGULAR BUSINESS MEETING

**Tuesday, July 15, 2008
Large Court Room – City Hall
7:00 P.M.**

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding

Alderman Valerie Joh
Vice Mayor Benjamin K. Mallicote
Alderman Charles K. Marsh, Jr.

Alderman Larry A. Munsey
Alderman Patrick W. Shull
Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager
J. Michael Billingsley, City Attorney
James Demming, City Recorder

- I. CALL TO ORDER**
- II.A. PLEDGE OF ALLEGIANCE TO THE FLAG**
- II.B. INVOCATION – Mitch Whisnant, Associate Minister – First Baptist Church**
- III.B ROLL CALL**
- IV. RECOGNITIONS AND PRESENTATIONS**
 - A. Keep Kingsport Beautiful will present KKB Beautification Awards
 - B. Pierce and Bond family to receive a Proclamation by Mayor Dennis R. Phillips
- V. APPROVAL OF MINUTES**
 1. June 16, and June 30, 2008 Regular Work Session
 2. July 1, 2008 Regular Business Meeting

VI. COMMUNITY INTEREST ITEMS**AA. PUBLIC HEARINGS**

1. Public Hearing and Consideration of an Ordinances to Annex/Amend Zoning of the Remaining Portion of the Rock Springs South #7 Annexation Area and Consideration of a Resolution Adopting the Plan of Services (AF: 193-2008)
 - Public Hearing
 - Ordinance (Annexation) – First Reading
 - Ordinance (Zoning) – First Reading
 - Resolution

2. Public Hearing and Consideration of an Ordinances to Annex/Amend Zoning of the Remaining Portion of the Rock Springs South #8 Annexation Area and Consideration of a Resolution Adopting the Plan of Services (AF: 194-2008)
 - Public Hearing
 - Ordinance (Annexation) – First Reading
 - Ordinance (Zoning) – First Reading
 - Resolution

COMMENT

Citizens may speak on agenda items. When you come to the podium, please state your name and address and sign the register that is provided. You are encouraged to keep your comments non-personal in nature, and they should be limited to five minutes. A total of thirty minutes is allocated for public comment during this part of the agenda.

B. BUSINESS MATTERS REQUIRING FIRST READING

1. Consideration of an Ordinance Amending the FY 2008-2009 General Purpose School Fund Budget (AF: 218-2008)
 - Ordinance – First Reading

2. Consideration of a Resolution to Authorize the Mayor to Sign all Documents Necessary to Enter into a Materials Agreement with Rob McClean Related to Anchor Point Subdivision and an Ordinance to Appropriate Funds (AF: 226-2008)
 - Resolution
 - Ordinance – First Reading

3. Consideration of a Resolution to Authorize the Mayor to Sign all Documents Necessary to Enter into a Materials Agreement with Ken Bates Related to Chase Meadows Subdivision – Phase I Ordinance to Appropriate Funds (AF: 227-2008)
 - Resolution
 - Ordinance – First Reading

4. Consideration of an Ordinance to Amend the General Fund, General Project Fund, Federal Transit Fund and the Sewer Project Fund Budgets (AF: 228-2008)
 - Ordinance – First Reading

C. BUSINESS MATTERS REQUIRING FINAL ADOPTION

1. Consideration of an Ordinance to Amend the Zoning Code, Text, and Map, to Zone Property along Stapleton Drive to R-1B, Single Family Residential District (AF: 178-2008)
 - Ordinance – Second Reading and Final Adoption
2. Consideration of an Ordinance to Amend the Zoning Code, Text, and Map, to Zone Property along Eastman Road to P-1, Professional Office District (AF: 179-2008)
 - Ordinance – Second Reading and Final Adoption

D. OTHER BUSINESS

1. Consideration of a Resolution to Authorize the Mayor to Sign all Documents Necessary to Apply and Receive a Community Grant Through the Smithsonian Institution (AF: 165 -2008)
 - Resolution
2. Consideration of a Resolution Establishing a Lease Agreement with Northeast State Regarding the Regional Center for Health Professions (AF: 222 -2008)
 - Resolution
3. Consideration of a Resolution Awarding the Bid for Electrical Package to National Electric Company Through Camp Dresser and McKee on Behalf of the City for Phase II of the Wastewater Treatment Plant Improvements (AF: 220 -2008)
 - Resolution
4. Consideration of a Resolutions Authorizing the Mayor to Sign all Applicable Documents to Enter into a Performance Contract Agreement with Johnson Controls, Inc. for Automated Meter Readers Services, a Lease Purchase Agreement with all American Investment Group, LLC (Lessor), and an Escrow Agreement with the Lessor and U.S. Bank National Association (Escrow Agent) (AF: 225 -2008)
 - Resolution
5. Consideration of a Resolution Authorizing KEDB to Grant an Option until December 31, 2008 and Negotiate towards the Purchase of a Portion of the Newest Section of the Quebecor/Kingsport Press Site Adjoining Sullivan and Clinchfield Streets (AF: 232 -2008)
 - Resolution

6. Consideration of a Resolution to Authorize the Mayor to Execute a Contract for a Guaranteed Maximum Price with J.A. Street & Associates for the Early Construction Phase of the Higher Education Center (AF: 230 -2008)
 - Resolution
7. Consideration of a Resolution to Authorize the Mayor to Sign all Documents Necessary to Apply and Receive a State of Tennessee Economic and Community Development FastTrack Infrastructure Development Program Grant and Ratify a "Request to Incur Costs Documentation's Signed by the Mayor (AF: 231 -2008)
 - Resolution
8. Consideration of a Resolution Authorizing the Mayor to Approve a Lease Agreement Between the City of Kingsport and the American Legion for the Use of Space at the Civic Auditorium (AF: 233-2008)
 - Resolution
9. Consideration of a Resolution Authorizing Staff to Enter into Deliberations with Representatives of the Greater Kingsport YMCA to Outline Components of a Contract Proposal for the Management of the Kingsport Aquatic Facilities (AF: 229-2008)
 - Resolution

E. APPOINTMENTS

1. Consideration of an Appointment and Reappointment to the Parks and Recreation Advisory Committee (AF: 221 -2008)
 - Approval of Appointment and Reappointment

VII. CONSENT AGENDA

All matters listed under the Consent Agenda are considered in the ordinary course of business by the Board of Mayor and Aldermen and will be enacted on by one motion in the form listed. If discussion is desired by either the Board or the audience, the item in question will be removed from the Consent Agenda and considered separately.

1. Consideration of an Ordinance to Continue the Interlocal Agreement with the Town of Mount Carmel for Land-Use Planning Services and Amend the General Fund Development Services Budget for FY09 (AF: 198 -2008)
 - Ordinance— Second Reading and Final Adoption
2. Consideration of an Ordinance Appropriating Matching Funds for the Madd Branch Phase II Watershed Plan Implementation Project (AF: 203-2008)
 - Ordinance— Second Reading and Final Adoption

3. Consideration of an Ordinance to Condemn in Fee Property for the Site of the Future Fire Station #7 (AF: 205-2008)
 - Ordinance– Second Reading and Final Adoption
4. Consideration of an Ordinance to Amend the General Project-Special Revenue Fund Budget by Appropriating Funds Received From U.S. Chamber of Commerce – Economic Development Administration for the Kingsport Center for Higher Education (AF: 199-2008)
 - Ordinance– Second Reading and Final Adoption
5. Consideration of an Ordinance to Appropriate Funds for the City's Portion of the Project with Sullivan County for the Bloomingdale Trunkline Extension Project (AF: 206-2008)
 - Ordinance– Second Reading and Final Adoption
6. Consideration of an Ordinance to Amend the General Fund, General Project Fund, Debt Service Fund, Eastman Annex Fund, Water Fund, Water Fund Project, and Visitor Enhancement Fund Budgets (AF: 200-2008)
 - Ordinance– Second Reading and Final Adoption
7. Consideration of an Ordinance Authorizing a Contract Amendment Between the City of Kingsport and the Tennessee Department of Transportation for Installation of a Traffic Signal and Associated Geometric Improvements at the Intersection of State Route 93 (N John B Dennis Highway) and Pavilion Drive (AF: 181-2008)
 - Ordinance– Second Reading and Final Adoption

VIII. COMMUNICATIONS

- A. CITY MANAGER
- B. MAYOR AND BOARD MEMBERS
- C. VISITORS

Citizens may speak on issue-oriented items. When you come to the podium, please state your name and address and sign the register that is provided. You are encouraged to keep your comments non- personal in nature, and they should be limited to five minutes.

IX. ADJOURN

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Monday, June 16, 2008, 4:30 PM
Council Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding
Alderman Valerie Joh
Vice-Mayor Benjamin K. Mallicote
Alderman Charles K. Marsh, Jr.

Alderman Larry A. Munsey
Alderman Patrick W. Shull
Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager
J. Michael Billingsley, City Attorney
James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:35 p.m., by Mayor Dennis R. Phillips.
2. **ROLL CALL:** By Deputy City Recorder Lisa Winkle.
3. **WORK SESSION TICKLER.** Alderman Marsh asked why there was no action on the energy project at Bays Mountain. Campbell replied that they are working on it and should have some results in a couple of weeks. Alderman Shull commented that Kevin Dye had left Parks & Recreation and he would like to have an email when key people leave the City.
4. **TRAFFIC CALMING EVALUATION PRESENTATION.** City Traffic Engineer Michael Thompson provided an overview of the City's process by which streets are evaluated for the traffic calming.

Alderman Marsh expressed concern about conditions on Orebank Road and Alderman Munsey's asked how the Orebank Road speed limit was determined. Shadyside Drive was another roadway of concern discussed, part of the which road is in the county. In response to an inquiry from Alderman Shull about why county residents had input, Mr. Thompson replied that, for traffic calming purposes, the city-county line is ignored because the City's decision will also impact those citizens. After further Board discussion on the need for impartiality of implementing this criteria, Mr. Thompson confirmed that any street that meets the required criteria is eligible, as long as funding is available. At this point, the Mayor invited anyone in the audience to speak.

Harold Rock of 945 Cityside Drive, Kingsport addressed the traffic issues he sees on Shadyside Drive, such as the narrow road, speeding, running stop signs, etc. He pointed out that the City residents along Shadyside.

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Jeff Hooker is currently constructing a residence at 987 Shadyside, Kingsport, and spoke in favor of traffic calming, pointing out he believes this is the only measure that will work.

Sarah Bogan stated that she is a future resident of (963) Shadyside Drive and concurred with Mr. Hooker and re-emphasized that traffic calming on this roadway is necessary.

Mr. Marsh requested that the records reflect the Board's consensus that the traffic calming criteria, in the future, will be revised to only consider input from City property owners/residents affected in areas studied.

5. FINAL REVIEW ON KINGSFORT CENTER FOR HIGHER EDUCATION (KCHE). Jeff Fleming, Director of Development Services and Assistant City Manager for Economic Development, introduced in-house project manager, David Mason, and J.A. Street chief estimator, Bryan Poe. Mr. Fleming provided a visual presentation covering the site and building features of the KCHE, the surrounding area, construction timeline and funding, and identifying the charter members of the education center as Northeast State Technical Community College, University of Tennessee, King College, Lincoln Memorial University and Carson Newman College. According to Mr. Poe, design development should be completed in June 2008 and construction completed by the end of July 2009. The need for adequate parking was also discussed, as well as possibly needing to construct a parking structure in the future.

6. DISCUSSION ON TRASH PICK-UP PROCESS. Mayor Phillips suggested the Board and City staff revisit the current on-demand yard debris policy and work to educate citizens on that policy. Board members discussed the viability and efficiency of providing this service on demand, rather than route-based pickup. The Mayor suggested that Public Works Director Ryan McReynolds report back to the Board and/or the City Manager with the pros and cons of revising this process to streamline for cost efficiency due to increased fuel costs, as well as improving the overall curb appeal of the City.

7. REVIEW OF AGENDA ITEMS PROPOSED FOR CONSIDERATION AT THE REGULAR BUSINESS MEETING ON JUNE 17, 2008. City Manager Campbell, members of staff and community members provided a summary or presentation for each item on the proposed agenda. Those items the Board discussed at greater length or which received specific questions or concerns included:

VI.B.2 Consideration of an Ordinance Authorizing the Collection of Delinquent Real Property Taxes (AF: 192-2008). Assistant City Attorney May described the need for this action. Alderman Shull questioned a handout provided in the Board packet regarding a substantial drop in the assessed value of City-owned property and Deputy City Recorder Winkle explained that the information reflected the required Sullivan County certified tax rate equalization necessary to allow Mr. May to proceed with collection efforts and does not affect the City's revenue stream.

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Alderman Marsh disagreed that a reduction in the City's real property value would not impact its revenue and, instead, views it as a direct link. Mayor Phillips requested that Deputy City Recorder Winkle provide Board members with a further explanation, comparing prior years' tax certification, by tomorrow night's BMA meeting.

VI.D.4 Consideration of a Resolution to Approve the Offer and Authorize the Mayor to Execute all Documents Necessary for the Acquisition of 217 Revere Street (AF: 188-2008). Alderman Marsh questioned the rationale behind paying the owner the premium price of \$119,527.53 when the market value of this property is \$86,000 and does not house an ongoing business requiring relocation as others have. City Manager Campbell responded that the price was computed in a manner similar to others purchased. Mayor Phillips requested that the Board also discuss the following agenda item in connection with this one.

VI.D.6 Consideration of a Resolution to Approve the Offer and Authorize the Mayor to Execute all Documents Necessary for the Acquisition of 214 Clay Street (AF: 191-2008). This property was acquired a couple of years ago by the Firefighters Association and done many improvement and prefer not to move. Mayor Phillips replied that, since the City needs the property, the offered price is preferable to a condemnation procedure. Both Aldermen Marsh and Shull stated that they believe the purchase prices for both properties are excessive, based on each's fair market value.

City Attorney Billingsley recommended the purchase of both of these properties, indicating that the prices being offered were not out of line with what the City has paid for other pieces of academic village property and described the negatives of obtaining the property through eminent domain.

VI.E.1 Consideration of Reappointments for Mr. Gary Mayes, Mrs. Ruth Montgomery, Mr. Richard Currie and Mr. John Vogt to the Senior Center Advisory Council to Serve an Additional Two-Year Term (AF: 37-2008). Alderman Marsh pointed out that one of the proposed reappointees, John Vogt, does not live in Kingsport. Mayor Phillips offered to pull Mr. Vogt's name from consideration and Tim Whaley, Community and Government Relations Officer, spoke in support of Mr. Vogt's value to this Advisory Council.

Alderman Munsey stated that, while he has no problem with a Board member living outside City limits, he was concerned that the term ended in December 2008 and reappointment was just now being made. He would like to see the process improved to avoid a delay in further appointments in the future.

VII.10 Consideration of an Ordinance to Adopt the FY-09 Special Schools Projects Grant Fund Budget (AF: 164-2008). Item VII.10 was removed from the Consent Agenda and moved to VI.C.4 for consideration at tomorrow night's BMA business meeting.

**Minutes of the Regular Work Session of the Board of Mayor and Aldermen of
Kingsport, Tennessee, Monday, June 16, 2008**

PUBLIC COMMENT. Ms. Mary McNabb spoke in favor of Mr. John Vogt's reappointment and praised his work on the Senior Center Advisory Council.

8. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 6:40 p.m.

ELIZABETH A. GILBERT
Deputy City Recorder

DENNIS R. PHILLIPS
Mayor

**Work Session
Minutes for
June 30, 2008
Will be put at the
BMA table on
Monday July 14,
2008**

**Regular Business
Meeting
Minutes for
July 1, 2008
Will be put at the
BMA table on
Monday July 14,
2008**

ANNEXATION AND ZONING REPORT

File No.: 07-301-00005

TO: KINGSFORT REGIONAL PLANNING COMMISSION

FROM: FORREST KODER, PLANNER

DATE: October 3, 2007

APPLICANT: City of Kingsport Tennessee

REQUESTED ACTION: City initiated annexation and zoning to an R-1B Residential District of the approximately 101.32 acres adjacent to Rock Springs Road Rock Springs Drive, Poplar Grove, Kanan Drive, Devine Circle, Blakely Drive, Eastland Drive and Rock Springs Valley Road. The area contains approximately 77 parcels. Area #7 is part of the adopted Five-Year Long Range Annexation Plan for this area.

LOCATION: Property is located on the north side of Rock Springs Road from the previous corporate limits, prior to the Area #2, #3 & #4 annexations, identified as Tax Map 105, Parcels 41.12, 41.14, 41.15, 41.18, 86.10, 116.01, 116.02, 116.03, 117.20, 117.30, 117.50, 117.60, 117.70, 117.80, 118.00, 119.00, 120.10, 121.00, 121.30, 121.40, 122.00; Tax Map 105H, Group B, Parcels 9.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00, 42.00 ; Tax Map 105P. Group C, Parcels 1.00, 2.00, 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 9.00, 10.00, 11.00, 12.00, 13.00, 13.10, 13.20, 14.00, 15.00, 16.00, 18.00, 19.00, 20.00 on the 2005 Sullivan County Tax Maps. The property is located in 13th Civil District.

EXISTING LAND USE: Single Family Residential and farm land.

PROPOSED USE: Same

SURROUNDING ZONING AND LAND USE:

North: County, with sporadic residential housing that is zoned R-1, Single Family Residential. Predominant land use is residential with some agricultural.

South: County A-1 and R-1 zoning classifications. The predominant land use is Single Family Residential with many backing up to Poplar Grove Road and others front on Rock Spring Valley Road and Eastland respectively.

East: County A-1 and R-1 zoning with the predominant land use containing a large number of Single-family residences to the east, which, is also the end of the current corporate limits, provided the last annexation is effective.

West: County A-1 and R-1 zoning, with the predominant land use being residential and agricultural. These properties abut areas slated for annexation in the years 2008 and 2011.

LAND USE PLAN(S): The site is within the scope of the 2010 Conceptual Land Use Plan (Kingsport Land use Plan, 1988). This area is recommended for Single-family and Resource Production use according to the study.

UTILITIES: Water is furnished to the site; however there may be the need to upgrade the lines in order to provide adequate fire protection. The existing two-inch water line on Poplar Grove, Rock Springs Drive and Eastland will be upgraded to provide adequate fire protection. Sanitary Sewer is not provided to the parcels and must be extended to the site from the line located on Rock Springs Creek and the 10" sanitary sewer line that runs along to Rock Springs Road. The main trunk line was included in the Edinburgh annexation and laterals will be required to provide coverage to these parcels.

TRANSPORTATION: The property is located on three roadways and these streets are listed as a local street according to the 2010 Major Street and Road Plan (2000). Poplar Grove, Rock Springs Drive and Rock Springs valley Road are listed as collector streets and Eastland is a local street. This annexation will include approximately 9,661 linear feet of roadway and includes those streets mentioned previously.

PHYSICAL CHARACTERISTICS:

The properties proposed for annexation and zoning total 101.32 acres in area and has a street frontage of approximately 9,661 linear feet of road. The properties have an average depth of 600 feet along Poplar Grove while the residential lots along Eastland average 200 feet in depth.

OPTIONS: The Planning Commission's options are as follows:

1. Approve the annexation, zoning and Plan of Services request and send a favorable recommendation to the Board of Mayor and Alderman.
2. Disapprove the annexation and state the reasons for denial in writing.
3. Postpone action pending receipt of additional information.

STAFF

RECOMMENDATION: The Planning Division recommends the annexation, zoning and Plan of Services of the parcels as identified to the Planning Commission and the Board of Mayor and Alderman. The rationale for this recommendation is based on the following:

1. The City of Kingsport should utilize annexation as urban development occurs and is necessary for present and future growth in an orderly manner.
2. Annexation spurs economic growth by providing basic services at a reasonable cost and allows those costs to be spread fairly to all who enjoy those services.
3. The City of Kingsport can provide services through its Plan of Services that the County cannot provide to the residents of the area.
4. It is reasonably necessary for the welfare of the residents and property owners of the affected territory.
5. It is reasonably necessary for the welfare of the residents and property owners of the municipality as a whole.
6. This annexation is in keeping with the adopted long range annexation plan for the Rock Springs area and the services the City can provide to the territory.

Cost/Benefit Analysis – Rock Springs South Area #7

Before any territory may be annexed, Tennessee Code Annotated (TCA) 6-51-102(b)(1) and (2) requires the governing body to adopt a Plan of Services which establishes the services to be provided and projected delivery time for said services. At a minimum the Plan of Services shall include the following: police protection, fire protection, water service, electrical service, sanitary sewer service, solid waste collection, road and street construction and repair, recreational facilities and programs, street lighting and zoning services. Additionally if the municipality maintains a separate school system, the plan shall include schools and provisions specifically addressing the impact, if any, of the annexation on school attendance zones.

The City of Kingsport incurs the costs associated with providing all properties annexed the required services as mandated by TCA. These services are listed on the following pages under Plan of Services and their respective timeline. As the narrative illustrates, the majority of services are either already being furnished or are not applicable in this particular case. The largest amount of capital expense is related to water and sewer. These costs are covered in the charts following this narrative, however some explanation is required in how these figures were obtained.

BENEFITS - REVENUES

There is no sanitary sewer line running to the properties. There is a ten (10) inch sanitary sewer line running along Rock Springs Road, which ends at the present corporate limits and would be extended to the property considered for annexation. This of course was included in the Bridwell annexation. The most likely path for this line would be to follow the creek to the south side of Rock Springs Road. This would necessitate the installation of lateral lines (collectors) to all properties in order to provide service. This would include going under Rock Springs Road to serve those parcels on the north side of the road. According to Mike Parker of the Engineering Department, the City of Kingsport will incur an estimates cost of \$1,095,000 to extend the sanitary sewer line to all properties. This will include 9,060 linear feet of 8 inch gravity sewer line.

Likewise there is also a six (6) inch water line that runs parallel to the parcels that currently provide water to the properties. However this will require upgrading in order to furnish enough pressure to provide fire protection. According to Sam Chase of the Water Department, this will require the installation of an eight (8) and a six (6) inch water line and the installation of three fire hydrants along this run to meet fire protection standards. Associated costs for the upgrade in water lines and fire hydrants are \$278,750 and \$10,000 respectively. For this report, water tap fees and sewer tap fees will be included in the cost/benefit chart in the amount of \$665.00 and \$1,950.00 respectively for each proposed lot.

Based on the estimated population of 170 people, should the area be annexed into the City, an estimated \$17,231.20 in revenue would be acquired by the City of Kingsport from the State of Tennessee. This is based on the state shared per capita amount of \$101.36 per person multiplied by the total population of the area.

Projected revenues for Rock Springs South Area #7 Annexation would include the following:

Reoccurring Revenue	Amount	Estimated Revenue
Property Tax	77 parcels	\$40,827.46
State Revenue Share	\$101.36/person	17,231.20
Water Usage		19,986.12
Sewage Usage		<u>45,945.90</u>
	Total:	\$123,990.68

One-Time Revenue	Amount	Estimated Revenue
Sewer Tap Fees	\$1,95000 ea.	\$122,850
Water Tap Fee	<u>\$665.00 ea.</u>	<u>0</u>
	Total:	\$122,850

Note: The property tax figures are based on real estate assessments for each parcel taken from the Sullivan County Property Tax Assessor's 2005 appraisal. Water and sewer rates are estimated usage of 7,500 gallons per month for a family of three to four individuals. Both the tap fees and the water and sewer usage figures are for individual, single inhabitant even if the parcel is currently vacant.

COSTS

In summary the City of Kingsport would incur expenses totaling \$288,750 for the installation of water lines and fire hydrant upgrade for fire protection. Additionally the installation of sewer service to the property line will cost an additional \$1,095,000. This would be a one-time capital expense, and the City would be responsible for maintenance of both water and sewer systems.

Additionally the cost associated with the maintenance of the roadways, garbage and trash pick-up, snow removal etc., would be absorbed by the City of Kingsport. In this particular case there would be no additional roadway annexed that would require annual maintenance. Ronnie Hammonds of the Public Works Department has estimated the figure of approximately \$28,567.91 as needed on an annual basis, which includes Capital costs, Salaries and Annual Operating Costs. Rock Springs Road costs were captured with the Bridwell annexation, however additional roadways are included in this annexation. These include the following roads and their respective linear footages:

Rock Springs Valley Road -	870 Linear Feet
Eastland -	1600 Linear Feet
Poplar Grove -	2514 Linear Feet
Rock Springs Drive -	1235 Linear Feet
Kanan -	1285 Linear Feet
Devine -	315 Linear Feet
Blakely -	<u>1842 Linear Feet</u>
Total:	9661 Linear Feet

This will be further broken down in the Cost/Benefit Chart.

The City is responsible for the installation of streetlights and their maintenance along roadways that are annexed. According to Mike Thompson, Traffic Engineer for the City of Kingsport, there would be additional cost for these additional streets as they were not included in the Bridwell annexation. The estimated figure of approximately \$4,803.96 would be required on an annual basis for operating and maintenance costs and a one-time capital cost of \$4,803.96 would be required with this proposal. This includes traffic controls for this area.

These costs are itemized on the Rock Springs South Area #7 Cost/Benefit Chart, but a further breakdown is as follows:

Water & Sewer Service

<u>Location</u>	<u>Capital Costs</u>
Water Line Upgrade s 8-Inch Line – Fire Hydrants	\$ 288,750
Sewer Line Installation Rock Springs Rd.	<u>\$1,095,000</u>
Total	\$1,383,750

Public Works

<u>Service</u>	<u>Capital Costs</u>	<u>Salaries</u>	<u>Annual Operating Costs</u>
Garbage, Trash & Recycling, Leaf Collection & Landscaping, Admin. Street Maintenance	\$6,923	\$6,320	\$15,324

Sweeping, ROW Main.

Street Lights	\$4,803	\$0	\$4,803
Traffic Controls	\$4,800	\$0	\$0

Police Department

<u>Service</u>	<u>Capital Costs</u>	<u>Salaries</u>	<u>Annual Operating Costs</u>
Police Officers		\$11,031	\$2,061
Police Cars	\$7,795		

Note: These costs are calculated utilizing the middle factor of .25 for residences. It was not logical to use the higher factor for acres (.37) due to the amount of vacant land in this area. Likewise the population factor of .19 for population was the lower end, so staff decided to use the middle ground factor to determine costs.

Summary

<u>Fund</u>	<u>Capital One-Time</u>	<u>Operating Annual</u>	<u>Estimated Annual Revenue</u>
General	\$24,321	\$39,539	\$58,058
Sewer	\$1,095,000	0	\$19,986
Water	<u>\$288,750</u>	<u>0</u>	<u>\$45,946</u>
	\$1,408,071	\$39,539	\$123,990

Statistics Area #7

Population	170
Miles of Roadway Annexed	9,661 linear feet
Acres included in Annexation	101.32
Existing Land Use	Existing Residential, Farmland.
Proposed Land Use	Residential
Proposed Zoning	City – R-1B, Single Family.
Cost of Utility Improvements	\$ 1,383,750
Annual Revenue (reoccurring) Water/Sewer/Property Taxes Net Revenue	\$106,758
Loss in Revenue – Water/Sewer City rate/ County rate	\$32,326
State Revenue Sharing per Capita \$101.36/ person – Population of 170	\$17,231
Annual Revenue (one-time) Sewer & Water Taps	\$122,850
Additional Cost – Road Maintenance, Street Lights. One Time.	\$24,321
Annual Cost; Police Officer, Garbage, Road Maintenance, Trash, etc.	\$39,539

COST/BENEFIT ANALYSIS Area # 7

Revenues	One Time	Reoccurring	Revenue LOSS
Property Taxes	0	\$40,827	
State Shared	0	\$17,231	
Sales Tax	0	0	
In County Water Rate	0	\$52,312	Loss of Revenue: \$32,326
In City Water Rate	0	\$19,986	Excludes Sales Tax
In County Sewer Rate		0	
In City Sewer Rate		\$45,946	
Other: Water Taps	\$0	0	
Sewer Tap Fees	\$122,850	0	
Total	\$122,850	\$123,990	Excludes County Water
Grand Total		\$246,840	

Expenses	One Time	Reoccurring	
Operating Budget			
Police	0	\$13,092*	*Note: Includes Operating Cost & Salary
Fire	0	0	
Public Works	0	0	
Street Lights & Traffic Controls	\$9,603	\$4,803	
Recreation	0	0	
Zoning Services	0	0	
Schools	New School	New School	
Leaf & Land., & Admin.	\$6,923	\$21,644*	*Note: Includes Operating Cost & Salary
Garbage, Trash, Refuse			
Road Maintenance			
Subtotal	\$16,256	\$39,539	
Capital Budget			
Water	\$288,750	0	
Sewer	\$1,095,000	0	
Roads	0	0	
Schools	0	0	
Police - Car	\$7,795	0	
Subtotal	\$1,391,545	0	
Grand Total	\$1,407,801	\$39,539	

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN to all citizens of the City of Kingsport, Tennessee, to all persons interested, and the public at large that the City of Kingsport Board of Mayor and Aldermen will conduct a Public Hearing during its regular business meeting on Tuesday July 15, 2008 to consider the annexation, zoning and Plan of Services for the area identified as the remaining area of Rock Springs South Area #7, adjacent to Rock Springs Road area. The regular business meeting will begin at 7:00 p.m. in the large courtroom located on the second floor of City Hall, at 225 W. Center Street, Kingsport, Tennessee.

The property proposed for annexation is generally described as follows:

BEGINNING at a point, said point being the northern most corner of parcel 26.00 of tax map 105H, group B of the Sullivan County 2007 Tax Maps; thence in a southeasterly direction approximately 848.28 feet to a point, said point being the southeastern corner of parcel 22.00 and on the northern right-of-way of Blakley Drive; thence in a southwesterly direction approximately 233.25 feet to a point, said point being the southern property line of parcel 23.00 and on the northern right-of-way of Blakley Drive; thence in a southeasterly direction crossing the right-of-way of Blakley Drive approximately 50.00 feet to a point, said point being on the property line of parcel 54.00 and the eastern right-of-way of Kanan Drive; thence in a southeasterly direction turning southwesterly following the eastern right-of-way of Kanan drive approximately 1,287 feet to a point, said point being on the southwest corner of parcel 54.00 and on the northern right-of-way of Rock Springs Drive; thence in a southeasterly direction approximately 465 feet to a point, said point being on the southern property line of parcel 54.00 and on the northern right-of-way of Rock Springs Drive; thence in a southwesterly direction crossing the right-of-way of Rock Springs Drive approximately 30.00 feet to a point, said point being the northeast corner of parcel 118.00; thence in a southwesterly direction approximately 1,967 feet to a point, said point being the northwestern corner of parcel 12.00 on Tax Map 105P, Group C; thence in a southeasterly direction approximately 494.92' to a point, said point being the northeastern corner of parcel 11.00; thence in a southwesterly direction approximately 292.17 feet to a point; thence in a southwesterly direction approximately 166.46 feet to a point, said point being the southeast corner of parcel 8.00; thence in a southwesterly direction approximately 331.08 feet to a point, said point being the southern most point of parcel 5.00; thence in a northwesterly direction approximately 240 feet to a point; thence in a southwesterly direction approximately 549.33 feet to a point, said point being the southwest corner of parcel 1.00 and on the eastern right-of-way of Rock Springs Valley Road; thence crossing the right-of-way of Rock Springs Valley Road approximately 50 feet to a point, said point being on the west side of Rock Springs Valley Road and on the property line of parcel 41.20; thence in a northeasterly directions approximately 268 feet to a point, said point being the southeast corner of parcel 41.18, thence in a westerly direction approximately 560 feet to a point said point being the southwestern corner of parcel 41.18; thence in a southwesterly direction following the southern property line of parcel 41.15 approximately 675 feet to a point; thence in a northern direction approximately 386 feet to a point, said point being the southwest corner of parcel 41.02 of Tax Map 105; thence in an easterly direction approximately 248 feet to a point, said point being the southeastern corner of parcel 41.03; thence in a northern direction approximately 60 feet to a point; thence in a northeasterly direction approximately 300 feet to a point, said point being the southeastern corner of parcel 41.07; thence in a northwesterly direction approximately 110 feet to a point; thence in a northeasterly direction approximately 327 feet to a point; thence in a northwesterly direction approximately 130 feet to a point, said point being on the north property line of parcel 41.15 and on the southern right-of-way of Poplar Grove Road; thence following the right-of-way of Poplar Grove Road in an easterly direction approximately 581 feet to a point, said point being the northwest corner of parcel 41.14; thence

crossing Poplar Grove Road approximately 77 feet to a point , said point being on the property line of parcel 10.00 of Tax Map 105I, Group B and the northern right-of-way of Poplar Grove Road; thence following the western right-of-way of Poplar Grove Road in a northeasterly direction approximately 1,871feet to a point, said point being on the eastern property line of parcel 4.00 and the intersection of Poplar Grove Road and Blakely Drive; thence following the eastern right-of-way of Blakely Drive approximately 1,128 feet to a point, said point being the southwest corner of parcel 33.00 of Tax Map 105H, Group B; thence in a northwesterly direction approximately 726.08 feet to the point of BEGINNING, and being all of parcels 41.12, 41.14, 41.15, 41.18, 86.10, 116.01, 116.02, 116.03, 117.20, 117.30, 117.50, 117.60, 117.70, 117.80, 118.00, 119.00, 120.10, 121.00, 121.30, 121.40, 122.00; Tax Map 105H, Group B, Parcels 9.00, 10.00, 11.00, 12.00, 15.00, 16.00, 17.00, 18.00, 20.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00, 42.00 ; Tax Map 105P. Group C, Parcels 1.00, 2.00, 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 9.00, 10.00, 11.00, 12.00,13.00,13.10, 13.20, 14.00, 15.00, 16.00, 18.00, 19.00, 20.00 as indicated on the July 2007 Sullivan County tax maps. Additionally excluded from this is the following described property:

Tract 1

BEGINNING at a point, said point being southwest corner of parcel 13.00 of tax map 105H, group B and on the west right-of-way of Blakely Drive; thence in a northwesterly direction crossing the right-of-way of Blakely Drive approximately 50 feet to a point; thence in a northeasterly direction following the westerly right-of-way of Blakely Drive approximately 1,020 feet to a point, said point being the northwest intersection of Blakely Drive and Devine Circle; thence in a southeasterly direction approximately 50 feet crossing the right-of-way of Blakely Drive to a point, said point being the northeast corner of parcel 21.00; thence in a southeasterly direction following a radius on the westerly right-of-way of Kanan Drive approximately 172 feet to a point, said point being the southeast corner of parcel 21.00; thence in a southwesterly direction approximately 78.40 feet to a point; thence in a northwesterly direction approximately 150 feet to a point; thence in a southwesterly direction following the southern right-of-way of Blakely Drive approximately 100 feet to a point, said point being the northeast corner of parcel 19.00; thence in a southeasterly direction approximately 150 feet to a point; thence in a southwesterly direction approximately 100 feet to a point, said point being the southwest corner of parcel 19.00; thence in a northwesterly direction approximately 150 feet to a point, said point being on the southern right-of-way of Blakely Drive and the northwest corner of parcel 19.00; thence in a southwesterly direction following the western right-of-way of Blakely Drive approximately 498 feet to a point, said point being the northwest corner of parcel 14.00; thence in a southeasterly direction approximately 190.74 feet to a point; thence in a southwesterly direction approximately 200 feet to a point, said point being the southeast corner of parcel 13.00; thence in a northwesterly direction approximately 174.87 feet to the point of BEGINNING, and being all of parcels 13.00, 14.00, 19.00 and 21.00 of tax map 105H, group B as indicated on the 2007 Sullivan County tax maps.

All interested persons are invited to attend this meeting and public hearing. A detailed map, description and Plan of Services are on file in the offices of the City Manager, located at 225 W. Center St.; offices of the Planning Department, located at 201 W. Market St. and Kingsport Public Library located at 400 Broad St. for public inspection during all business hours. Additional information concerning this proposal may be obtained by contacting the Kingsport Planning Division of the Development Services Department, telephone 423-229-9485.

CITY OF KINGSPORT
Liz Gilbert, City Clerk

PRE-FILED CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO ANNEX THAT CERTAIN TERRITORY ADJOINING THE PRESENT CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, EMBRACING THAT CERTAIN PART OF THE 13TH CIVIL DISTRICT OF SULLIVAN COUNTY, TENNESSEE, AND KNOWN AS THE REMAINING ROCK SPRINGS SOUTH AREA #7 ANNEXATION, AS HEREINAFTER DESCRIBED; TO INCORPORATE THE SAME WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, TENNESSEE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

WHEREAS, a public hearing before the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, was held on the 15th day of July, 2008, and notice thereof published in the Kingsport Times-News on the 29th day of June, 2008; and

WHEREAS, the City of Kingsport, under the authority granted it by Tenn. Code Ann., §6-51-102, initiated the annexation of the territory herein described to the City of Kingsport; and

WHEREAS, it appears that the prosperity of the City and of the territory herein described may be materially retarded and the safety and welfare of the property thereof endangered if such property is not annexed; and

WHEREAS, the annexation of such property is deemed necessary for the welfare of the residents and property owners thereof and the City as a whole; and

WHEREAS, a plan of services for this area was adopted by Resolution the 15th day of July, 2008 as required by Tenn. Code Ann., §6-51-102, et seq.

BE IT ORDAINED BY THE CITY OF KINGSPORT, AS FOLLOWS:

SECTION I. Pursuant to authority conferred by Tenn. Code Ann., §6-51-102, et seq., there is hereby annexed to the City of Kingsport, Tennessee, and incorporated within the corporate boundaries thereof, the following described territory adjoining the present corporate boundaries:

Embracing that certain part of Civil District No. 13 of Sullivan County, Tennessee, and more fully described to-wit:

BEGINNING at a point, said point being the northern most corner of parcel 26.00 of tax map 105H, group B of the Sullivan County 2007 Tax Maps; thence in a southeasterly direction approximately 848.28 feet to a point, said point being the southeastern corner of parcel 22.00 and on the northern right-of-way of Blakley Drive; thence in a southwesterly direction approximately 233.25 feet to a point, said point being the southern property line of parcel 23.00 and on the northern right-of-way of Blakley Drive; thence in a southeasterly direction crossing the right-of-way of Blakley Drive approximately 50.00 feet to a point, said point being on the property line of parcel 54.00 and the eastern right-of-way of Kanan Drive; thence in a

southeasterly direction turning southwesterly following the eastern right-of-way of Kanan drive approximately 1,287 feet to a point, said point being on the southwest corner of parcel 54.00 and on the northern right-of-way of Rock Springs Drive; thence in a southeasterly direction approximately 465 feet to a point, said point being on the southern property line of parcel 54.00 and on the northern right-of-way of Rock Springs Drive; thence in a southwesterly direction crossing the right-of-way of Rock Springs Drive approximately 30.00 feet to a point, said point being the northeast corner of parcel 118.00; thence in a southwesterly direction approximately 1,967 feet to a point, said point being the northwestern corner of parcel 12.00 on Tax Map 105P, Group C; thence in a southeasterly direction approximately 494.92' to a point, said point being the northeastern corner of parcel 11.00; thence in a southwesterly direction approximately 292.17 feet to a point; thence in a southwesterly direction approximately 166.46 feet to a point, said point being the southeast corner of parcel 8.00; thence in a southwesterly direction approximately 331.08 feet to a point, said point being the southern most point of parcel 5.00; thence in a northwesterly direction approximately 240 feet to a point; thence in a southwesterly direction approximately 549.33 feet to a point, said point being the southwest corner of parcel 1.00 and on the eastern right-of-way of Rock Springs Valley Road; thence crossing the right-of-way of Rock Springs Valley Road approximately 50 feet to a point, said point being on the west side of Rock Springs Valley Road and on the property line of parcel 41.20; thence in a northeasterly directions approximately 268 feet to a point, said point being the southeast corner of parcel 41.18, thence in a westerly direction approximately 560 feet to a point said point being the southwestern corner of parcel 41.18; thence in a southwesterly direction following the southern property line of parcel 41.15 approximately 675 feet to a point; thence in a northern direction approximately 386 feet to a point, said point being the southwest corner of parcel 41.02 of Tax Map 105; thence in an easterly direction approximately 248 feet to a point, said point being the southeastern corner of parcel 41.03; thence in a northern direction approximately 60 feet to a point; thence in a northeasterly direction approximately 300 feet to a point, said point being the southeastern corner of parcel 41.07; thence in a northwesterly direction approximately 110 feet to a point; thence in a northeasterly direction approximately 327 feet to a point; thence in a northwesterly direction approximately 130 feet to a point, said point being on the north property line of parcel 41.15 and on the southern right-of-way of Poplar Grove Road; thence following the right-of-way of Poplar Grove Road in an easterly direction approximately 581 feet to a point, said point being the northwest corner of parcel 41.14; thence crossing Poplar Grove Road approximately 77 feet to a point , said point being on the property line of parcel 10.00 of Tax Map 105I, Group B and the northern right-of-way of Poplar Grove Road; thence following the western right-of-way of Poplar Grove Road in a northeasterly direction approximately 1,871 feet to a point, said point being on the eastern property line of parcel 4.00 and the intersection of Poplar Grove Road and Blakely Drive; thence following the eastern right-of-way of Blakely Drive approximately 1,128 feet to a point, said point being the southwest corner of parcel 33.00 of Tax Map 105H, Group B; thence in a northwesterly direction approximately 726.08 feet to the point of BEGINNING, and being all of parcels 41.12, 41.14, 41.15, 41.18, 86.10, 116.01, 116.02, 116.03, 117.20, 117.30, 117.50, 117.60, 117.70, 117.80, 118.00, 119.00, 120.10, 121.00, 121.30, 121.40, 122.00; Tax Map 105H, Group B, Parcels 9.00, 10.00, 11.00, 12.00, 15.00, 16.00, 17.00, 18.00, 20.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00, 42.00 ; Tax Map 105P. Group C, Parcels 1.00, 2.00, 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 9.00, 10.00, 11.00, 12.00, 13.00, 13.10, 13.20, 14.00, 15.00, 16.00, 18.00, 19.00, 20.00 as indicated on the July 2007 Sullivan County tax maps. Additionally excluded from this is the following described property:

Tract 1

BEGINNING at a point, said point being southwest corner of parcel 13.00 of tax map 105H, group B and on the west right-of-way of Blakley Drive; thence in a northwesterly direction crossing the right-of-way of Blakley Drive approximately 50 feet to a point; thence in a northeasterly direction following the westerly right-of-way of Blakley Drive approximately 1,020 feet to a point, said point being the northwest intersection of Blakley Drive and Devine Circle; thence in a southeasterly direction approximately 50 feet crossing the right-of-way of Blakley Drive to a point, said point being the northeast corner of parcel 21.00; thence in a southeasterly direction following a radius on the westerly right-of-way of Kanan Drive approximately 172 feet to a point, said point being the southeast corner of parcel 21.00; thence in a southwesterly direction approximately 78.40 feet to a point; thence in a northwesterly direction approximately 150 feet to a point; thence in a southwesterly direction following the southern right-of-way of Blakley Drive approximately 100 feet to a point, said point being the northeast corner of parcel 19.00; thence in a southeasterly direction approximately 150 feet to a point; thence in a southwesterly direction approximately 100 feet to a point, said point being the southwest corner of parcel 19.00; thence in a northwesterly direction approximately 150 feet to a point, said point being on the southern right-of-way of Blakley Drive and the northwest corner of parcel 19.00; thence in a southwesterly direction following the western right-of-way of Blakley Drive approximately 498 feet to a point, said point being the northwest corner of parcel 14.00; thence in a southeasterly direction approximately 190.74 feet to a point; thence in a southwesterly direction approximately 200 feet to a point, said point being the southeast corner of parcel 13.00; thence in a northwesterly direction approximately 174.87 feet to the point of BEGINNING, and being all of parcels 13.00, 14.00, 19.00 and 21.00 of tax map 105H, group B as indicated on the 2007 Sullivan County tax maps.

SECTION II. BE IT FURTHER ORDAINED, That all of the people and territory within the aforementioned boundaries shall be annexed to and become a part of the City of Kingsport, and that the City of Kingsport will provide services thereto in accordance with the Plan of Services adopted July 15, 2008, commencing on August 31, 3008.

SECTION III. BE IT FURTHER ORDAINED, That this ordinance shall be effective from and after the date of its passage, as the law directs, the public welfare of the citizens of Kingsport, Tennessee, requiring it.

DENNIS PHILLIPS
Mayor

ATTEST:

LIZ GILBERT
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

PASSED ON 1ST READING _____
PASSED ON 2ND READING _____

PRE-FILED CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG ROCK SPRINGS ROAD KNOWN AS THE REMAINING ROCK SPRINGS SOUTH AREA #7 ANNEXATION TO R-1B SINGLE FAMILY RESIDENTIAL DISTRICT, IN THE 13TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE.

BE IT ORDAINED BY THE CITY OF KINGSPORT, AS FOLLOWS:

SECTION I. That the zoning code, text, and map, be and the same is hereby further amended to rezone property along Rock Springs Road known as the remaining Rock Springs South Area #7 Annexation to R-1B, Single Family Residential District in the 13th Civil District of Sullivan County; said area to be rezoned being further and more particularly described as follows:

BEGINNING at a point, said point being the northern most corner of parcel 26.00 of tax map 105H, group B of the Sullivan County 2007 Tax Maps; thence in a southeasterly direction approximately 848.28 feet to a point, said point being the southeastern corner of parcel 22.00 and on the northern right-of-way of Blakley Drive; thence in a southwesterly direction approximately 233.25 feet to a point, said point being the southern property line of parcel 23.00 and on the northern right-of-way of Blakley Drive; thence in a southeasterly direction crossing the right-of-way of Blakley Drive approximately 50.00 feet to a point, said point being on the property line of parcel 54.00 and the eastern right-of-way of Kanan Drive; thence in a southeasterly direction turning southwesterly following the eastern right-of-way of Kanan drive approximately 1,287 feet to a point, said point being on the southwest corner of parcel 54.00 and on the northern right-of-way of Rock Springs Drive; thence in a southeasterly direction approximately 465 feet to a point, said point being on the southern property line of parcel 54.00 and on the northern right-of-way of Rock Springs Drive; thence in a southwesterly direction crossing the right-of-way of Rock Springs Drive approximately 30.00 feet to a point, said point being the northeast corner of parcel 118.00; thence in a southwesterly direction approximately 1,967 feet to a point, said point being the northwestern corner of parcel 12.00 on Tax Map 105P, Group C; thence in a southeasterly direction approximately 494.92' to a point, said point being the northeastern corner of parcel 11.00; thence in a southwesterly direction approximately 292.17 feet to a point; thence in a southwesterly direction approximately 166.46 feet to a point, said point being the southeast corner of parcel 8.00; thence in a southwesterly direction approximately 331.08 feet to a point, said point being the southern most point of parcel 5.00; thence in a northwesterly direction approximately 240 feet to a point; thence in a southwesterly direction approximately 549.33 feet to a point, said point being the southwest corner of parcel 1.00 and on the eastern right-of-way of Rock Springs Valley Road; thence crossing the right-of-way of Rock Springs Valley Road approximately 50 feet to a point, said point being on the west side of Rock Springs Valley Road and on the property line of parcel 41.20; thence in a northeasterly directions approximately 268 feet to a point, said point being the southeast corner of parcel 41.18, thence in a westerly direction approximately 560 feet to a point said point being the southwestern corner of parcel 41.18; thence in a southwesterly direction following the southern property line of parcel 41.15 approximately 675 feet to a point; thence in a northern direction approximately 386 feet to a point, said point being the southwest corner of parcel 41.02 of Tax Map 105; thence in an easterly direction approximately 248 feet to a point, said point being the southeastern corner of parcel 41.03; thence in a northern direction approximately 60 feet to a point; thence in a northeasterly direction approximately 300 feet to a point, said point being the southeastern corner of parcel 41.07; thence in a northwesterly

direction approximately 110 feet to a point; thence in a northeasterly direction approximately 327 feet to a point; thence in a northwesterly direction approximately 130 feet to a point, said point being on the north property line of parcel 41.15 and on the southern right-of-way of Poplar Grove Road; thence following the right-of-way of Poplar Grove Road in an easterly direction approximately 581 feet to a point, said point being the northwest corner of parcel 41.14; thence crossing Poplar Grove Road approximately 77 feet to a point, said point being on the property line of parcel 10.00 of Tax Map 105I, Group B and the northern right-of-way of Poplar Grove Road; thence following the western right-of-way of Poplar Grove Road in a northeasterly direction approximately 1,871 feet to a point, said point being on the eastern property line of parcel 4.00 and the intersection of Poplar Grove Road and Blakely Drive; thence following the eastern right-of-way of Blakely Drive approximately 1,128 feet to a point, said point being the southwest corner of parcel 33.00 of Tax Map 105H, Group B; thence in a northwesterly direction approximately 726.08 feet to the point of BEGINNING, and being all of parcels 41.12, 41.14, 41.15, 41.18, 86.10, 116.01, 116.02, 116.03, 117.20, 117.30, 117.50, 117.60, 117.70, 117.80, 118.00, 119.00, 120.10, 121.00, 121.30, 121.40, 122.00; Tax Map 105H, Group B, Parcels 9.00, 10.00, 11.00, 12.00, 15.00, 16.00, 17.00, 18.00, 20.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00, 42.00; Tax Map 105P, Group C, Parcels 1.00, 2.00, 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 9.00, 10.00, 11.00, 12.00, 13.00, 13.10, 13.20, 14.00, 15.00, 16.00, 18.00, 19.00, 20.00 as indicated on the July 2007 Sullivan County tax maps. Additionally excluded from this is the following described property:

Tract 1

BEGINNING at a point, said point being southwest corner of parcel 13.00 of tax map 105H, group B and on the west right-of-way of Blakley Drive; thence in a northwesterly direction crossing the right-of-way of Blakley Drive approximately 50 feet to a point; thence in a northeasterly direction following the westerly right-of-way of Blakley Drive approximately 1,020 feet to a point, said point being the northwest intersection of Blakley Drive and Devine Circle; thence in a southeasterly direction approximately 50 feet crossing the right-of-way of Blakley Drive to a point, said point being the northeast corner of parcel 21.00; thence in a southeasterly direction following a radius on the westerly right-of-way of Kanan Drive approximately 172 feet to a point, said point being the southeast corner of parcel 21.00; thence in a southwesterly direction approximately 78.40 feet to a point; thence in a northwesterly direction approximately 150 feet to a point; thence in a southwesterly direction following the southern right-of-way of Blakley Drive approximately 100 feet to a point, said point being the northeast corner of parcel 19.00; thence in a southeasterly direction approximately 150 feet to a point; thence in a southwesterly direction approximately 100 feet to a point, said point being the southwest corner of parcel 19.00; thence in a northwesterly direction approximately 150 feet to a point, said point being on the southern right-of-way of Blakley Drive and the northwest corner of parcel 19.00; thence in a southwesterly direction following the western right-of-way of Blakley Drive approximately 498 feet to a point, said point being the northwest corner of parcel 14.00; thence in a southeasterly direction approximately 190.74 feet to a point; thence in a southwesterly direction approximately 200 feet to a point, said point being the southeast corner of parcel 13.00; thence in a northwesterly direction approximately 174.87 feet to the point of BEGINNING, and being all of parcels 13.00, 14.00, 19.00 and 21.00 of tax map 105H, group B as indicated on the 2007 Sullivan County tax maps.

SECTION II. Any person violating any provisions of this ordinance shall be guilty of an offense and upon conviction shall pay a penalty of FIFTY DOLLARS (\$50.00) for each offense. Each occurrence shall constitute a separate offense.

SECTION III. That this ordinance shall take effect from and after the date of its passage

and publication, as the law directs, the public welfare of the City of Kingsport, Tennessee, requiring it.

DENNIS PHILLIPS
Mayor

ATTEST:

LIZ GILBERT
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

PASSED ON 1ST READING _____
PASSED ON 2ND READING _____

RESOLUTION NO. _____

A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE
REMAINING ROCK SPRINGS SOUTH AREA #7 ANNEXATION
AREA OF THE CITY OF KINGSPORT, TENNESSEE

WHEREAS, before any territories may be annexed under Tennessee Code Annotated §6-51-102, the governing body shall have previously adopted a plan of services setting forth the identification and timing of municipal services; and

WHEREAS, before any such plan of services shall have been adopted, it must have been submitted to the local planning commission for study and a written report; and

WHEREAS, a plan of services for the proposed annexation of the Rock Springs South Area #7 was submitted to the Kingsport Regional Planning Commission on November 15, 2008, for its consideration and a written report; and

WHEREAS, prior to the adoption of a plan of services, the City shall hold a public hearing;
and

WHEREAS, a public hearing was held July 15, 2008; and

WHEREAS, notice of the time and place of the public hearing shall be published in a newspaper of general circulation in the municipality a minimum of seven (7) days prior to the hearing; and

WHEREAS, notice of the time and place of the public hearing was published in the Kingsport Times-News on June 29, 2008; and

WHEREAS, the City of Kingsport, pursuant to the provisions of Tennessee Code Annotated, §6-51-102 has endeavored to annex a portion of the 13th Civil District of Sullivan County, Tennessee, commonly known as the remaining Rock Springs South Area #7 Annexation, said area being bounded and further described as follows:

BEGINNING at a point, said point being the northern most corner of parcel 26.00 of tax map 105H, group B of the Sullivan County 2007 Tax Maps; thence in a southeasterly direction approximately 848.28 feet to a point, said point being the southeastern corner of parcel 22.00 and on the northern right-of-way of Blakley Drive; thence in a southwesterly direction approximately 233.25 feet to a point, said point being the southern property line of parcel 23.00 and on the northern right-of-way of Blakley Drive; thence in a southeasterly direction crossing the right-of-way of Blakley Drive approximately 50.00 feet to a point, said point being on the property line of parcel 54.00 and the eastern right-of-way of Kanan Drive; thence in a southeasterly direction turning southwesterly following the eastern right-of-way of Kanan drive approximately 1,287 feet to a point, said point being on the southwest corner of parcel 54.00 and on the northern right-of-way of Rock Springs Drive; thence in a southeasterly direction approximately 465 feet to a point, said point being on the southern property line of parcel 54.00 and on the northern right-of-way of Rock Springs Drive; thence in a southwesterly direction crossing the right-of-way of Rock Springs Drive approximately 30.00 feet to a point, said point being the northeast corner of parcel 118.00; thence in a southwesterly direction approximately 1,967 feet to a point, said point being the northwestern corner of parcel 12.00 on Tax Map 105P, Group C; thence in a southeasterly direction approximately 494.92' to a point, said point being the northeastern corner of parcel 11.00; thence in a

southwesterly direction approximately 292.17 feet to a point; thence in a southwesterly direction approximately 166.46 feet to a point, said point being the southeast corner of parcel 8.00; thence in a southwesterly direction approximately 331.08 feet to a point, said point being the southern most point of parcel 5.00; thence in a northwesterly direction approximately 240 feet to a point; thence in a southwesterly direction approximately 549.33 feet to a point, said point being the southwest corner of parcel 1.00 and on the eastern right-of-way of Rock Springs Valley Road; thence crossing the right-of-way of Rock Springs Valley Road approximately 50 feet to a point, said point being on the west side of Rock Springs Valley Road and on the property line of parcel 41.20; thence in a northeasterly directions approximately 268 feet to a point, said point being the southeast corner of parcel 41.18, thence in a westerly direction approximately 560 feet to a point said point being the southwestern corner of parcel 41.18; thence in a southwesterly direction following the southern property line of parcel 41.15 approximately 675 feet to a point; thence in a northern direction approximately 386 feet to a point, said point being the southwest corner of parcel 41.02 of Tax Map 105; thence in an easterly direction approximately 248 feet to a point, said point being the southeastern corner of parcel 41.03; thence in a northern direction approximately 60 feet to a point; thence in a northeasterly direction approximately 300 feet to a point, said point being the southeastern corner of parcel 41.07; thence in a northwesterly direction approximately 110 feet to a point; thence in a northeasterly direction approximately 327 feet to a point; thence in a northwesterly direction approximately 130 feet to a point, said point being on the north property line of parcel 41.15 and on the southern right-of-way of Poplar Grove Road; thence following the right-of-way of Poplar Grove Road in an easterly direction approximately 581 feet to a point, said point being the northwest corner of parcel 41.14; thence crossing Poplar Grove Road approximately 77 feet to a point , said point being on the property line of parcel 10.00 of Tax Map 105I, Group B and the northern right-of-way of Poplar Grove Road; thence following the western right-of-way of Poplar Grove Road in a northeasterly direction approximately 1,871 feet to a point, said point being on the eastern property line of parcel 4.00 and the intersection of Poplar Grove Road and Blakely Drive; thence following the eastern right-of-way of Blakely Drive approximately 1,128 feet to a point, said point being the southwest corner of parcel 33.00 of Tax Map 105H, Group B; thence in a northwesterly direction approximately 726.08 feet to the point of BEGINNING, and being all of parcels 41.12, 41.14, 41.15, 41.18, 86.10, 116.01, 116.02, 116.03, 117.20, 117.30, 117.50, 117.60, 117.70, 117.80, 118.00, 119.00, 120.10, 121.00, 121.30, 121.40, 122.00; Tax Map 105H, Group B, Parcels 9.00, 10.00, 11.00, 12.00, 15.00, 16.00, 17.00, 18.00, 20.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00, 42.00 ; Tax Map 105P. Group C, Parcels 1.00, 2.00, 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 9.00, 10.00, 11.00, 12.00, 13.00, 13.10, 13.20, 14.00, 15.00, 16.00, 18.00, 19.00, 20.00 as indicated on the July 2007 Sullivan County tax maps. Additionally excluded from this is the following described property:

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being the southwest corner of parcel 19.00; thence in a northwesterly direction approximately 150 feet to a point, said point being on the southern right-of-way of Blakley Drive and the northwest corner of parcel 19.00; thence in a southwesterly direction following the western right-of-way of Blakley Drive approximately 498 feet to a point, said point being the northwest corner of parcel 14.00; thence in a southeasterly direction approximately 190.74 feet to a point; thence in a southwesterly direction approximately 200 feet to a point, said point being the southeast corner of parcel 13.00; thence in a northwesterly direction approximately 174.87 feet to the point of BEGINNING, and being all of parcels 13.00, 14.00, 19.00 and 21.00 of tax map 105H, group B as indicated on the 2007 Sullivan County tax maps.

AND WHEREAS, the City of Kingsport deems it advisable to adopt a Plan of Services for the proposed annexation area. Now, therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF KINGSPORT, TENNESSEE, as follows:

SECTION I. That a Plan of Services for the remaining Rock Springs South Area #7 Annexation as bounded and described above is hereby adopted, subject to an enactment of an annexation ordinance for the annexation area, the said Plan of Services to be as follows:

**Rock Springs South Area #7 Annexation
Rock Springs Road
Plan of Services**

1. **Police Protection**

- A. On the date of annexation the Kingsport Police Department will respond to all calls for service for police protection, including criminal calls, traffic accidents and traffic related occurrences, and other prevention and interdiction calls for service.
- B. Effective with annexation, all resources currently available within the Kingsport Police Department will become available to the citizens of the area. The Kingsport Police Department has an authorized accredited force of 103 police officers and approximately 60 civilian personnel to provide services 24-hours per day, 365 days a year.
- C. The Kingsport Police Department is accredited with the *Commission on Accreditation for Law Enforcement Agencies* and has met 312 mandatory and 100 optional standards in order to attain this status. Kingsport Police Department was only the third accredited department in the State of Tennessee and the first in northeast Tennessee.
- D. Upon annexation, existing police department personnel will be utilized to provide services by expanding the contiguous patrol sections to include the newly incorporated area. Existing police personnel and equipment will be shifted to provide needed coverage of the area. Each section will be patrolled by units of the Kingsport Police Department and will be augmented by other departments and units such as investigators, specialized assigned details etc.
- E. When needed, the Kingsport Police Department will hire additional police officers to provide more response to annexed areas. The officers will undergo seven hundred twenty (720) hours of basic recruit training before being certified as a police officer. Upon completion of the classroom training, the officers will undergo six hundred forty (640) hours of field office training where they will work and be trained by designated training officers.

- F. The Kingsport Police Department will provide upon request crime prevention programs, traffic safety education programs, drug education/awareness programs including D.A.R.E. to the citizens of the area. Additional programs include department personnel to address groups on law enforcement topics or concerns, home and business security checks and establishing and maintaining neighborhood watch programs.
- G. The Kingsport Police Department currently maintains a 4.5-minute response time to all incidents within the corporate limits.

2. **Fire Protection**

- A. On the operative date of annexation, the City of Kingsport will answer all calls for service for fire, disaster, hazardous materials, special rescue and medical first responder. The Kingsport Fire Department goes beyond the basic fire services required of a City Government.
- B. The City of Kingsport Fire Department is an Internationally Accredited Agency, one of only two in the State of Tennessee. We operate 6 fire stations, housing fire suppression, hazardous materials, rescue and other emergency equipment. Staffed by 94 full-time professional firefighters, 24 hours a day, 365 days a year to provide service. The City of Kingsport maintains a Class 3 insurance rating saving its residents the most possible on their insurance rates. Our response time average is approximately 4 minutes 15 seconds after we receive the call from our dispatch center.
- C. Free fire safety inspections will be available upon request on the effective date of annexation. Water lines will be upgraded within five (5) years after the effective date of annexation to provide needed fire flow to protect the properties.
- C. All structures must be brought into compliance with the City-wide smoke detector ordinance within thirty (30) days of the effective date of annexation. This is strictly to provide residents with the best fire protection service available.
- D. The City of Kingsport Fire Department has a Hazardous Materials Response Team, which has state-of-the-art equipment to handle all calls of an emergency nature dealing with incidents relating to hazardous chemicals. The department also has a Technical Rescue Team that has specialized rescue capabilities and equipment for all types of hazards.
- E. The City of Kingsport Fire Department provides First Responder emergency medical services to all life-threatening medical emergencies resulting from serious illness or injury. We provide advanced life support (paramedics) for victims until ambulance service arrives for transport

3. **Water**

- A. Water will be billed at in City rates rather than out of City rates, which will result in a reduction in water rates for annexed citizens already receiving City water. Those not currently receiving City water will be required to obtain a water-tap in order to obtain City water.
- B. Water line upgrades and the installation of fire hydrants will commence for adequate fire protection and will be completed within five (5) years after the effective date of annexation.
- C. The City of Kingsport Water Department operates and maintains a 28 MGD water filtration plant, 22 water storage tanks, 15 water booster station and over 750 miles of waterlines. The water treatment plant is staffed by state certified operators 24 hours a day, 365 days a year to provide safe drinking water to our customers.

- D. The City of Kingsport Water Department meets or exceeds water quality standards set forth by the State of Tennessee and the United States Environmental Protection Agency. The plant was the recipient of the 2005 Julian Fleming Award for Outstanding Water Treatment Plants.
- E. The Kingsport Water Treatment Plant has a capacity of 28 MGD and an average daily demand of 15 MGD leaving a surplus capacity of approximately 18 MGD for increase demand
- F. The Water Distribution Division is managed with a professional staff who are members of key professional organizations such as: American Water Works Association, Tennessee Association of Utility Districts, National Society of Professional Engineers, American Society of Civil Engineers. Several key members of the staff also hold certificates and licenses in the operations of a distribution system in the State of Tennessee.

4. **Electricity**

Electric service in this area is currently under the jurisdiction of AEP and is currently available. Street lighting will be provided generally within five years of the City of Kingsport's request for such service.

5. **Sanitary Sewer**

- A. City of Kingsport sanitary sewer will be installed and extended to the property within five (5) years after the effective date of annexation. Citizens in the annexed territory will be responsible and required to obtain a sewer-tap form the City of Kingsport before connection to the sanitary sewer system.
- B. Sanitary sewer fees are based on usage of water and are direct reflection of the amount of water used by the resident.
- C. The City of Kingsport operates and maintains a 12.4 MGD wastewater treatment plant, 88 sewer lift stations and approximately 525 miles of sanitary sewer collection lines in to provide sewer service to our customers.
- D. The City of Kingsport Wastewater Treatment Plant will experience 20 million dollars of improvements to provide a reliable and dependable infrastructure.
- E. The wastewater treatment plant is staffed with State Certified Operators 24 hours a day, 365 days a year. Treatment plant operators exceed State of Tennessee training requirements.
- F. The Sewer Collection Division is managed with a professional staff who are members of key professional organizations such as: Water Environment Federation, Tennessee Association of Utility Districts, National Society of Professional Engineers, American Society of Civil Engineers. Several key members of the staff also hold certificates and licenses in the operations of a collection system in the State of Tennessee.

6. **Solid Waste Disposal**

Sanitation garbage (routine household refuse), trash (grass clippings, tree trimmings, bulky items), and recycling collection will be provided to the annexed area on the same basis as that received by properties located within the existing City Limits. Collection will begin within thirty-(30) days following the effective date of annexation. The Sanitation Division supervisor is certified through SWANA as a Certified MSW Management Manager, and Certified Transfer Station Manager. Members of the collection crews receive ongoing training in their fields. The City of Kingsport also owns and operates a demolition landfill that residents can use for a fee. That landfill is supervised by a SWANA

certified Manager of Landfill Operations. This supervisor also holds other certifications from SWANA and TDEC.

7. **Public Road/Street Construction & Repair**

- A. Emergency and routine maintenance of streets and street signs, pavement markings and other traffic control devices will begin on the operative date of annexation. Emergency pothole repairs are generally made within 24 hours of notification. Crews are available on a 24 hour basis for major emergency call-outs.
- B. Cleaning of streets of snow and ice clearing will begin on the operative date of annexation on the same basis as now provided within the present City limits. This includes major thoroughfares , State highways and emergency route to hospitals as first priority, with secondary/collector streets and finally residential streets in that order as priority II. Snow removal crews receive yearly training to help keep them up to date with changes in procedures and techniques. Snow removal crews also respond on a 24 hour emergency call in basis.
- C. Streets affected by utility construction will be repaired as soon as possible after the utility construction is completed.
- D. Routine Right of Way maintenance is also provided on the effective date of annexation. These crews include a certified Arborist, certified Pesticide Applicators, and other trained personnel to respond to emergencies and routine maintenance requests.
- E. The Streets and Sanitation Division is managed and supervised by a professional staff who are members in good standing of several Professional Organizations such as the Tennessee Chapter of the American Public Works Association, the national chapter of the American Public Works Association, the Volunteer Chapter of the Solid Waste Association of North America, the national chapter of the Solid Waste Association of North America, the Tennessee Urban Forestry Council, the Tennessee Nursery and Landscape Association, National Arbor Day Association, Tennessee Vegetation Management Association, and the Keep Kingsport Beautiful Council. The staff receives ongoing training through these Professional Organizations. Members of the staff are active in their respective organizations. Members of the staff also serve as trainers and instructors for various training venues.

8. **Recreational Facilities**

- A. Residents of the annexed area may use existing City recreational facilities, programs, parks, etc. on the effective date of annexation at City rates rather than out of City rates.
- F. Residents of the annexed area may use all existing library facilities and will be exempt from the non-residential fee on the effective date of annexation.
- C. Residents of the annexed area (50 years or older) will be eligible to use the Senior Citizens Center with no non-residential fees and with transportation provided on the effective date of annexation.
- D. The Department of Parks and Recreation has more than 4,800 acres of city-owned land to provide parks and recreation programs to all our citizens. The amenities and programs offered by many of the parks and recreation areas through the Leisure Services Department include playing fields for baseball and softball, basketball courts, play grounds, volley ball, tennis courts, a skate park and concession areas and restrooms to serve these facilities. Other amenities offered include General meeting areas, multi function areas, Community Centers, senior programs, Theater and

Cultural Arts programs. Many of the parks have walking and hiking trails and Bays Mountain, the City's largest park, includes animal habitats, a farm area, camping sites, and a Planetarium.

9. **Street Lighting**

Within five years of the operative date of annexation the City will take over responsibility (including payment) for dusk-to-dawn lights presently in place that meet City standards. The City will request that AEP install additional streetlights on collector-class and lower streets in accordance with the policy on roadway lighting within five (5) years of the effective date of annexation. Lighting on minor and major arterials will be installed per prevailing city policy.

10. **Zoning Services**

- A. The area will be zoned R-1B, Residential District as this district is compatible with the Counties R-1 Low Density Residential zoning district.
- B. The Kingsport Regional Planning Commission is the comprehensive planning agency and administers zoning and land subdivision regulations for the City of Kingsport as provided in State law. The Kingsport Regional Planning Commission consists of nine (9) commissioners appointed by the Mayor of the City of Kingsport.
- C. The Kingsport Regional Planning Commission will exercise planning and zoning activities for the area being annexed upon the operative date of annexation. The area will be incorporated into the city limits of the City as part of the five-year long-range annexation plan adopted by the Kingsport Regional Planning Commission for this area.
- D. Appeals to Zoning regulations are heard by the Board of Zoning Appeals and variances are granted if the request meets the criteria established for granting variances under Tennessee Code Annotated.

11. **Schools**

- A. Upon annexation, children currently attending County schools will be allowed to attend City of Kingsport schools or remain in County schools per the prevailing County policy at the time.
- B. Tuition paid by non-city residents now attending City schools will cease upon the effective date of annexation and those students may continue to attend City schools without charge until graduation.
- C. Children at all grade levels may attend City schools tuition-free. Transportation will be provided for students, whose homes are more than 1.5 miles from their designated school, beginning with the school year following annexation.

The previous sections are titled and listed in the order prescribed by Tennessee Code Annotated 6-51-102(b) (2). The following sections are provided by the City of Kingsport in addition to the minimum requirements.

12. **Traffic Control**

The City will verify all street name signs and traffic control devices in accordance with the Manual on

Uniform Traffic Control Devices.

13. **Inspection Services**

All inspection services now provided by the City on a fee basis (building, electrical, plumbing, gas, housing, sanitation, etc.) will begin in the annexed area on the effective date of annexation. A free safety inspection of plumbing vents will be required at the time sewer connections are made to make sure that proper protection is available to prevent sewer gas from entering houses.

14. **Animal Control**

Animal control service equivalent to that presently provided within the City will be extended to the annexed area on the effective date of annexation.

15. **Storm Sewers**

The installation of any needed storm sewers will be accomplished in accordance with existing standards and engineering principles provided for by present City policies. Maintenance of existing storm sewer and drainage systems is also provided on an as needed basis. Response to emergency storm drainage calls is also provided on a 24 hour call in basis.

16. **Leaf Removal**

The City will collect loose leaves with the vacuum truck between October 1 and January 15, and it will be provided to the annexation area on the same basis as it is currently provided to other City residents beginning on the effective date of annexation. Bagged leaves are collected year round. Leaves are transported to the City's Demolition Landfill where they are composted and used as an amendment to existing dirt stockpiles. This enhanced dirt is then used on City Projects for backfill and topsoil applications.

17. **Litter Control**

The City's litter control program will be extended to the area on the effective date of annexation. It is provided biweekly along major commercial routes and on an "as needed/on call" basis in other areas.

18. **Graffiti Control**

The City's graffiti control program, which is aimed at eliminating graffiti on public rights-of-way such as bridge abutments, street signs, railroad underpasses, and the like, will be extended to the area on the effective date of annexation. It is provided on an "as needed/on call" basis. Response time for "offensive" graffiti removal is generally within 48 hours.

19. **Other Services**

All other services not classified under the foregoing headings such as Executive, Judicial, Legal, Personnel, Risk Management, Fleet Maintenance, Finance and Administration and other support services will be available upon the effective date of annexation.

SECTION II. This Resolution shall be effective from and after its adoption, the public welfare requiring it.

ADOPTED this the _____ day of _____ 2008.

DENNIS PHILLIPS
Mayor

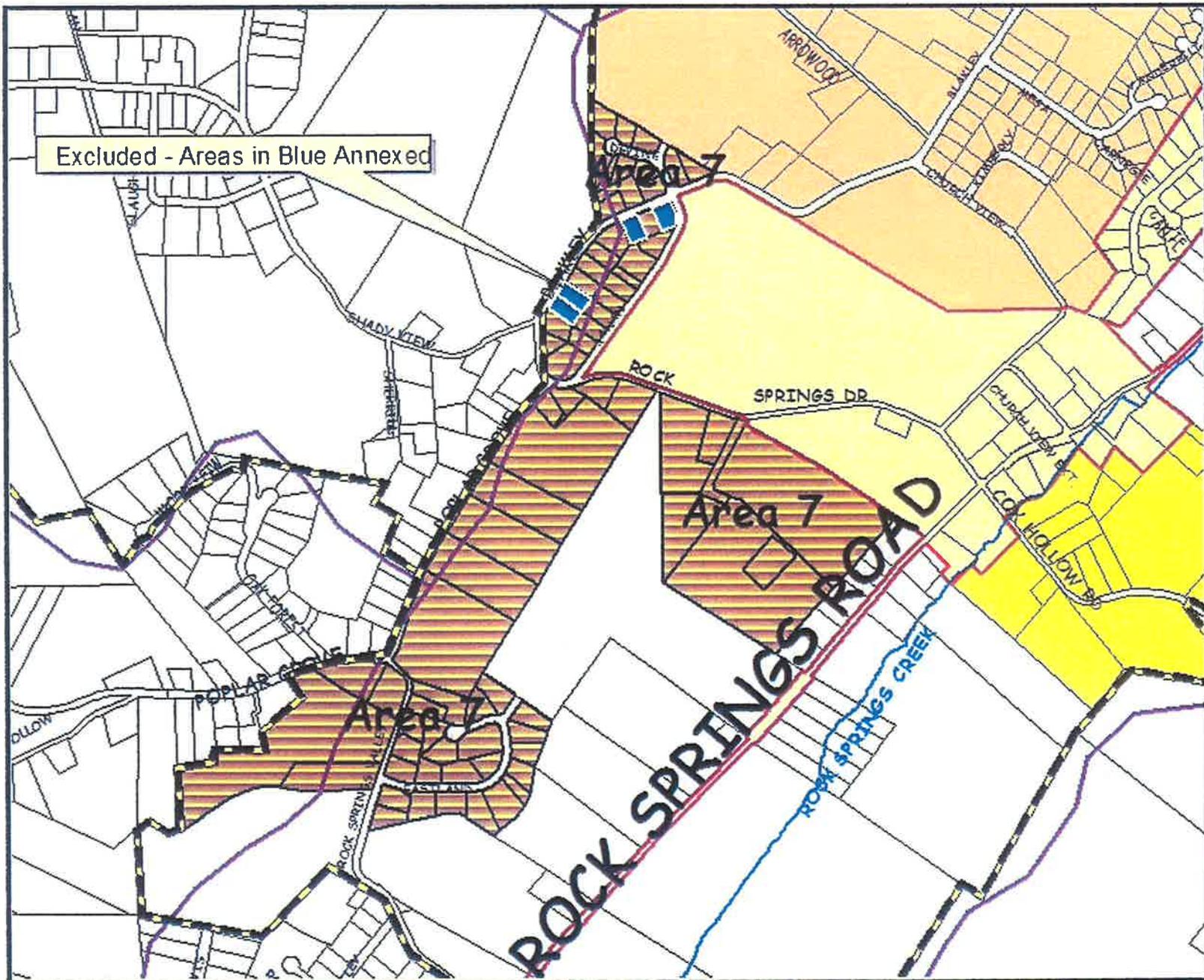
ATTEST:

JAMES H. DEMMING
City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

Area #7 - Remaining Rock Springs South Annexation Area



Excluded - Areas in Blue Annexed

LEGEND

- Area #7
- USBA
- City Limits
- Excluded Area
- Streams
- Ridge Lines
- Annex Areas

Rock Springs South Annexation Line

Kingsport & UGBA

The inset map shows a larger geographic area with a star marking the location of the main map. A north arrow is located below the inset map.



Rock Springs South - Area #7





AGENDA ACTION FORM

Public Hearing and Consideration of an Ordinances to Annex/Amend Zoning of the Remaining Portion of the Rock Springs South #8 Annexation Area and Consideration of a Resolution Adopting the Plan of Services

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF-194- 2008
 Work Session: July 14, 2008
 First Reading: July 15, 2008

Final Adoption: August 5, 2008
 Staff Work By: F. Koder
 Presentation By: F. Koder

Recommendation:

- Hold public hearing
- Approves ordinance for annexation of Rock Springs South #8 parcels 99.00, 100.00, 104.00, 106.10, 107.00, and 107.10 of tax map 91; 1.00, 1.05, 1.10, 1.20, 2.01, 2.06, 3.00, 4.00, 5.00, 6.00, 6.20, 6.40, 7.00, 7.10, 10.00, 10.20, 12.00, 13.00, 13.50, 14.00, 15.00, 16.00, 17.00, 18.00, 20.00, 20.10, 111.00, 112.00, 112.50, 112.60, 113.00, 124.00, 124.05, 125.00, 125.20, 126.00, 127.00, 128.10, 129.00, and 131.00 of tax map 105; 1.00, 2.00, 3.00, 4.00, 6.00, 7.00, 8.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00, 42.00, 43.00, 44.00, 45.00, 46.00, 47.00, and 49.00 of tax map 105B, group B; 1.00, 2.00, 3.00, 4.00, 5.00, and 7.00 of tax map 105B, group B; 1.00, 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 9.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, and 27.00 of tax map 105G, group A; 1.00, 2.00, 3.00, 5.00, 6.00, 7.00, 8.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, and 36.00 of tax map 105G, group B; 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00 and 42.00 of tax map 105H, group B as indicated on the July 2007 Sullivan County tax maps. as indicated on the July 2007 Sullivan County tax maps.
- Approve ordinance amending the zoning ordinance to zone the area R-1B, Single Family Residential District
- Approve a resolution adopting a plan of services for the parcels.

Executive Summary:

City initiated annexation of approximately 259 acres in the Rock Springs Area. The current county zoning in the area is R-1 and A-1. The proposed City zoning for the area is R-1B, Single family Zoning District. Approximately 4,927 linear feet of roadways are included in this annexation. Water and sewer will require extension to the parcels and will follow Rock Springs Creek with laterals to the parcels. At its December 20, 2007 meeting the Kingsport Regional Planning Commission voted unanimously to send a favorable recommendation for the annexation, zoning and plan of services for the Rock Springs South #7 annexation area to the Board of Mayor and Alderman. The effective date of this annexation will be August 31, 2008. The Notice of Public Hearing was published June 29, 2008.

Attachments:

- 1. Staff Report
- 2. Notice of Public Hearing
- 3. Annexation Ordinance
- 4. Zoning Ordinance
- 5. Resolution
- 6. Map

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

Funding source appropriate and funds are available: _____

ANNEXATION AND ZONING REPORT
File No.: 07-301-00006

TO: KINGSFORT REGIONAL PLANNING COMMISSION

FROM: FORREST KODER, PLANNER

DATE: March 23, 2007

APPLICANT: City of Kingsport Tennessee

REQUESTED ACTION: City initiated annexation and zoning to an R-1B Residential District of the approximately 264 acres adjacent to the current corporate limits and encompasses the following roads: Vanderbilt, Hunters Crossing, Blakley Drive, Mesa Drive, Arrowwood Drive, Autumn Knoll, Kimberly Road, Churchview Drive, and Carnegie. The area contains approximately 163 parcels. This area is designated as area number 8 in the adopted Five-Year Annexation Plan.

LOCATION: Property is located on the north side of Rock Springs Road from the previous corporate limits, prior to the Area #2, annexation, and is adjacent to the existing Corporate Limits and is identified as Tax Map 91, Parcels 99.00, 100.00, 104.00, 106.10, 107.00, 107.10; Tax map 105, Parcels 1.00, 1.05, 1.10, 1.20, 2.01, 2.06, 3.00, 4.00, 5.00, 6.00, 6.20, 6.40, 7.00, 7.10, 8.00, 10.00, 10.20, 12.00, 13.00, 13.50, 14.00 – 20.00, 20.10, 111.00, 112.00, 112.50, 112.60, 113.00, 124.00, 124.05, 125.00, 125.20, 126.00, 127.00, 128.10, 129.00, 131.00; Tax map 105B, Group A, Parcels 1.00 – 49.00; Tax Map 105B, Group B, Parcels 1.00 – 7.00; Tax Map 105G, Group A, Parcels 1.00 – 24.00, 26.00, 27.00; Tax Map 105G, Group B, Parcels 1.00 – 8.00, 10.00 – 36.00 on the 2005 Sullivan County Tax Maps. The property is located in 13th Civil District.

EXISTING LAND USE: Single Family Residential and farm land.

PROPOSED USE: Same

SURROUNDING ZONING AND LAND USE:

North: City with County, with sporadic residential housing that is zoned R-1, Single Family Residential and A-1, Agricultural and adjacent to Interstate 26. Predominant land use is residential with some agricultural.

South: County A-1 and R-1 zoning classifications. The predominant land use is Single Family Residential as this area abuts Area #2 that was annexed previously and a portion of the current city limits.

East: City R-1B, Single Family Residential, and City B-4P, Planned Business with the predominant land use containing a large number of Single-family residences to the east, both in the City and in the County.

West: County A-1 and R-1 zoning, with the predominant land use being residential and agricultural. These properties abut areas slated for annexation in the years 2008 and 2009.

LAND USE PLAN(S): The site is within the scope of the 2010 Conceptual Land Use Plan (Kingsport Land use Plan, 1988). This area is recommended for Single-family and Resource Production use according to the study.

UTILITIES: Water is furnished to the site; however there may be the need to upgrade the lines in order to provide adequate fire protection. There is an existing four-inch water line on Blakley Drive, and two-inch water lines on the remaining streets. These will be upgraded to provide adequate fire protection. Sanitary Sewer is not provided to the parcels and must be extended to the site from the line located on Rock Springs Creek and the 10" sanitary sewer line that runs along to Rock Springs Road. The main trunkline was included in the Edenburgh annexation and laterals will be required to provide coverage to these parcels.

TRANSPORTATION: The property is located on many roadways and these streets are listed as local streets with the exception of Blakley Drive according to the 2010 Major Street and Road Plan (2000). Blakley Drive is listed as a collector street. This annexation will include approximately 14,443 linear feet of roadway and includes those streets mentioned previously.

PHYSICAL CHARACTERISTICS: The properties proposed for annexation and zoning total 264 acres in area and has a street frontage of approximately 14,443 linear feet of road.

OPTIONS: The Planning Commission's options are as follows:

1. Approve the annexation, zoning and Plan of Services request and send a favorable recommendation to the Board of Mayor and Alderman.
2. Disapprove the annexation and state the reasons for denial in writing.
3. Postpone action pending receipt of additional information.

STAFF

RECOMMENDATION: The Planning Division recommends the annexation of the parcels as identified to the Planning Commission and the Board of Mayor and Alderman. The rationale for this recommendation is based on the following:

1. The City of Kingsport should utilize annexation as urban development occurs and is necessary for present and future growth in an orderly manner.
2. Annexation spurs economic growth by providing basic services at a reasonable cost and allows those costs to be spread fairly to all who enjoy those services.
3. The City of Kingsport can provide services through its Plan of Services that the County cannot provide to the residents of the area.
4. It is reasonably necessary for the welfare of the residents and property owners of the affected territory.
5. It is reasonably necessary for the welfare of the residents and property owners of the municipality as a whole.
6. This annexation is in keeping with the adopted five-year annexation plan for the Rock Springs area and the services the City can provide to the territory.

Cost/Benefit Analysis – Rock Springs South Area #8

Before any territory may be annexed, Tennessee Code Annotated (TCA) 6-51-102(b)(1) and (2) requires the governing body to adopt a Plan of Services which establishes the services to be provided and projected delivery time for said services. At a minimum the Plan of Services shall include the following: police protection, fire protection, water service, electrical service, sanitary sewer service, solid waste collection, road and street construction and repair, recreational facilities and programs, street lighting and zoning services. Additionally if the municipality maintains a separate school system, the plan shall include schools and provisions specifically addressing the impact, if any, of the annexation on school attendance zones.

The City of Kingsport incurs the costs associated with providing all properties annexed the required services as mandated by TCA. These services are listed on the following pages under Plan of Services and their respective timeline. As the narrative illustrates, the majority of services are either already being furnished or are not applicable in this particular case. The largest amount of capital expense is related to water and sewer. These costs are covered in the charts following this narrative, however some explanation is required in how these figures were obtained.

BENEFITS - REVENUES

There is no sanitary sewer line running to the properties. There is a ten (10) inch sanitary sewer line running along Rock Springs Road, which ends at the present corporate limits and would be extended to the property considered for annexation. This of course was included in the Bridwell annexation. The most likely path for this line would be to follow the creek to the south side of Rock Springs Road. This would necessitate the installation of lateral lines (collectors) to all properties in order to provide service. This would include going under Rock Springs Road to serve those parcels on the north side of the road. According to Mike Parker of the Engineering Department, the City of Kingsport will incur an estimates cost of \$2,368,464 to extend the sanitary sewer line to all properties.

Likewise there is also a six (6) inch water line that runs parallel to the parcels on Rock Springs road that currently provide water to the lines that serve the properties. However these lines will require upgrading in order to furnish enough pressure to provide fire protection. According to Sam Chase of the Water Department, this will require the installation of an eight (8) and six (6) inch water lines and the installation of 14 fire hydrants along this run to meet fire protection standards. Associated costs for the upgrade in water lines and fire hydrants are \$35,000 and \$636,250 respectively. Additionally a pump station will be required at a cost of \$100,000 for a total expenditure of \$771,250. For this report, water tap fees and sewer tap fees will be included in the

cost/benefit chart in the amount of \$665.00 and \$1,950.00 respectively for each proposed lot.

Based on the estimated population of 264 people, should the area be annexed into the City, an estimated \$26,759 in revenue would be acquired by the City of Kingsport from the State of Tennessee. This is based on the state shared per capita amount of \$101.36 per person multiplied by the total population of the area.

Projected revenues for Rock Springs South Area #8 Annexation would include the following:

Reoccurring Revenue	Amount	Estimated Revenue
Property Tax	163 parcels	\$132,813
State Revenue Share	\$101.36/person	26,759
Water Usage		42,288
Sewage Usage		<u>97,262</u>
	Total:	\$299,122

One-Time Revenue	Amount	Estimated Revenue
Sewer Tap Fees	\$1,95000 ea.	\$317,850
Water Tap Fee	<u>\$665.00 ea.</u>	<u>0</u>
	Total:	\$317,850

Note: The property tax figures are based on real estate assessments for each parcel taken from the Sullivan County Property Tax Assessor’s 2005 appraisal. Water and sewer rates are estimated usage of 7,500 gallons per month for a family of three to four individuals. Both the tap fees and the water and sewer usage figures are for individual, single inhabitant even if the parcel is currently vacant.

COSTS

In summary the City of Kingsport would incur expenses totaling \$771,250 for the installation of water, water pump and fire hydrants to upgrade the area for fire protection. Additionally the installation of sewer service to the property line will cost an additional \$2,368,464. This would be a one-time capital expense, and the City would be responsible for maintenance of both water and sewer systems.

Additionally the cost associated with the maintenance of the roadways, garbage and trash pick-up, snow removal etc., would be absorbed by the City of Kingsport. In this particular case there would be no additional roadway annexed that would require annual maintenance. Ronnie Hammonds of the Public Works Department has estimated the figure of approximately \$92,253 as needed on an annual basis, which includes Capital

costs, Salaries and Annual Operating Costs. Rock Springs Road costs were captured with the Bridwell annexation, however additional roadways are included in this annexation. These include the following roads and their respective linear footages:

Autumn Knoll -	580 Linear Feet
Hunters Crossing -	2338 Linear Feet
Arrowood -	1255 Linear Feet
Vanderbilt -	743 Linear Feet
Mesa -	750 Linear Feet
Kimberly-	643 Linear Feet
Church View -	1255 Linear Feet
Blakely -	<u>5169 Linear Feet</u>
	12,733 Linear Feet

Streets with decorative poles in existing subdivisions include the following:

Carnegie -	260 Linear Feet
Mesa -	450 Linear Feet
Vanderbilt Way -	<u>1000 Linear Feet</u>
	1710 Linear Feet

This will be further broken down in the Cost/Benefit Chart.

The City is responsible for the installation of streetlights and their maintenance along roadways that are annexed. According to Mike Thompson, Traffic Engineer for the City of Kingsport, there would be additional cost for these additional streets as they were not included in the Bridwell annexation. The estimated figure of approximately \$13,839 would be required on an annual basis for operating and maintenance costs and a one-time capital cost of \$21,579 would be required with this proposal. This does not include traffic controls for this area. A total of 52 street and traffic signs would be required at a one time cost of \$7,800.

These costs are itemized on the Rock Springs South Area #8 Cost/Benefit Chart, but a further breakdown is as follows:

Water & Sewer Service

<u>Location</u>	<u>Capitail Costs</u>
Water Line Upgrade 8-Inch Line – Fire Hydrants	\$771,250
Sewer Line Installation Rock Springs Rd.	<u>\$2,368,464</u>

Total **\$3,139,714**

Public Works

<u>Service</u>	<u>Capital Costs</u>	<u>Salaries</u>	<u>Annual Operating Costs</u>
Garbage, Trash & Recycling, Leaf Collection & Landscaping, Admin. Street Maintenance Sweeping, ROW Main.	\$48,452	\$20,293	\$23,508
Street Lights	\$21,579	\$0	\$13,839
Traffic Controls	\$7,800	\$0	\$0

Police Department

<u>Service</u>	<u>Capital Costs</u>	<u>Salaries</u>	<u>Annual Operating Costs</u>
Police Officers		\$28,680	\$5,358
Police Cars	\$20,268		

Note: These costs are calculated utilizing the middle factor of .65 for population.

Summary

<u>Fund</u>	<u>Capital One-Time</u>	<u>Operating Annual</u>	<u>Estimated Annual Revenue</u>
General	\$ 98,099	\$91,678	\$159,572
Sewer	\$2,368,464	0	97,262
Water	\$ 771,250	0	42,288
	\$3,237,813	\$91,678	\$299,122

Statistics Area #8

Population	346
Miles of Roadway Annexed	14,443 linear feet/ 2.73 Mi.
Acres included in Annexation	264
Existing Land Use	Existing Residential, Farmland. Trailer Park
Proposed Land Use	Residential
Proposed Zoning	City – R-1B, Single Family.
Cost of Utility Improvements	\$3,139,714
Annual Revenue (reoccurring) Water/Sewer/Property Taxes Net Revenue	\$272,363
Loss in Revenue – Water/Sewer City rate/ County rate	\$68,441
State Revenue Sharing per Capita \$101.36/ person – Population of 15	\$26,759
Annual Revenue (one-time) Sewer & Water Taps	\$317,850
Additional Cost – Road Maintenance, Street Lights. One Time.	\$98,099
Annual Cost; Police Officer, Garbage, Road Maintenance, Trash, etc.	\$91,678

COST/BENEFIT ANALYSIS Area # 8

Revenues	One Time	Reoccurring	Revenue LOSS
Property Taxes	0	\$132,813	
State Shared	0	\$26,759	
Sales Tax	0	0	
In County Water Rate	0	\$110,729	Loss of Revenue: \$68,441
In City Water Rate	0	\$42,288	Excludes Sales Tax
In County Sewer Rate		0	
In City Sewer Rate		\$97,262	
Other: Water Taps	\$0	0	
Sewer Tap Fees	\$317,850	0	
Total	\$317,850	\$299,122	Excludes County Water
Grand Total		\$616,972	

Expenses	One Time	Reoccurring	
Operating Budget			
Police	0	\$34,038*	*Note: Includes Operating Cost & Salary
Fire	0	0	
Public Works	0	0	
Street Lights & Traffic Controls	\$29,379	\$13,839	
Recreation	0	0	
Zoning Services	0	0	
Schools	New School	New School	
Leaf & Land., & Admin .	\$48,452	\$43,801*	*Note: Includes Operating Cost & Salary
Garbage, Trash, Refuse			
Road Maintenance			
Subtotal	\$77,831	\$91,678	
Capital Budget			
Water	\$771,250	0	
Sewer	\$2,368,464	0	
Roads	0	0	
Schools	0	0	
Police - Car	\$20,268	0	
Subtotal	\$3,159,982	0	
Grand Total	\$3,237,813	\$91,678	

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN to all citizens of the City of Kingsport, Tennessee, to all persons interested, and the public at large that the City of Kingsport Board of Mayor and Aldermen will conduct a Public Hearing during its regular business meeting on Tuesday July 15, 2008 to consider the annexation, zoning and Plan of Services for the areas identified as the remaining Rock Springs South Area #8, adjacent to Rock Springs Road area. The regular business meeting will begin at 7:00 p.m. in the large courtroom located on the second floor of City Hall, at 225 W. Center Street, Kingsport, Tennessee.

The property proposed for annexation is generally described as follows:

BEGINNING at a point, said point being the southeast corner of parcel 111.00 of tax map 105 of the Sullivan County 2007 Tax Maps and the southwest corner of parcel 25.00 of Tax Map 105B, Group C; thence in a northwesterly direction approximately 125.50 feet to a point, said point being on the southern right-of-way of Church View Drive; thence in a westerly direction approximately 36 feet crossing the right-of-way of Church View Drive to a point, said point being the northeast corner of parcel 54.00 of Tax Map 105; thence in a westerly direction approximately 668.50 feet to a point, thence in a northwesterly direction approximately 1,522 feet to a point, said point being on the southern right-of-way of Blakley Drive; thence in a northerly direction crossing the right-of-way of Blakley Drive approximately 50 feet to a point, said point being on the southerly property line of parcel 19.00; thence in a northwesterly direction approximately 200 feet to a point, said point being the southwest corner of parcel 19.00 and the southeast corner of parcel 20.00; thence in a northwesterly direction approximately 154 feet to a point; thence in a in an arc in a northwesterly direction approximately 145 feet to a point along the northern right-of-way of Blakley Drive; thence in a northwesterly direction approximately 80 feet to a point, said point being the southwest corner of parcel 20.10 of Tax map 105; thence in a northwesterly direction approximately 1,636 feet to a point; thence in a northerly direction approximately 609 feet to a point, said point being on the property line of parcel 21.00 of tax map 105; thence in a northeasterly direction approximately 1,096 feet to a point, said point being the northeast corner of parcel 15.00 and the northwest corner of parcel 13.00; thence in a northeasterly direction approximately 278 feet to a point, said point being the southwest corner of parcel 37 of tax map 105B, group A; thence in a northerly direction approximately 757.47 feet to a point, said point being the corner common with parcel 19.20 on tax map 91; thence in a northwesterly direction approximately 105.06 feet to a point, said point being the southwest corner of parcel 21.00; thence in a northeasterly direction approximately 683.63 feet to a point; thence in a southeasterly direction approximately 724.75 feet to a point, said point being the northeast corner of parcel 14.00 of tax map 105B, group A; thence in a northerly direction approximately 118 feet to a point; thence in a northeasterly direction approximately 2,226 feet to a point, said point being the northwest corner of parcel 106.10 on tax map 91; thence in a southeasterly direction approximately 588.42 feet to a point; thence in a southerly direction approximately 129.43 feet to a point; thence in a southeasterly direction approximately 519 feet to a point, thence in an easterly direction approximately 712 feet to a point, said point being the northeastern most point of parcel 104.00 of tax map 91; thence in a southwesterly direction approximately 300 feet to a point; thence in a southeasterly direction approximately 587 feet to a point, said point being on the right-of-way of Barnett Drive; thence crossing Barnett Drive right-of-way approximately 95 feet in a southeasterly direction; thence in a southerly direction approximately 140 feet to a point, said point being the northwest corner of parcel 100.00 of tax map 91; thence in a southeasterly direction approximately 65 feet to a point; thence in a southwesterly direction approximately 78 feet to a point; thence in a southeasterly direction approximately 200 feet to a point; thence in a southwesterly direction approximately 280 feet to a point, said point being the southeast corner of parcel 99.00; thence

in a northwesterly direction approximately 205 feet, said point being on the eastern right-of-way of Barnett Drive; thence in a northwesterly direction approximately 95 feet crossing the Barnett Drive right-of-way to a point; thence following the western right-of-way of Barnett Drive in a northeasterly direction approximately 304 feet to a point; thence in a northwesterly direction approximately 664 feet to a point; thence in a southwesterly direction approximately 130 feet to a point; thence in a northwesterly direction approximately 396 feet to a point, said point being the southwest corner of parcel 104.00 and on the eastern property line of parcel 106.10; thence in a southwesterly direction approximately 931 feet to a point; thence in a northwesterly direction approximately 502 feet to a point; thence in a southerly direction approximately 340 feet to a point; thence in a southeasterly direction approximately 219 feet to a point; thence following the southern property line of parcel 2.20 of tax map 105 approximately 543 feet to a point; thence in a northeasterly direction approximately 428 feet to a point, said point being the northeast corner of parcel 2.20; thence in a southeasterly direction approximately 975 feet to a point, said point being on the northern right-of-way of Barnett Drive; thence in a southwesterly direction approximately 445 feet following the western right-of-way of Barnett Drive with its intersection with Blakley Drive; thence in a southwesterly direction approximately 50 feet crossing Blakley Drive to a point, said point being the northeast corner of parcel 7.00 of tax map 105A, group B; thence in a southwesterly direction approximately 254 feet to a point; thence in a southwesterly direction approximately 126.10 feet to a point, said point being the northeast corner of parcel 131.00; thence in a southwesterly direction approximately 372.39 feet to a point, said point being the southeast corner of parcel 131.00 of tax map 105; thence in a westerly direction approximately 144.30 feet to a point; thence in a southwesterly direction approximately 1,548.40 feet to a point, said point being western most point of parcel 23.00 of tax map 105B, group C; thence in a southeasterly direction approximately 221.97 feet to a point; thence in a southwesterly direction approximately 313.77 feet to the point of BEGINNING and being all of parcels 99.00, 100.00, 104.00, 106.10, 107.00, and 107.10 of tax map 91; 1.00, 1.05, 1.10, 1.20, 2.01, 2.06, 3.00, 4.00, 5.00, 6.00, 6.20, 6.40, 7.00, 7.10, 10.00, 10.20, 12.00, 13.00, 13.50, 14.00, 15.00, 16.00, 17.00, 18.00, 20.00, 20.10, 111.00, 112.00, 112.50, 112.60, 113.00, 124.00, 124.05, 125.00, 125.20, 126.00, 127.00, 128.10, 129.00, and 131.00 of tax map 105; 1.00, 2.00, 3.00, 4.00, 6.00, 7.00, 8.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00, 42.00, 43.00, 44.00, 45.00, 46.00, 47.00, and 49.00 of tax map 105B, group B; 1.00, 2.00, 3.00, 4.00, 5.00, and 7.00 of tax map 105B, group B; 1.00, 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 9.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, and 27.00 of tax map 105G, group A; 1.00, 2.00, 3.00, 5.00, 6.00, 7.00, 8.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, and 36.00 of tax map 105G, group B; 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00 and 42.00 of tax map 105H, group B as indicated on the July 2007 Sullivan County tax maps. Additionally excluded from this is the following described property:

Tract 1

BEGINNING at a point, said point being the southwest corner of parcel 113.00 of tax map 105 of the Sullivan County 2007 Tax Maps and on the southern right-of-way of Blakley Drive; thence in a northerly direction approximately 50 feet crossing the right-of-way of Blakley Drive to a point, said point being on the property line of parcel 19.00; thence in a northwesterly direction approximately 200 feet to a point, said point being the southwest corner of parcel 19.00 and the southeast corner of parcel 20.00; thence in a northeasterly direction approximately 317.00 feet

to a point; thence in a southeasterly direction approximately 304.00 feet to a point, said point being the southeasterly corner of parcel 19.00 and on the western right-of-way of Blakley Drive; thence following the western right-of-way of Blakley Drive in an arc to the northeast approximately 1,048.00 feet to a point, said point being the southeasterly corner of parcel 48.00 of tax map 105B, group A; thence in a northwesterly direction approximately 200.29 feet to a point, said point being the southwesterly corner of parcel 47.00; thence in a northeasterly direction approximately 100.00 feet to a point, said point being the northwest corner of parcel 48.00; thence in a northwesterly direction in an arc following the westerly right-of-way of Hunters Crossing Lane approximately 1,054.00 feet to a point; thence crossing the right-of-way of Hunters Crossing Lane in a easterly direction approximately 50.00 feet to a point, said point being the northwest corner of parcel 9.00 of tax map 105B, group A; thence in an easterly direction approximately 247.60 feet to a point; thence in a southeasterly direction approximately 502.00 feet to a point, said point being northeast corner of parcel 8.00 and on the right-of-way of Blakley Drive; thence following the westerly right-of-way of Blakley Drive in a southwesterly direction approximately 120.00 feet to a point; thence in a northwesterly direction approximately 457.00 feet to a point, said point being the southwest corner of parcel 8.00 and the southeast corner of parcel 9.00; thence in a westerly direction approximately 250.22 feet to a point, said point being the southwest corner of parcel 9.00 and on the eastern right-of-way of Hunters Crossing Lane; thence in a southerly direction following the eastern right-of-way of Hunters Crossing lane approximately 379.91 feet to a point, said point being the northwestern corner of parcel 5.00; thence in a northeasterly direction approximately 277.79 feet to a point; thence in a southeasterly direction approximately 50.00 feet to a point; thence in a southwesterly direction approximately 261.58 feet to a point, said point being the southwest corner of parcel 5.00; thence in an easterly direction following the northern right-of-way of Hunters Crossing Lane approximately 342.95 feet to a point, said point being the southeast corner of parcel 1.00 and on the western right-of-way of Blakley Drive; thence in an easterly direction crossing the right-of-way of Blakley Drive approximately 50.00 feet to a point; thence in a southwesterly direction following the eastern right-of-way of Blakley Drive approximately 400.00 feet to a point, said point being the southwest corner of parcel 26.00 of tax map 150G, group A; thence in a southeasterly direction following the northern right-of-way of Mesa Drive approximately 749.89 feet to a point, said point being in the center of the arc for parcel 36.00 of tax map 105G, group B; thence crossing the right-of-way of Mesa Drive in a southeasterly direction approximately 50.00 feet to a point, said point being on the property line with parcel 7.00 and the intersection of Mesa Drive and Carnegie Court; thence following the right-of-way of Carnegie Court in an arc approximately 60.00 feet to a point; thence crossing the right-of-way of Carnegie Court in a southwesterly direction approximately 50.00 feet to a point, said point being the northeast corner of parcel 2.00; thence in a southwesterly direction approximately 135.77 feet to a point; thence in a northwesterly direction approximately 82.58 feet to a point; thence in a northeasterly direction approximately 187.04 feet to a point, said point being the northwest corner of parcel 2.00 and on the southern right-of-way of Mesa Drive; thence in a northwesterly direction approximately 789.65 feet to a point, said point being the northwesterly corner of parcel 15.00 of tax map 105G, group A and the intersection of the right-of-ways for both Mesa Drive and Blakley Drive; thence in a southwesterly direction following the eastern right-of-way of Blakley Drive approximately 2,265 feet to the point of BEGINNING and being all of parcel 19.00 of Tax Map 105, and parcels 5.00, 9.00 and 48.00 of Tax Map 105B, Group A and parcel 8.00 of Tax Map 105 and parcel 2.00 of Tax Map 105G, Group B as indicated on the July 2007 Sullivan County tax maps.

All interested persons are invited to attend this meeting and public hearing. A detailed map, description and Plan of Services are on file in the offices of the City Manager, located at 225 W. Center St.; offices of the Planning Department, located at 201 W. Market St. and Kingsport Public Library located at 400

Broad St. for public inspection during all business hours. Additional information concerning this proposal may be obtained by contacting the Kingsport Planning Division of the Development Services Department, telephone 423-229-9485.

CITY OF KINGSPORT
Liz Gilbert, City Clerk
PIT: 06/29/08

PRE-FILED CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO ANNEX THAT CERTAIN TERRITORY ADJOINING THE PRESENT CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, EMBRACING THAT CERTAIN PART OF THE 13TH CIVIL DISTRICT OF SULLIVAN COUNTY, TENNESSEE, AND KNOWN AS THE REMAINING ROCK SPRINGS SOUTH AREA #7 ANNEXATION, AS HEREINAFTER DESCRIBED; TO INCORPORATE THE SAME WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF KINGSPORT, TENNESSEE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

WHEREAS, a public hearing before the Board of Mayor and Aldermen of the City of Kingsport, Tennessee, was held on the 15th day of July, 2008, and notice thereof published in the Kingsport Times-News on the 29th day of June, 2008; and

WHEREAS, the City of Kingsport, under the authority granted it by Tenn. Code Ann., §6-51-102, initiated the annexation of the territory herein described to the City of Kingsport; and

WHEREAS, it appears that the prosperity of the City and of the territory herein described may be materially retarded and the safety and welfare of the property thereof endangered if such property is not annexed; and

WHEREAS, the annexation of such property is deemed necessary for the welfare of the residents and property owners thereof and the City as a whole; and

WHEREAS, a plan of services for this area was adopted by Resolution the 15th day of July, 2008 as required by Tenn. Code Ann., §6-51-102, et seq.

BE IT ORDAINED BY THE CITY OF KINGSPORT, AS FOLLOWS:

SECTION I. Pursuant to authority conferred by Tenn. Code Ann., §6-51-102, et seq., there is hereby annexed to the City of Kingsport, Tennessee, and incorporated within the corporate boundaries thereof, the following described territory adjoining the present corporate boundaries:

Embracing that certain part of Civil District No. 13 of Sullivan County, Tennessee, and more fully described to-wit:

BEGINNING at a point, said point being the southeast corner of parcel 111.00 of tax map 105 of the Sullivan County 2007 Tax Maps and the southwest corner of parcel 25.00 of Tax Map 105B, Group C; thence in a northwesterly direction approximately 125.50 feet to a point, said point being on the southern right-of-way of Church View Drive; thence in a westerly direction approximately 36 feet crossing the right-of-way of Church View Drive to a point, said point being the northeast corner of parcel 54.00 of Tax Map 105; thence in a westerly direction approximately 668.50 feet to a point, thence in a northwesterly direction approximately 1,522 feet to a point, said point being on the southern right-of-way of Blakley Drive; thence in a

northerly direction crossing the right-of-way of Blakley Drive approximately 50 feet to a point, said point being on the southerly property line of parcel 19.00; thence in a northwesterly direction approximately 200 feet to a point, said point being the southwest corner of parcel 19.00 and the southeast corner of parcel 20.00; thence in a northwesterly direction approximately 154 feet to a point; thence in a in an arc in a northwesterly direction approximately 145 feet to a point along the northern right-of-way of Blakley Drive; thence in a northwesterly direction approximately 80 feet to a point, said point being the southwest corner of parcel 20.10 of Tax map 105; thence in a northwesterly direction approximately 1,636 feet to a point; thence in a northerly direction approximately 609 feet to a point, said point being on the property line of parcel 21.00 of tax map 105; thence in a northeasterly direction approximately 1,096 feet to a point, said point being the northeast corner of parcel 15.00 and the northwest corner of parcel 13.00; thence in a northeasterly direction approximately 278 feet to a point, said point being the southwest corner of parcel 37 of tax map 105B, group A; thence in a northerly direction approximately 757.47 feet to a point, said point being the corner common with parcel 19.20 on tax map 91; thence in a northwesterly direction approximately 105.06 feet to a point, said point being the southwest corner of parcel 21.00; thence in a northeasterly direction approximately 683.63 feet to a point; thence in a southeasterly direction approximately 724.75 feet to a point, said point being the northeast corner of parcel 14.00 of tax map 105B, group A; thence in a northerly direction approximately 118 feet to a point; thence in a northeasterly direction approximately 2,226 feet to a point, said point being the northwest corner of parcel 106.10 on tax map 91; thence in a southeasterly direction approximately 588.42 feet to a point; thence in a southerly direction approximately 129.43 feet to a point; thence in a southeasterly direction approximately 519 feet to a point, thence in an easterly direction approximately 712 feet to a point, said point being the northeastern most point of parcel 104.00 of tax map 91; thence in a southwesterly direction approximately 300 feet to a point; thence in a southeasterly direction approximately 587 feet to a point, said point being on the right-of-way of Barnett Drive; thence crossing Barnett Drive right-of-way approximately 95 feet in a southeasterly direction; thence in a southerly direction approximately 140 feet to a point, said point being the northwest corner of parcel 100.00 of tax map 91; thence in a southeasterly direction approximately 65 feet to a point; thence in a southwesterly direction approximately 78 feet to a point; thence in a southeasterly direction approximately 200 feet to a point; thence in a southwesterly direction approximately 280 feet to a point, said point being the southeast corner of parcel 99.00; thence in a northwesterly direction approximately 205 feet, said point being on the eastern right-of-way of Barnett Drive; thence in a northwesterly direction approximately 95 feet crossing the Barnett Drive right-of-way to a point; thence following the western right-of-way of Barnett Drive in a northeasterly direction approximately 304 feet to a point; thence in a northwesterly direction approximately 664 feet to a point; thence in a southwesterly direction approximately 130 feet to a point; thence in a northwesterly direction approximately 396 feet to a point, said point being the southwest corner of parcel 104.00 and on the eastern property line of parcel 106.10; thence in a southwesterly direction approximately 931 feet to a point; thence in a northwesterly direction approximately 502 feet to a point; thence in a southerly direction approximately 340 feet to a point; thence in a southeasterly direction approximately 219 feet to a point; thence following the southern property line of parcel 2.20 of tax map 105 approximately 543 feet to a point; thence in a northeasterly direction approximately 428 feet to a point, said point being the northeast corner of parcel 2.20; thence in a southeasterly direction approximately 975 feet to a point, said point being on the northern right-of-way of Barnett Drive; thence in a southwesterly direction approximately 445 feet following the western right-of-way of Barnett Drive with its intersection with Blakley Drive; thence in a southwesterly direction approximately 50 feet crossing Blakley Drive to a point, said point being the northeast corner of parcel 7.00 of tax map 105A, group B; thence in a southwesterly direction approximately 254 feet to a point; thence in a southwesterly direction approximately 126.10 feet to a point, said point being the northeast

corner of parcel 131.00; thence in a southwesterly direction approximately 372.39 feet to a point, said point being the southeast corner of parcel 131.00 of tax map 105; thence in a westerly direction approximately 144.30 feet to a point; thence in a southwesterly direction approximately 1,548.40 feet to a point, said point being western most point of parcel 23.00 of tax map 105B, group C; thence in a southeasterly direction approximately 221.97 feet to a point; thence in a southwesterly direction approximately 313.77 feet to the point of BEGINNING and being all of parcels 99.00, 100.00, 104.00, 106.10, 107.00, and 107.10 of tax map 91; 1.00, 1.05, 1.10, 1.20, 2.01, 2.06, 3.00, 4.00, 5.00, 6.00, 6.20, 6.40, 7.00, 7.10, 10.00, 10.20, 12.00, 13.00, 13.50, 14.00, 15.00, 16.00, 17.00, 18.00, 20.00, 20.10, 111.00, 112.00, 112.50, 112.60, 113.00, 124.00, 124.05, 125.00, 125.20, 126.00, 127.00, 128.10, 129.00, and 131.00 of tax map 105; 1.00, 2.00, 3.00, 4.00, 6.00, 7.00, 8.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00, 42.00, 43.00, 44.00, 45.00, 46.00, 47.00, and 49.00 of tax map 105B, group B; 1.00, 2.00, 3.00, 4.00, 5.00, and 7.00 of tax map 105B, group B; 1.00, 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 9.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, and 27.00 of tax map 105G, group A; 1.00, 2.00, 3.00, 5.00, 6.00, 7.00, 8.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, and 36.00 of tax map 105G, group B; 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00 and 42.00 of tax map 105H, group B as indicated on the July 2007 Sullivan County tax maps. Additionally excluded from this is the following described property:

Tract 1

BEGINNING at a point, said point being the southwest corner of parcel 113.00 of tax map 105 of the Sullivan County 2007 Tax Maps and on the southern right-of-way of Blakley Drive; thence in a northerly direction approximately 50 feet crossing the right-of-way of Blakley Drive to a point, said point being on the property line of parcel 19.00; thence in a northwesterly direction approximately 200 feet to a point, said point being the southwest corner of parcel 19.00 and the southeast corner of parcel 20.00; thence in a northeasterly direction approximately 317.00 feet to a point; thence in a southeasterly direction approximately 304.00 feet to a point, said point being the southeasterly corner of parcel 19.00 and on the western right-of-way of Blakley Drive; thence following the western right-of-way of Blakley Drive in an arc to the northeast approximately 1,048.00 feet to a point, said point being the southeasterly corner of parcel 48.00 of tax map 105B, group A; thence in a northwesterly direction approximately 200.29 feet to a point, said point being the southwesterly corner of parcel 47.00; thence in a northeasterly direction approximately 100.00 feet to a point, said point being the northwest corner of parcel 48.00; thence in a northwesterly direction in an arc following the westerly right-of-way of Hunters Crossing Lane approximately 1,054.00 feet to a point; thence crossing the right-of-way of Hunters Crossing Lane in an easterly direction approximately 50.00 feet to a point, said point being the northwest corner of parcel 9.00 of tax map 105B, group A; thence in an easterly direction approximately 247.60 feet to a point; thence in a southeasterly direction approximately 502.00 feet to a point, said point being northeast corner of parcel 8.00 and on the right-of-way of Blakley Drive; thence following the westerly right-of-way of Blakley Drive in a southwesterly direction approximately 120.00 feet to a point; thence in a northwesterly direction approximately 457.00 feet to a point, said point being the southwest corner of parcel 8.00 and the southeast corner of parcel 9.00; thence in a westerly direction approximately 250.22 feet to a point, said point being the southwest corner of parcel 9.00 and on the eastern right-of-way of Hunters Crossing Lane; thence in a southerly direction following the eastern right-of-way of Hunters

Crossing lane approximately 379.91 feet to a point, said point being the northwestern corner of parcel 5.00; thence in a northeasterly direction approximately 277.79 feet to a point; thence in a southeasterly direction approximately 50.00 feet to a point; thence in a southwesterly direction approximately 261.58 feet to a point, said point being the southwest corner of parcel 5.00; thence in an easterly direction following the northern right-of-way of Hunters Crossing Lane approximately 342.95 feet to a point, said point being the southeast corner of parcel 1.00 and on the western right-of-way of Blakley Drive; thence in an easterly direction crossing the right-of-way of Blakley Drive approximately 50.00 feet to a point; thence in a southwesterly direction following the eastern right-of-way of Blakley Drive approximately 400.00 feet to a point, said point being the southwest corner of parcel 26.00 of tax map 150G, group A; thence in a southeasterly direction following the northern right-of-way of Mesa Drive approximately 749.89 feet to a point, said point being in the center of the arc for parcel 36.00 of tax map 105G, group B; thence crossing the right-of-way of Mesa Drive in a southeasterly direction approximately 50.00 feet to a point, said point being on the property line with parcel 7.00 and the intersection of Mesa Drive and Carnegie Court; thence following the right-of-way of Carnegie Court in an arc approximately 60.00 feet to a point; thence crossing the right-of-way of Carnegie Court in a southwesterly direction approximately 50.00 feet to a point, said point being the northeast corner of parcel 2.00; thence in a southwesterly direction approximately 135.77 feet to a point; thence in a northwesterly direction approximately 82.58 feet to a point; thence in a northeasterly direction approximately 187.04 feet to a point, said point being the northwest corner of parcel 2.00 and on the southern right-of-way of Mesa Drive; thence in a northwesterly direction approximately 789.65 feet to a point, said point being the northwesterly corner of parcel 15.00 of tax map 105G, group A and the intersection of the right-of-ways for both Mesa Drive and Blakley Drive; thence in a southwesterly direction following the eastern right-of-way of Blakley Drive approximately 2,265 feet to the point of BEGINNING and being all of parcel 19.00 of Tax Map 105, and parcels 5.00, 9.00 and 48.00 of Tax Map 105B, Group A and parcel 8.00 of Tax Map 105 and parcel 2.00 of Tax Map 105G, Group B as indicated on the July 2007 Sullivan County tax maps.

SECTION II. BE IT FURTHER ORDAINED, That all of the people and territory within the aforementioned boundaries shall be annexed to and become a part of the City of Kingsport, and that the City of Kingsport will provide services thereto in accordance with the Plan of Services adopted July 15, 2008, commencing on August 31, 2008.

SECTION III. BE IT FURTHER ORDAINED, That this ordinance shall be effective from and after the date of its passage, as the law directs, the public welfare of the citizens of Kingsport, Tennessee, requiring it.

DENNIS PHILLIPS
Mayor

ATTEST:

LIZ GILBERT

Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

PASSED ON 1ST READING _____
PASSED ON 2ND READING _____

PRE-FILED CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG ROCK SPRINGS ROAD KNOWN AS THE ROCK SPRINGS SOUTH AREA #8 ANNEXATION TO R-1B SINGLE FAMILY RESIDENTIAL DISTRICT, IN THE 13TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE.

BE IT ORDAINED BY THE CITY OF KINGSPORT, FOLLOWS:

SECTION I. That the zoning code, text, and map, be and the same is hereby further amended to rezone property along Rock Springs Road known as the Rock Springs South Area #8 Annexation to R-1B, Single Family Residential District in the 13th Civil District of Sullivan County; said area to be rezoned being further and more particularly described as follows:

BEGINNING at a point, said point being the southeast corner of parcel 111.00 of tax map 105 of the Sullivan County 2007 Tax Maps and the southwest corner of parcel 25.00 of Tax Map 105B, Group C; thence in a northwesterly direction approximately 125.50 feet to a point, said point being on the southern right-of-way of Church View Drive; thence in a westerly direction approximately 36 feet crossing the right-of-way of Church View Drive to a point, said point being the northeast corner of parcel 54.00 of Tax Map 105; thence in a westerly direction approximately 668.50 feet to a point, thence in a northwesterly direction approximately 1,522 feet to a point, said point being on the southern right-of-way of Blakley Drive; thence in a northerly direction crossing the right-of-way of Blakley Drive approximately 50 feet to a point, said point being on the southerly property line of parcel 19.00; thence in a northwesterly direction approximately 200 feet to a point, said point being the southwest corner of parcel 19.00 and the southeast corner of parcel 20.00; thence in a northwesterly direction approximately 154 feet to a point; thence in a in an arc in a northwesterly direction approximately 145 feet to a point along the northern right-of-way of Blakley Drive; thence in a northwesterly direction approximately 80 feet to a point, said point being the southwest corner of parcel 20.10 of Tax map 105; thence in a northwesterly direction approximately 1,636 feet to a point; thence in a northerly direction approximately 609 feet to a point, said point being on the property line of parcel 21.00 of tax map 105; thence in a northeasterly direction approximately 1,096 feet to a point, said point being the northeast corner of parcel 15.00 and the northwest corner of parcel 13.00; thence in a northeasterly direction approximately 278 feet to a point, said point being the southwest corner of parcel 37 of tax map 105B, group A; thence in a northerly direction approximately 757.47 feet to a point, said point being the corner common with parcel 19.20 on tax map 91; thence in a northwesterly direction approximately 105.06 feet to a point, said point being the southwest corner of parcel 21.00; thence in a northeasterly direction approximately 683.63 feet to a point; thence in a southeasterly direction approximately 724.75 feet to a point, said point being the northeast corner of parcel 14.00 of tax map 105B, group A; thence in a northerly direction approximately 118 feet to a point; thence in a northeasterly direction approximately 2,226 feet to a point, said point being the northwest corner of parcel 106.10 on tax map 91; thence in a southeasterly direction approximately 588.42 feet to a point; thence in a southerly direction approximately 129.43 feet to a point; thence in a southeasterly direction approximately 519 feet to a point, thence in an easterly direction approximately 712 feet to a point, said point being the northeastern most point of parcel 104.00 of tax map 91; thence in a southwesterly direction approximately 300 feet to a point; thence in a southeasterly direction approximately 587 feet to a point, said point being on the right-of-way of Barnett Drive; thence crossing Barnett Drive right-of-way approximately 95 feet in a southeasterly direction; thence in a southerly direction approximately 140 feet to a point, said point being the northwest

corner of parcel 100.00 of tax map 91; thence in a southeasterly direction approximately 65 feet to a point; thence in a southwesterly direction approximately 78 feet to a point; thence in a southeasterly direction approximately 200 feet to a point; thence in a southwesterly direction approximately 280 feet to a point, said point being the southeast corner of parcel 99.00; thence in a northwesterly direction approximately 205 feet, said point being on the eastern right-of-way of Barnett Drive; thence in a northwesterly direction approximately 95 feet crossing the Barnett Drive right-of-way to a point; thence following the western right-of-way of Barnett Drive in a northeasterly direction approximately 304 feet to a point; thence in a northwesterly direction approximately 664 feet to a point; thence in a southwesterly direction approximately 130 feet to a point; thence in a northwesterly direction approximately 396 feet to a point, said point being the southwest corner of parcel 104.00 and on the eastern property line of parcel 106.10; thence in a southwesterly direction approximately 931 feet to a point; thence in a northwesterly direction approximately 502 feet to a point; thence in a southerly direction approximately 340 feet to a point; thence in a southeasterly direction approximately 219 feet to a point; thence following the southern property line of parcel 2.20 of tax map 105 approximately 543 feet to a point; thence in a northeasterly direction approximately 428 feet to a point, said point being the northeast corner of parcel 2.20; thence in a southeasterly direction approximately 975 feet to a point, said point being on the northern right-of-way of Barnett Drive; thence in a southwesterly direction approximately 445 feet following the western right-of-way of Barnett Drive with its intersection with Blakley Drive; thence in a southwesterly direction approximately 50 feet crossing Blakley Drive to a point, said point being the northeast corner of parcel 7.00 of tax map 105A, group B; thence in a southwesterly direction approximately 254 feet to a point; thence in a southwesterly direction approximately 126.10 feet to a point, said point being the northeast corner of parcel 131.00; thence in a southwesterly direction approximately 372.39 feet to a point, said point being the southeast corner of parcel 131.00 of tax map 105; thence in a westerly direction approximately 144.30 feet to a point; thence in a southwesterly direction approximately 1,548.40 feet to a point, said point being western most point of parcel 23.00 of tax map 105B, group C; thence in a southeasterly direction approximately 221.97 feet to a point; thence in a southwesterly direction approximately 313.77 feet to the point of BEGINNING and being all of parcels 99.00, 100.00, 104.00, 106.10, 107.00, and 107.10 of tax map 91; 1.00, 1.05, 1.10, 1.20, 2.01, 2.06, 3.00, 4.00, 5.00, 6.00, 6.20, 6.40, 7.00, 7.10, 10.00, 10.20, 12.00, 13.00, 13.50, 14.00, 15.00, 16.00, 17.00, 18.00, 20.00, 20.10, 111.00, 112.00, 112.50, 112.60, 113.00, 124.00, 124.05, 125.00, 125.20, 126.00, 127.00, 128.10, 129.00, and 131.00 of tax map 105; 1.00, 2.00, 3.00, 4.00, 6.00, 7.00, 8.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00, 42.00, 43.00, 44.00, 45.00, 46.00, 47.00, and 49.00 of tax map 105B, group B; 1.00, 2.00, 3.00, 4.00, 5.00, and 7.00 of tax map 105B, group B; 1.00, 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 9.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, and 27.00 of tax map 105G, group A; 1.00, 2.00, 3.00, 5.00, 6.00, 7.00, 8.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, and 36.00 of tax map 105G, group B; 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00 and 42.00 of tax map 105H, group B as indicated on the July 2007 Sullivan County tax maps. Additionally excluded from this is the following described property:

Tract 1

BEGINNING at a point, said point being the southwest corner of parcel 113.00 of tax map 105 of the Sullivan County 2007 Tax Maps and on the southern right-of-way of Blakley Drive; thence in a northerly direction approximately 50 feet crossing the right-of-way of Blakley Drive to a

point, said point being on the property line of parcel 19.00; thence in a northwesterly direction approximately 200 feet to a point, said point being the southwest corner of parcel 19.00 and the southeast corner of parcel 20.00; thence in a northeasterly direction approximately 317.00 feet to a point; thence in a southeasterly direction approximately 304.00 feet to a point, said point being the southeasterly corner of parcel 19.00 and on the western right-of-way of Blakley Drive; thence following the western right-of-way of Blakley Drive in an arc to the northeast approximately 1,048.00 feet to a point, said point being the southeasterly corner of parcel 48.00 of tax map 105B, group A; thence in a northwesterly direction approximately 200.29 feet to a point, said point being the southwesterly corner of parcel 47.00; thence in a northeasterly direction approximately 100.00 feet to a point, said point being the northwest corner of parcel 48.00; thence in a northwesterly direction in an arc following the westerly right-of-way of Hunters Crossing Lane approximately 1,054.00 feet to a point; thence crossing the right-of-way of Hunters Crossing Lane in an easterly direction approximately 50.00 feet to a point, said point being the northwest corner of parcel 9.00 of tax map 105B, group A; thence in an easterly direction approximately 247.60 feet to a point; thence in a southeasterly direction approximately 502.00 feet to a point, said point being northeast corner of parcel 8.00 and on the right-of-way of Blakley Drive; thence following the westerly right-of-way of Blakley Drive in a southwesterly direction approximately 120.00 feet to a point; thence in a northwesterly direction approximately 457.00 feet to a point, said point being the southwest corner of parcel 8.00 and the southeast corner of parcel 9.00; thence in a westerly direction approximately 250.22 feet to a point, said point being the southwest corner of parcel 9.00 and on the eastern right-of-way of Hunters Crossing Lane; thence in a southerly direction following the eastern right-of-way of Hunters Crossing Lane approximately 379.91 feet to a point, said point being the northwestern corner of parcel 5.00; thence in a northeasterly direction approximately 277.79 feet to a point; thence in a southeasterly direction approximately 50.00 feet to a point; thence in a southwesterly direction approximately 261.58 feet to a point, said point being the southwest corner of parcel 5.00; thence in an easterly direction following the northern right-of-way of Hunters Crossing Lane approximately 342.95 feet to a point, said point being the southeast corner of parcel 1.00 and on the western right-of-way of Blakley Drive; thence in an easterly direction crossing the right-of-way of Blakley Drive approximately 50.00 feet to a point; thence in a southwesterly direction following the eastern right-of-way of Blakley Drive approximately 400.00 feet to a point, said point being the southwest corner of parcel 26.00 of tax map 150G, group A; thence in a southeasterly direction following the northern right-of-way of Mesa Drive approximately 749.89 feet to a point, said point being in the center of the arc for parcel 36.00 of tax map 105G, group B; thence crossing the right-of-way of Mesa Drive in a southeasterly direction approximately 50.00 feet to a point, said point being on the property line with parcel 7.00 and the intersection of Mesa Drive and Carnegie Court; thence following the right-of-way of Carnegie Court in an arc approximately 60.00 feet to a point; thence crossing the right-of-way of Carnegie Court in a southwesterly direction approximately 50.00 feet to a point, said point being the northeast corner of parcel 2.00; thence in a southwesterly direction approximately 135.77 feet to a point; thence in a northwesterly direction approximately 82.58 feet to a point; thence in a northeasterly direction approximately 187.04 feet to a point, said point being the northwest corner of parcel 2.00 and on the southern right-of-way of Mesa Drive; thence in a northwesterly direction approximately 789.65 feet to a point, said point being the northwesterly corner of parcel 15.00 of tax map 105G, group A and the intersection of the right-of-ways for both Mesa Drive and Blakley Drive; thence in a southwesterly direction following the eastern right-of-way of Blakley Drive approximately 2,265 feet to the point of BEGINNING and being all of parcel 19.00 of Tax Map 105, and parcels 5.00, 9.00 and 48.00 of Tax Map 105B, Group A and parcel 8.00 of Tax Map 105 and parcel 2.00 of Tax Map 105G, Group B as indicated on the July 2007 Sullivan County tax maps.

SECTION II. Any person violating any provisions of this ordinance shall be guilty of an offense and upon conviction shall pay a penalty of FIFTY DOLLARS (\$50.00) for each offense. Each occurrence shall constitute a separate offense.

SECTION III. That this ordinance shall take effect from and after the date of its passage and publication, as the law directs, the public welfare of the City of Kingsport, Tennessee, requiring it.

DENNIS PHILLIPS
Mayor

ATTEST:

LIZ GILBERT
Deputy City Recorder

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY
City Attorney

PASSED ON 1ST READING _____
PASSED ON 2ND READING _____

RESOLUTION NO. _____

A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE
REMAINING ROCK SPRINGS SOUTH AREA #8 ANNEXATION
AREA OF THE CITY OF KINGSPORT, TENNESSEE

WHEREAS, before any territories may be annexed under Tennessee Code Annotated §6-51-102, the governing body shall have previously adopted a plan of services setting forth the identification and timing of municipal services; and

WHEREAS, before any such plan of services shall have been adopted, it must have been submitted to the local planning commission for study and a written report; and

WHEREAS, a plan of services for the proposed annexation of the Rock Springs South Area #8 was submitted to the Kingsport Regional Planning Commission on December 20, 2008, for its consideration and a written report; and

WHEREAS, prior to the adoption of a plan of services, the City shall hold a public hearing; and

WHEREAS, a public hearing was held July 15, 2008; and

WHEREAS, notice of the time and place of the public hearing shall be published in a newspaper of general circulation in the municipality a minimum of seven (7) days prior to the hearing; and

WHEREAS, notice of the time and place of the public hearing was published in the Kingsport Times-News on June 29, 2008; and

WHEREAS, the City of Kingsport, pursuant to the provisions of Tennessee Code Annotated, §6-51-102 has endeavored to annex a portion of the 13th Civil District of Sullivan County, Tennessee, commonly known as the remaining Rock Springs South Area #8 Annexation, said area being bounded and further described as follows:

BEGINNING at a point, said point being the northern most corner of parcel 26.00 of tax map 105H, group B of the Sullivan County 2007 Tax Maps; thence in a southeasterly direction approximately 848.28 feet to a point, said point being the southeastern corner of parcel 22.00 and on the northern right-of-way of Blakley Drive; thence in a southwesterly direction approximately 233.25 feet to a point, said point being the southern property line of parcel 23.00 and on the northern right-of-way of Blakley Drive; thence in a southeasterly direction crossing the right-of-way of Blakley Drive approximately 50.00 feet to a point, said point being on the property line of parcel 54.00 and the eastern right-of-way of Kanan Drive; thence in a southeasterly direction turning southwesterly following the eastern right-of-way of Kanan drive approximately 1,287 feet to a point, said point being on the southwest corner of parcel 54.00 and on the northern right-of-way of Rock Springs Drive; thence in a southeasterly direction approximately 465 feet to a point, said point being on the southern property line of parcel 54.00 and on the northern right-of-way of Rock Springs Drive; thence in a southwesterly direction crossing the right-of-way of Rock Springs Drive approximately 30.00 feet to a point, said point being the northeast corner of parcel 118.00; thence in a southwesterly direction approximately 1,967 feet to a point, said point being the northwestern corner of parcel 12.00 on Tax Map 105P, Group C; thence in a southeasterly direction approximately 494.92' to a point, said point being the northeastern corner of parcel 11.00; thence in a

southwesterly direction approximately 292.17 feet to a point; thence in a southwesterly direction approximately 166.46 feet to a point, said point being the southeast corner of parcel 8.00; thence in a southwesterly direction approximately 331.08 feet to a point, said point being the southern most point of parcel 5.00; thence in a northwesterly direction approximately 240 feet to a point; thence in a southwesterly direction approximately 549.33 feet to a point, said point being the southwest corner of parcel 1.00 and on the eastern right-of-way of Rock Springs Valley Road; thence crossing the right-of-way of Rock Springs Valley Road approximately 50 feet to a point, said point being on the west side of Rock Springs Valley Road and on the property line of parcel 41.20; thence in a northeasterly directions approximately 268 feet to a point, said point being the southeast corner of parcel 41.18, thence in a westerly direction approximately 560 feet to a point said point being the southwestern corner of parcel 41.18; thence in a southwesterly direction following the southern property line of parcel 41.15 approximately 675 feet to a point; thence in a northern direction approximately 386 feet to a point, said point being the southwest corner of parcel 41.02 of Tax Map 105; thence in an easterly direction approximately 248 feet to a point, said point being the southeastern corner of parcel 41.03; thence in a northern direction approximately 60 feet to a point; thence in a northeasterly direction approximately 300 feet to a point, said point being the southeastern corner of parcel 41.07; thence in a northwesterly direction approximately 110 feet to a point; thence in a northeasterly direction approximately 327 feet to a point; thence in a northwesterly direction approximately 130 feet to a point, said point being on the north property line of parcel 41.15 and on the southern right-of-way of Poplar Grove Road; thence following the right-of-way of Poplar Grove Road in an easterly direction approximately 581 feet to a point, said point being the northwest corner of parcel 41.14; thence crossing Poplar Grove Road approximately 77 feet to a point , said point being on the property line of parcel 10.00 of Tax Map 105I, Group B and the northern right-of-way of Poplar Grove Road; thence following the western right-of-way of Poplar Grove Road in a northeasterly direction approximately 1,871 feet to a point, said point being on the eastern property line of parcel 4.00 and the intersection of Poplar Grove Road and Blakely Drive; thence following the eastern right-of-way of Blakely Drive approximately 1,128 feet to a point, said point being the southwest corner of parcel 33.00 of Tax Map 105H, Group B; thence in a northwesterly direction approximately 726.08 feet to the point of BEGINNING, and being all of parcels 41.12, 41.14, 41.15, 41.18, 86.10, 116.01, 116.02, 116.03, 117.20, 117.30, 117.50, 117.60, 117.70, 117.80, 118.00, 119.00, 120.10, 121.00, 121.30, 121.40, 122.00; Tax Map 105H, Group B, Parcels 9.00, 10.00, 11.00, 12.00, 15.00, 16.00, 17.00, 18.00, 20.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00, 31.00, 32.00, 33.00, 34.00, 35.00, 36.00, 37.00, 38.00, 39.00, 40.00, 41.00, 42.00 ; Tax Map 105P. Group C, Parcels 1.00, 2.00, 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 9.00, 10.00, 11.00, 12.00, 13.00, 13.10, 13.20, 14.00, 15.00, 16.00, 18.00, 19.00, 20.00 as indicated on the July 2007 Sullivan County tax maps. Additionally excluded from this is the following described property:

Tract 1

BEGINNING at a point, said point being southwest corner of parcel 13.00 of tax map 105H, group B and on the west right-of-way of Blakely Drive; thence in a northwesterly direction crossing the right-of-way of Blakely Drive approximately 50 feet to a point; thence in a northeasterly direction following the westerly right-of-way of Blakely Drive approximately 1,020 feet to a point, said point being the northwest intersection of Blakely Drive and Devine Circle; thence in a southeasterly direction approximately 50 feet crossing the right-of-way of Blakely Drive to a point, said point being the northeast corner of parcel 21.00; thence in a southeasterly direction following a radius on the westerly right-of-way of Kanan Drive approximately 172 feet to a point, said point being the southeast corner of parcel 21.00; thence in a southwesterly direction approximately 78.40 feet to a point; thence in a northwesterly direction approximately 150 feet to a point; thence in a southwesterly direction following the southern right-of-way of Blakely Drive approximately 100 feet to a point, said point being the northeast corner of parcel 19.00; thence in a southeasterly direction approximately 150 feet to a point; thence in a southwesterly direction approximately 100 feet to a point, said point

being the southwest corner of parcel 19.00; thence in a northwesterly direction approximately 150 feet to a point, said point being on the southern right-of-way of Blakley Drive and the northwest corner of parcel 19.00; thence in a southwesterly direction following the western right-of-way of Blakley Drive approximately 498 feet to a point, said point being the northwest corner of parcel 14.00; thence in a southeasterly direction approximately 190.74 feet to a point; thence in a southwesterly direction approximately 200 feet to a point, said point being the southeast corner of parcel 13.00; thence in a northwesterly direction approximately 174.87 feet to the point of BEGINNING, and being all of parcels 13.00, 14.00, 19.00 and 21.00 of tax map 105H, group B as indicated on the 2007 Sullivan County tax maps.

AND WHEREAS, the City of Kingsport deems it advisable to adopt a Plan of Services for the proposed annexation area. Now, therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF KINGSPORT, TENNESSEE, as follows:

SECTION I. That a Plan of Services for the remaining Rock Springs South Area #8 Annexation as bounded and described above is hereby adopted, subject to an enactment of an annexation ordinance for the annexation area, the said Plan of Services to be as follows:

**Rock Springs South Area #8 Annexation
Rock Springs Road
Plan of Services**

1. **Police Protection**

- A. On the date of annexation the Kingsport Police Department will respond to all calls for service for police protection, including criminal calls, traffic accidents and traffic related occurrences, and other prevention and interdiction calls for service.
- B. Effective with annexation, all resources currently available within the Kingsport Police Department will become available to the citizens of the area. The Kingsport Police Department has an authorized accredited force of 103 police officers and approximately 60 civilian personnel to provide services 24-hours per day, 365 days a year.
- C. The Kingsport Police Department is accredited with the *Commission on Accreditation for Law Enforcement Agencies* and has met 312 mandatory and 100 optional standards in order to attain this status. Kingsport Police Department was only the third accredited department in the State of Tennessee and the first in northeast Tennessee.
- D. Upon annexation, existing police department personnel will be utilized to provide services by expanding the contiguous patrol sections to include the newly incorporated area. Existing police personnel and equipment will be shifted to provide needed coverage of the area. Each section will be patrolled by units of the Kingsport Police Department and will be augmented by other departments and units such as investigators, specialized assigned details etc.
- E. When needed, the Kingsport Police Department will hire additional police officers to provide more response to annexed areas. The officers will undergo seven hundred twenty (720) hours of basic recruit training before being certified as a police officer. Upon completion of the classroom training, the officers will undergo six hundred forty (640) hours of field office training where they will work and be trained by designated training officers.

- F. The Kingsport Police Department will provide upon request crime prevention programs, traffic safety education programs, drug education/awareness programs including D.A.R.E. to the citizens of the area. Additional programs include department personnel to address groups on law enforcement topics or concerns, home and business security checks and establishing and maintaining neighborhood watch programs.
- G. The Kingsport Police Department currently maintains a 4.5-minute response time to all incidents within the corporate limits.

2. **Fire Protection**

- A. On the operative date of annexation, the City of Kingsport will answer all calls for service for fire, disaster, hazardous materials, special rescue and medical first responder. The Kingsport Fire Department goes beyond the basic fire services required of a City Government.
- B. The City of Kingsport Fire Department is an Internationally Accredited Agency, one of only two in the State of Tennessee. We operate 6 fire stations, housing fire suppression, hazardous materials, rescue and other emergency equipment. Staffed by 94 full-time professional firefighters, 24 hours a day, 365 days a year to provide service. The City of Kingsport maintains a Class 3 insurance rating saving its residents the most possible on their insurance rates. Our response time average is approximately 4 minutes 15 seconds after we receive the call from our dispatch center.
- C. Free fire safety inspections will be available upon request on the effective date of annexation. Water lines will be upgraded within five (5) years after the effective date of annexation to provide needed fire flow to protect the properties.
- C. All structures must be brought into compliance with the City-wide smoke detector ordinance within thirty (30) days of the effective date of annexation. This is strictly to provide residents with the best fire protection service available.
- D. The City of Kingsport Fire Department has a Hazardous Materials Response Team, which has state-of-the-art equipment to handle all calls of an emergency nature dealing with incidents relating to hazardous chemicals. The department also has a Technical Rescue Team that has specialized rescue capabilities and equipment for all types of hazards.
- E. The City of Kingsport Fire Department provides First Responder emergency medical services to all life-threatening medical emergencies resulting from serious illness or injury. We provide advanced life support (paramedics) for victims until ambulance service arrives for transport

3. **Water**

- A. Water will be billed at in City rates rather than out of City rates, which will result in a reduction in water rates for annexed citizens already receiving City water. Those not currently receiving City water will be required to obtain a water-tap in order to obtain City water.
- B. Water line upgrades and the installation of fire hydrants will commence for adequate fire protection and will be completed within five (5) years after the effective date of annexation.
- C. The City of Kingsport Water Department operates and maintains a 28 MGD water filtration plant, 22 water storage tanks, 15 water booster station and over 750 miles of waterlines. The water treatment plant is staffed by state certified operators 24 hours a day, 365 days a year to provide safe drinking water to our customers.

- D. The City of Kingsport Water Department meets or exceeds water quality standards set forth by the State of Tennessee and the United States Environmental Protection Agency. The plant was the recipient of the 2005 Julian Fleming Award for Outstanding Water Treatment Plants.
- E. The Kingsport Water Treatment Plant has a capacity of 28 MGD and an average daily demand of 15 MGD leaving a surplus capacity of approximately 18 MGD for increase demand
- F. The Water Distribution Division is managed with a professional staff who are members of key professional organizations such as: American Water Works Association, Tennessee Association of Utility Districts, National Society of Professional Engineers, American Society of Civil Engineers. Several key members of the staff also hold certificates and licenses in the operations of a distribution system in the State of Tennessee.

4. **Electricity**

Electric service in this area is currently under the jurisdiction of AEP and is currently available. Street lighting will be provided generally within five years of the City of Kingsport's request for such service.

5. **Sanitary Sewer**

- A. City of Kingsport sanitary sewer will be installed and extended to the property within five (5) years after the effective date of annexation. Citizens in the annexed territory will be responsible and required to obtain a sewer-tap form the City of Kingsport before connection to the sanitary sewer system.
- B. Sanitary sewer fees are based on usage of water and are direct reflection of the amount of water used by the resident.
- C. The City of Kingsport operates and maintains a 12.4 MGD wastewater treatment plant, 88 sewer lift stations and approximately 525 miles of sanitary sewer collection lines in to provide sewer service to our customers.
- D. The City of Kingsport Wastewater Treatment Plant will experience 20 million dollars of improvements to provide a reliable and dependable infrastructure.
- E. The wastewater treatment plant is staffed with State Certified Operators 24 hours a day, 365 days a year. Treatment plant operators exceed State of Tennessee training requirements.
- F. The Sewer Collection Division is managed with a professional staff who are members of key professional organizations such as: Water Environment Federation, Tennessee Association of Utility Districts, National Society of Professional Engineers, American Society of Civil Engineers. Several key members of the staff also hold certificates and licenses in the operations of a collection system in the State of Tennessee.

6. **Solid Waste Disposal**

Sanitation garbage (routine household refuse), trash (grass clippings, tree trimmings, bulky items), and recycling collection will be provided to the annexed area on the same basis as that received by properties located within the existing City Limits. Collection will begin within thirty-(30) days following the effective date of annexation. The Sanitation Division supervisor is certified through SWANA as a Certified MSW Management Manager, and Certified Transfer Station Manager. Members of the collection crews receive ongoing training in their fields. The City of Kingsport also owns and operates a demolition landfill that residents can use for a fee. That landfill is supervised by a SWANA

certified Manager of Landfill Operations. This supervisor also holds other certifications from SWANA and TDEC.

7. **Public Road/Street Construction & Repair**

- A. Emergency and routine maintenance of streets and street signs, pavement markings and other traffic control devices will begin on the operative date of annexation. Emergency pothole repairs are generally made within 24 hours of notification. Crews are available on a 24 hour basis for major emergency call-outs.
- B. Cleaning of streets of snow and ice clearing will begin on the operative date of annexation on the same basis as now provided within the present City limits. This includes major thoroughfares , State highways and emergency route to hospitals as first priority, with secondary/collector streets and finally residential streets in that order as priority II. Snow removal crews receive yearly training to help keep them up to date with changes in procedures and techniques. Snow removal crews also respond on a 24 hour emergency call in basis.
- C. Streets affected by utility construction will be repaired as soon as possible after the utility construction is completed.
- D. Routine Right of Way maintenance is also provided on the effective date of annexation. These crews include a certified Arborist, certified Pesticide Applicators, and other trained personnel to respond to emergencies and routine maintenance requests.
- E. The Streets and Sanitation Division is managed and supervised by a professional staff who are members in good standing of several Professional Organizations such as the Tennessee Chapter of the American Public Works Association, the national chapter of the American Public Works Association, the Volunteer Chapter of the Solid Waste Association of North America, the national chapter of the Solid Waste Association of North America, the Tennessee Urban Forestry Council, the Tennessee Nursery and Landscape Association, National Arbor Day Association, Tennessee Vegetation Management Association, and the Keep Kingsport Beautiful Council. The staff receives ongoing training through these Professional Organizations. Members of the staff are active in their respective organizations. Members of the staff also serve as trainers and instructors for various training venues.

8. **Recreational Facilities**

- A. Residents of the annexed area may use existing City recreational facilities, programs, parks, etc. on the effective date of annexation at City rates rather than out of City rates.
- F. Residents of the annexed area may use all existing library facilities and will be exempt from the non-residential fee on the effective date of annexation.
- C. Residents of the annexed area (50 years or older) will be eligible to use the Senior Citizens Center with no non-residential fees and with transportation provided on the effective date of annexation.
- D. The Department of Parks and Recreation has more than 4,800 acres of city-owned land to provide parks and recreation programs to all our citizens. The amenities and programs offered by many of the parks and recreation areas through the Leisure Services Department include playing fields for baseball and softball, basketball courts, play grounds, volley ball, tennis courts, a skate park and concession areas and restrooms to serve these facilities. Other amenities offered include General meeting areas, multi function areas, Community Centers, senior programs, Theater and

Cultural Arts programs. Many of the parks have walking and hiking trails and Bays Mountain, the City's largest park, includes animal habitats, a farm area, camping sites, and a Planetarium.

9. **Street Lighting**

Within five years of the operative date of annexation the City will take over responsibility (including payment) for dusk-to-dawn lights presently in place that meet City standards. The City will request that AEP install additional streetlights on collector-class and lower streets in accordance with the policy on roadway lighting within five (5) years of the effective date of annexation. Lighting on minor and major arterials will be installed per prevailing city policy.

10. **Zoning Services**

- A. The area will be zoned R-1B, Residential District as this district is compatible with the Counties R-1 Low Density Residential zoning district.
- B. The Kingsport Regional Planning Commission is the comprehensive planning agency and administers zoning and land subdivision regulations for the City of Kingsport as provided in State law. The Kingsport Regional Planning Commission consists of nine (9) commissioners appointed by the Mayor of the City of Kingsport.
- C. The Kingsport Regional Planning Commission will exercise planning and zoning activities for the area being annexed upon the operative date of annexation. The area will be incorporated into the city limits of the City as part of the five-year long-range annexation plan adopted by the Kingsport Regional Planning Commission for this area.
- D. Appeals to Zoning regulations are heard by the Board of Zoning Appeals and variances are granted if the request meets the criteria established for granting variances under Tennessee Code Annotated.

11. **Schools**

- A. Upon annexation, children currently attending County schools will be allowed to attend City of Kingsport schools or remain in County schools per the prevailing County policy at the time.
- B. Tuition paid by non-city residents now attending City schools will cease upon the effective date of annexation and those students may continue to attend City schools without charge until graduation.
- C. Children at all grade levels may attend City schools tuition-free. Transportation will be provided for students, whose homes are more than 1.5 miles from their designated school, beginning with the school year following annexation.

The previous sections are titled and listed in the order prescribed by Tennessee Code Annotated 6-51-102(b) (2). The following sections are provided by the City of Kingsport in addition to the minimum requirements.

12. **Traffic Control**

The City will verify all street name signs and traffic control devices in accordance with the Manual on

Uniform Traffic Control Devices.

13. **Inspection Services**

All inspection services now provided by the City on a fee basis (building, electrical, plumbing, gas, housing, sanitation, etc.) will begin in the annexed area on the effective date of annexation. A free safety inspection of plumbing vents will be required at the time sewer connections are made to make sure that proper protection is available to prevent sewer gas from entering houses.

14. **Animal Control**

Animal control service equivalent to that presently provided within the City will be extended to the annexed area on the effective date of annexation.

15. **Storm Sewers**

The installation of any needed storm sewers will be accomplished in accordance with existing standards and engineering principles provided for by present City policies. Maintenance of existing storm sewer and drainage systems is also provided on an as needed basis. Response to emergency storm drainage calls is also provided on a 24 hour call in basis.

16. **Leaf Removal**

The City will collect loose leaves with the vacuum truck between October 1 and January 15, and it will be provided to the annexation area on the same basis as it is currently provided to other City residents beginning on the effective date of annexation. Bagged leaves are collected year round. Leaves are transported to the City's Demolition Landfill where they are composted and used as an amendment to existing dirt stockpiles. This enhanced dirt is then used on City Projects for backfill and topsoil applications.

17. **Litter Control**

The City's litter control program will be extended to the area on the effective date of annexation. It is provided biweekly along major commercial routes and on an "as needed/on call" basis in other areas.

18. **Graffiti Control**

The City's graffiti control program, which is aimed at eliminating graffiti on public rights-of-way such as bridge abutments, street signs, railroad underpasses, and the like, will be extended to the area on the effective date of annexation. It is provided on an "as needed/on call" basis. Response time for "offensive" graffiti removal is generally within 48 hours.

19. **Other Services**

All other services not classified under the foregoing headings such as Executive, Judicial, Legal, Personnel, Risk Management, Fleet Maintenance, Finance and Administration and other support services will be available upon the effective date of annexation.

SECTION II. This Resolution shall be effective from and after its adoption, the public welfare requiring it.

ADOPTED this the _____ day of _____ 2008.

DENNIS PHILLIPS
Mayor

ATTEST:

JAMES H. DEMMING
City Recorder

APPROVED AS TO FORM:

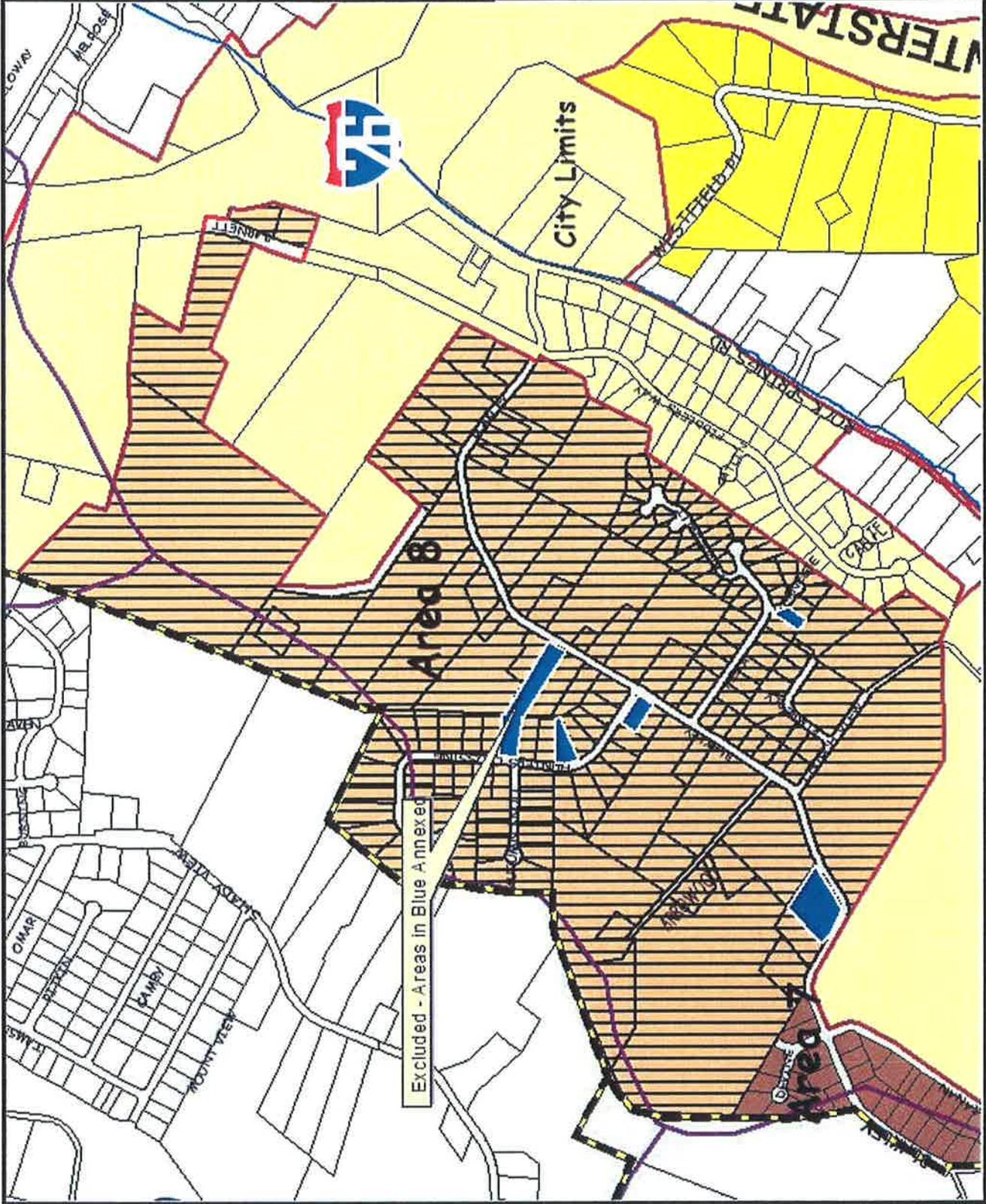
J. MICHAEL BILLINGSLEY
City Attorney

Area #8 - Remaining Rock Springs South Annexation Area

LEGEND

- Area #8
- UGBA
- City Limits
- Excluded Area
- Streams
- Ridge Lines
- Annex Areas

Rock Springs South Annexation



Rock Springs South - Area #8





AGENDA ACTION FORM

Consideration of an Ordinance Amending the FY 2008-2009 General Purpose School Fund Budget.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager *John G. Campbell*

Agenda Form No.: AF-218-2008
 Work Session: July 14, 2008
 First Reading: July 15, 2008

Final Adoption: August 5, 2008
 Staff Work: David Frye
 Presentation: David Frye

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO = Key Strategic Objective)

KSF #5: Stewardship of Public Funds
KSF # 6: Strong Public Education System

Recommendation:

Approve an Ordinance

Executive Summary:

On July 1, 2008, the Board of Education approved budget amendment number one to the FY 2009 budget. This amendment increases the estimated revenues and appropriations in the net amount of \$170,000. These funds are being appropriated from the General Purpose School Fund-Unreserved Fund Balance. These funds will be used to purchase property located at 1308 and 1312 Summer St. There are currently Rental houses located on these two properties and the property is located across from the front of Lincoln School. The Board of Education has approved an offer of \$166,000 for both properties and there is an additional \$4,000 for miscellaneous expenses. This property appraised for \$166,000.

Attachments:

1. Ordinance
2. BOE Budget Amendment Number One

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

PRE-FILED CITY RECORDER

ORDINANCE NO. ****

AN ORDINANCE TO AMEND THE GENERAL PURPOSE SCHOOL FUND AND THE GENERAL PROJECT FUND BUDGETS; AND, TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, as follows:

SECTION I. That the General Purpose School Fund budget be amended to ratify the Kingsport Board of Education approval of FY 2009 Budget Amendment Number One to increase the estimated revenue for Fund Balance Appropriations by \$170,000 and to increase the appropriation for Other Capital Outlay by \$170,000. This will fund the purchase of property located at 1308 and 1312 Summer Street.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Fund 141: School Fund			
Revenues:	\$	\$	\$
141-0000-392-0100 Fund Balance Appr.	0	170,000	170,000
Totals:	0	170,000	170,000

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Expenditures:	\$	\$	\$
141-7650-871-0790 Cap Outlay-Other Capital	145,000	170,000	315,000
Totals:	145,000	170,000	315,000

SECTION II. That this Ordinance shall take effect from and after its date of passage, as the law direct, the welfare of the City of Kingsport, Tennessee requiring it.

DENNIS PHILLIPS, Mayor

ATTEST:

APPROVED AS TO FORM:

JAMES H. DEMMING, City Recorder

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: July 15, 2008
PASSED ON 2ND READING: August 5, 2008

July 1, 2008

KINGSPORT CITY SCHOOLS
FISCAL YEAR 2008-2009
BUDGET AMENDMENT NUMBER ONE

GENERAL PURPOSE SCHOOL FUND

SUMMER STREET PROPERTY PURCHASE

If the Board of Education and the Board of Mayor and Aldermen approve the offer to purchase the property located at 1308 and 1312 Summer Street, there will need to be an appropriation to fund the purchase. The offer that is up for consideration is to purchase the property for \$166,000. There may be some other costs associated with the purchase. It is recommended that the estimated revenue for Fund Balance Appropriations be increased by \$170,000 and that the appropriation for Other Capital Outlay be increased by \$170,000.

Not including the results of this year's operations the current fund balance is approximately \$2,318,000. This appropriation will result in a fund balance of approximately \$2,148,000. This is 3.6% of the approved FY 2009 budget.

**EFFECTS ON INDIVIDUAL ACCOUNT NUMBERS
GENERAL PURPOSE SCHOOL FUND**

REVENUES:

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
141-0000-391-0100	Fund Balance Appropriations	<u>\$ 170,000</u>
Total Change in Estimated Revenue		<u>\$ 170,000</u>

EXPENDITURES:

<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
141-7650-871-0707	Capital Outlay – Other Capital Outlay	\$ 170,000
Total Change in Budgeted Expenditures		<u>\$ 170,000</u>

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A MATERIALS AGREEMENT WITH ROB MCCLEAN FOR THE PROVISION OF CERTAIN WATER AND SEWER MATERIALS BY THE CITY FOR ANCHOR POINT SUBDIVISION

WHEREAS, pursuant to the Materials Agreement Policy as set forth in Resolution 2007-084, Rob McClean desires to enter into a Materials Agreement, in the amount of \$72,552.51, with the city for provision of certain water and sewer materials by the city for Anchor Point Subdivision; and

WHEREAS, approval of the Materials Agreement will promote smart growth and infield development and encourage the new housing market within the City's corporate limits.

Now, therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Chapter 10 of the Charter of the City of Kingsport, a Materials Agreement, in the amount of \$72,552.51, with Rob McClean for the provision of certain water and sewer materials by the City for Anchor Point Subdivision.

SECTION II. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 15th day of July, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

PRE-FILED CITY RECORDER

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE WATER AND SEWER PROJECT FUNDS BY TRANSFERRING FUNDS TO ESTABLISH THE ANCHOR POINT DEVELOPMENT MATERIALS AGREEMENT PROJECTS (SW0857 AND WA0857); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, as follows:

SECTION I. That the Water Fund project and the Sewer Fund project budgets be amended by transferring \$26,920 from the Water Fund operating budget and by transferring \$39,338 from the Sewer Fund operating budget to establish the Anchor Point Development projects (WA857 and SW0857) to fund the materials agreement.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Water Project Fund:451			
Anchor Point (WA0857)			
Revenues			
451-0000-391-4500 From the Water Fund	0	26,920	26,920
Totals:	0	26,920	26,920
Expenditures:			
451-0000-605-9003 Improvements	0	26,920	26,920
Totals:	0	26,920	26,920
Account Number/Description:			
Sewer Project Fund:452			
Anchor Point (SW0857)			
Revenues			
452-0000-391-4200 From the Sewer Fund	0	39,338	39,338
Totals:	0	39,338	39,338
Expenditures:			
452-0000-606-9003 Improvements	0	39,338	39,338
Totals:	0	39,338	39,338

SECTION II. That this Ordinance shall take effect from and after its date of passage, as the law direct, the welfare of the City of Kingsport, Tennessee requiring it.

DENNIS R. PHILLIPS, Mayor

ATTEST:

APPROVED AS TO FORM:

JAMES H. DEMMING
City Recorder

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____

MATERIALS AGREEMENT

This AGREEMENT, made and entered into on this 15th day of July, 2008, by and between Rob McClean, hereinafter "Developer", and the City of Kingsport, Tennessee, a municipal corporation, hereinafter "City".

WITNESSETH:

1. The Developer has subdivided a tract of land known as Anchor Point, and preliminary approval having been heretofore granted by the Planning Commission.

2. The plans for the proposed water and sewer line improvement of the subdivided property have been submitted to and approved by the City of Kingsport, City Engineer and will require 1,620 LF of Waterline and 3,185 LF of Sewerline to construct.

3. The estimated cost of the materials listed in paragraph 2 above is approximately \$72,552.51. The Developer will purchase this material from the City for use for construction pursuant to this contract only.

4. The Developer will install the lines according to City's specifications, and will pay all costs for installation of all mains, valves, hydrants and other appurtenances, and will furnish the City "as built" drawings showing the cost lists of all pipe fittings, as well as their exact location.

5. The Developer, upon completion of the work and acceptance by the City, will tender to the City an instrument conveying unencumbered ownership of the lines and easement over and under the land where said lines are laid. Once this conveyance has been made and all the permits needed have been issued, all the inspections completed and passed, and all the payments have been made to the City by the Developer, the City will cause the said line to be connected to the main distribution line of the City.

6. The Developer will reimburse the City for any materials or engineering work required not covered by this agreement.

7. Prior to any reimbursement by the City to the Developer, the Developer will cause the property to be completely annexed into the corporate limits of the City.

8. The Developer will save the City harmless from any and all responsibility for laying any lines, etc., on or across any private premises not dedicated to public use.

9. The Developer will pay the City for the materials listed above and supplied by the City, and upon completion of the laying of water and sewer lines according to specification of and the plans approved by the City, and upon the Developer fully performing all the requirements contained in this agreement the City will reimburse the Developer for the amount paid to the City for the pipe purchased and used in the subdivision, less state and local sales tax.

10. The purpose of this agreement is to reimburse the Developer for 100% of cost of the water and sewer material, less state and local sales tax, with said materials being purchased from the City, and reimbursement for the cost of the materials being made to the Developer subject to the satisfactory completion of all terms of this agreement including complete annexation of the property into the corporate limits of the City.

11. It is understood that the Developer will do any and all ditching, laying of the pipelines, and any and all other work that may be necessary to meet the specifications of the City.

12. Any unused materials acquired by the Developer from the City will be returned to the City and the costs of such material, if returned undamaged, will be credited to the Developer.

IN TESTIMONY WHEREOF, the parties hereto have unto set their hands and seal on this the day and year first above written.

Developer

Dennis R. Phillips, Mayor

Approved as to form:

Attest:

James Demming, City Recorder

J. Michael Billingsley, City Attorney

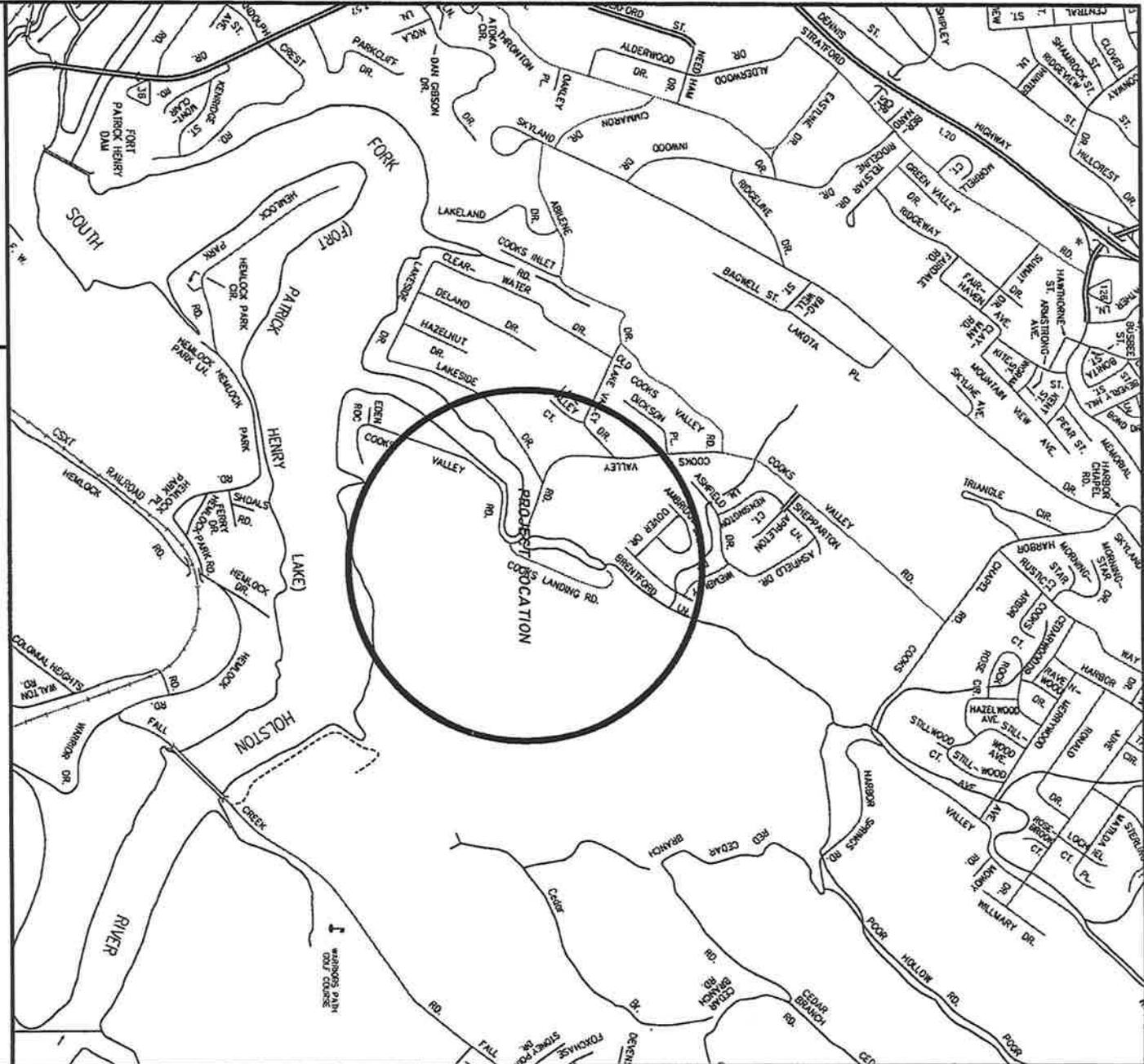
ALL BEARINGS KGRN
(KINGSPORT GEODETIC
REFERENCE NETWORK)



JULY 10, 2008

ANCHOR POINT DEVELOPMENT

NO SCALE





AGENDA ACTION FORM

Consideration of a Resolution to Authorize the Mayor to Sign all Documents Necessary to Enter into a Materials Agreement with Ken Bates Related to Chase Meadows Subdivision – Phase I Ordinance to Appropriate Funds

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

A handwritten signature in blue ink, which appears to read "John G. Campbell", is written over the printed name of the City Manager.

Action Form No.: AF-227-2008
 Work Session: July 14, 2008
 First Reading: July 15, 2008

Final Adoption: August 5, 2008
 Staff Work By: R. McReynolds
 Presentation By: R. McReynolds

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #:

KSF #

KSO #

Recommendation: Approve the resolution and ordinance

Executive Summary:

In an effort to promote smart growth and infield development as well as encourage the new housing market within the Kingsport city limits, the City of Kingsport passed the Materials Agreement Policy as set forth in Resolution 2007-084. Developers have the opportunity to enter into an agreement with the City whereas the City furnishes the water and sewer materials for the developers use within the developer's proposed subdivision. The developer would be responsible for posting a cash bond covering the cost of the materials that would be available for refund (minus sales tax) once the project is completed and has been approved by the City Engineer and the Regional Planning Commission.

Pursuant to is policy, Ken Bates has requested that his proposed development, Chase Meadows – Phase I, be allowed to participate in the material agreement program. The total amount of the agreement is proposed at \$39,418.91.

To date, including this development, the program has supported 551 new/proposed lots within the City of Kingsport. Of those lots, 20 Certificates of Occupancy have been issued to date.

Attachments:

1. Resolution
2. Ordinance
3. Agreement
4. Cost Table
5. Location Map

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A MATERIALS AGREEMENT WITH KEN BATES FOR THE PROVISION OF CERTAIN WATER AND SEWER MATERIALS BY THE CITY FOR CHASE MEADOWS SUBDIVISION – PHASE I

WHEREAS, pursuant to the Materials Agreement Policy as set forth in Resolution 2007-084, Ken Bates desires to enter into a Materials Agreement, in the amount of \$39,418.91, with the city for provision of certain water and sewer materials by the city for Chase Meadows Subdivision – Phase I; and

WHEREAS, approval of the Materials Agreement will promote smart growth and infield development and encourage the new housing market within the City's corporate limits.

Now, therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Chapter 10 of the Charter of the City of Kingsport, a Materials Agreement, in the amount of \$39,418.91, with Ken Bates for the provision of certain water and sewer materials by the City for Chase Meadows Subdivision – Phase I.

SECTION II. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 15th day of July, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

ORDINANCE NO. _____

PRE-FILED CITY RECORDER

AN ORDINANCE TO AMEND THE WATER AND SEWER PROJECT FUNDS BY TRANSFERRING FUNDS TO ESTABLISH THE CHASE MEADOWS SUBDIVISION PHASE I MATERIALS AGREEMENT PROJECTS (SW0862 AND WA0862); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, as follows:

SECTION I. That the Water Fund project and the Sewer Fund project budgets be amended by transferring \$5,725 from the Water Fund operating budget and by transferring \$30,274 from the Sewer Fund operating budget to establish the Chase Meadows Subdivision Phase I projects (WA0862 and SW0862) to fund the materials agreement.

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Water Project Fund:451			
Chase Meadows Subdivision Phase I (WA0862)			
Revenues			
451-0000-391-4500 From the Water Fund	0	5,725	5,725
Totals:	0	5,725	5,725
Expenditures:			
451-0000-605-9003 Improvements	0	5,725	5,725
Totals:	0	5,725	5,725

<u>Account Number/Description:</u>	<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
Sewer Project Fund:452			
Chase Meadows Subdivision Phase I (SW0862)			
Revenues			
452-0000-391-4200 From the Sewer Fund	0	30,274	30,274
Totals:	0	30,274	30,274
Expenditures:			
452-0000-606-9003 Improvements	0	30,274	30,274
Totals:	0	30,274	30,274

SECTION II. That this Ordinance shall take effect from and after its date of passage, as the law direct, the welfare of the City of Kingsport, Tennessee requiring it.

DENNIS R. PHILLIPS, Mayor

ATTEST:

APPROVED AS TO FORM:

JAMES H. DEMMING
City Recorder

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____

MATERIALS AGREEMENT

This AGREEMENT, made and entered into on this 15th day of July, 2008, by and between Ken Bates, hereinafter "Developer", and the City of Kingsport, Tennessee, a municipal corporation, hereinafter "City".

WITNESSETH:

1. The Developer has subdivided a tract of land known as Chase Meadows – Phase I, and preliminary approval having been heretofore granted by the Planning Commission.

2. The plans for the proposed water and sewer line improvement of the subdivided property have been submitted to and approved by the City of Kingsport, City Engineer and will require 198 LF of Waterline and 2,301 LF of Sewerline to construct.

3. The estimated cost of the materials listed in paragraph 2 above is approximately \$39,418.91. The Developer will purchase this material from the City for use for construction pursuant to this contract only.

4. The Developer will install the lines according to City's specifications, and will pay all costs for installation of all mains, valves, hydrants and other appurtenances, and will furnish the City "as built" drawings showing the cost lists of all pipe fittings, as well as their exact location.

5. The Developer, upon completion of the work and acceptance by the City, will tender to the City an instrument conveying unencumbered ownership of the lines and easement over and under the land where said lines are laid. Once this conveyance has been made and all the permits needed have been issued, all the inspections completed and passed, and all the payments have been made to the City by the Developer, the City will cause the said line to be connected to the main distribution line of the City.

6. The Developer will reimburse the City for any materials or engineering work required not covered by this agreement.

7. Prior to any reimbursement by the City to the Developer, the Developer will cause the property to be completely annexed into the corporate limits of the City.

8. The Developer will save the City harmless from any and all responsibility for laying any lines, etc., on or across any private premises not dedicated to public use.

9. The Developer will pay the City for the materials listed above and supplied by the City, and upon completion of the laying of water and sewer lines according to specification of and the plans approved by the City, and upon the Developer fully performing all the requirements contained in this agreement the City will reimburse the Developer for the amount paid to the City for the pipe purchased and used in the subdivision, less state and local sales tax.

10. The purpose of this agreement is to reimburse the Developer for 100% of cost of the water and sewer material, less state and local sales tax, with said materials being purchased from the City, and reimbursement for the cost of the materials being made to the Developer subject to the satisfactory completion of all terms of this agreement including complete annexation of the property into the corporate limits of the City.

11. It is understood that the Developer will do any and all ditching, laying of the pipelines, and any and all other work that may be necessary to meet the specifications of the City.

12. Any unused materials acquired by the Developer from the City will be returned to the City and the costs of such material, if returned undamaged, will be credited to the Developer.

IN TESTIMONY WHEREOF, the parties hereto have unto set their hands and seal on this the day and year first above written.

Developer

Dennis R. Phillips, Mayor

Attest:

Approved as to form:

James Demming, City Recorder

J. Michael Billingsley, City Attorney

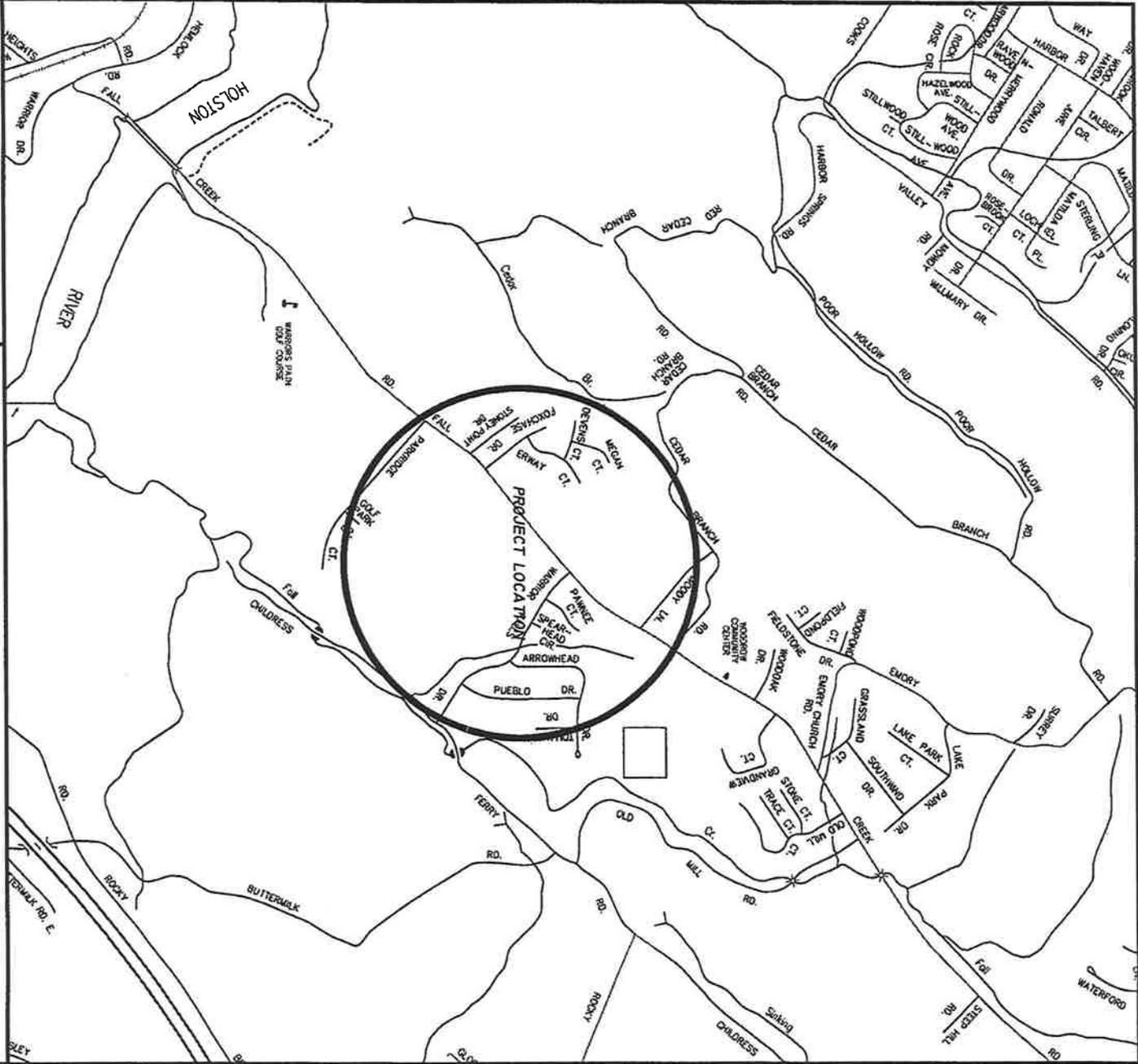
ALL BEARINGS KGRN
(KINGSPORT GEODETIC
REFERENCE NETWORK)



JULY 10, 2008

CHASE MEADOWS DEVELOPMENT

NO SCALE





AGENDA ACTION FORM

Consideration of an Ordinance to Amend the General Fund, General Project Fund, Federal Transit Fund and the Sewer Project Fund Budgets

To: Board of Mayor and Aldermen
 From: John Campbell, City Manager

A handwritten signature in blue ink, appearing to read "John Campbell", is written over the printed name of the City Manager.

Action Form No.: AF228-2008
 Work Session: July 14, 2008
 First Reading: July 15, 2008

Final Adoption: August 5, 2008
 Staff Work By: Smith
 Presentation By: Smith/Campbell

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #:

KSF #

KSO #

Recommendation:

Approve the ordinance.

Executive Summary:

This ordinance is a year end clean up ordinance for various projects.

Funds are being transferred from the General Projects and Federal Transit project funds to clear up the projects. General Project (GP0610) will be closed.

Funds are being transferred within the Sewer Project Funds to clear up projects that have deficits and to close all of the projects.

Attachments:

1. Ordinance

Funding source appropriate and funds are available: _____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE GENERAL PROJECT FUND,
URBAN MASS TRANSIT FUND, SEWER PROJECT FUNDS AND THE
GENERAL FUND BUDGETS BY TRANSFERRING FUNDS FROM
OTHER PROJECTS FOR THE FISCAL YEAR ENDING JUNE 30, 2009;
AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

BE IT ORDAINED BY THE CITY OF KINGSPORT, as follows:

SECTION I. That the General Projects Fund budget be amended by transferring funds from the Bridge Maintenance project (GP0610) in the amount of \$727, the Ryder Drive/Eastman Road project(GP0714) project in the amount of \$30,715, the Federal Transit TN-90-X-218 grant project (FTA218) in the amount of \$22,029, the Federal Transit Administration TN-90-X-235 grant project (FTA235) in the amount of \$108,000 and the Federal Transit TN-90-X-250 grant project (FTA250) in the amount of 63,171 to the Federal Transit grant project TN-90-X-263 (FTA263) in the amount of \$25,000 and to the General Fund Special Programs budget in the amount of \$199,642. The total amount being transferred is \$224,642. The Bridge Maintenance project (GP0610) will be closed.

Section II. That the Sewer Project Fund budgets be amended by transferring funds from the Miscellaneous Sewer Line Annexation project (SW0804) in the amount of \$2,061 to the Future Annexation Extensions project (SW0305) in the amount of \$2,061 and by transferring funds from the Industry Drive Land Acquisition project (SW0706) in the amount of \$16,635, Reedy Creek Area 5-7/5-12 (SW0404) in the amount of \$12,728, I & I Reedy Creek 5-9 (SW0503) in the amount of \$4,528 and Reedy Creek Area 5-6/5-8 in the amount of \$26,801 to the Industry Drive Relocation project (SW0402) in the amount of \$45,613 and to the Eagle's Club-E Stone Drive Project (SW0113) in the amount of \$15,079. The total amount being transferred is \$60,692. The Sewer Projects to be closed are (SW0804, SW0305, SW0706, SW0404, SW0503, SW0402 and SW0113).

Account Number/Description:

Fund 311: Project (GP0610)

Bridge Maintenance

Revenues:

311-0000-391-0100 From the General Fund

Totals:

Expenditures:

311-0000-601-9006 Equipment

Totals:

<u>Budget</u>	<u>Incr/<Decr></u>	<u>New Budget</u>
\$ 22,500	\$ (727)	\$ 21,773
22,500	(727)	21,773
\$ 22,500	\$ (727)	\$ 21,773
22,500	(727)	21,773

Fund 311: Project GP0714

Ryder Dr./Eastman Rd Signal

Revenues:

311-0000-364-2000 From Corporations

Totals:

Expenditures:

311-0000-601-2020 Professional Consultant

311-0000-601-2022 Construction Contracts

311-0000-601-9001 Land

311-0000-601-9004 Equipment

311-0000-601-9006 Purchases over \$5,000

Totals:

100,000	(30,715)	69,285
100,000	(30,715)	69,285
400	0	400
10,300	(244)	10,056
1,700	(1,048)	652
2,000	(678)	1,322
85,600	(28,745)	56,855
100,000	(30,715)	69,285

Fund 123: Project FTA218

TN-90-X-218 Grant Project

Revenues:

123-0000-331-2000 Federal Rev. UMTA Sec. 9	452,700	0	452,700
123-0000-332-9000 Dept of Transportation	119,370	0	119,370
123-0000-365-2009 Bus Fares	19,000	0	19,000
123-0000-365-1500 Rental of Land & Buildings	45,000	0	45,000
123-0000-368-2512 Job Access	3,000	0	3,000
123-0000-365-2100 ADA Paratransit	9,000	0	9,000
123-0000-368-2500 Charter Service Jitney	6,000	0	6,000
123-0000-368-2600 Paratransit Charter	9,000	0	9,000
123-0000-368-2700 Families First Charter	6,000	0	6,000
123-0000-391-0100 From General Fund	165,030	0	165,030
Totals:	834,100	0	834,100

Expenditures:

123-5901-602-1010 Salaries	368,536	0	368,536
123-5901-602-1011 Overtime	17,105	0	17,105
123-5901-602-1020 Social Security	28,045	0	28,045
123-5901-602-1030 Health Ins	35,383	0	35,383
123-5901-602-1040 Retirement	36,185	0	36,185
123-5901-602-1050 Life Insurance	605	0	605
123-5901-602-1052 Long Term Disability	515	0	515
123-5901-602-1060 Workmen's Comp	870	0	870
123-5901-602-1061 Unemployment	922	0	922
123-5901-602-2010 Advertising and Publication	1,945	0	1,945
123-5901-602-2011 Printing and Binding	961	0	961
123-5901-602-2021 Accounting & Auditing	0	0	0
123-5901-602-2030 Electric Service	4,717	0	4,717
123-5901-602-2033 Water and Sewer	766	0	766
123-5901-602-2034 Telephone	1,144	0	1,144
123-5901-602-2036 Natural Gas	2,328	0	2,328
123-5901-602-2042 Personal Vehicle Reimbursement	185	0	185
123-5901-602-2043 Dues and Membership	1,477	0	1,477
123-5901-602-2044 Literature and Subscriptions	395	0	395
123-5901-602-2052 Medical Service	450	0	450
123-5901-602-2054 Machinery/Equipment Rental	1,896	0	1,896
123-5901-602-2055 Repairs and Maintenance	1,703	0	1,703
123-5901-602-2099 Miscellaneous	9,052	0	9,052
123-5901-602-3010 Office Supplies	3,455	0	3,455
123-5901-602-3011 Postage	201	0	201
123-5901-602-3020 Operating Supplies & Tools	3,438	0	3,438
123-5901-602-3022 Maintenance Supplies	1,463	0	1,463
123-5901-602-3029 Clothing & Uniforms	5,790	0	5,790
123-5902-602-2020 Professional Consultants	3,500	0	3,500
123-5902-602-2021 Accounting & Auditing Fees	650	0	650
123-5902-602-2023 Arch/Landscaping/Eng	36,520	0	36,520
123-5902-602-2040 Travel	2,350	0	2,350
123-5902-602-2056 Repairs & Maintenance Vehicles	147,068	0	147,068
123-5902-602-5026 Vehicle Ins. Charged by Fleet	2,750	0	2,750
123-5902-602-9002 Buildings	109,730	(22,029)	87,701
123-5902-602-9004 Equipment	2,000	0	2,000
123-5902-602-7001 To General Fund	0	22,029	22,029
Totals:	834,100	0	834,100

Fund 123: Project FTA235**TN-90-X-235 Grant Project****Revenues:**

123-0000-331-2000 Federal Rev. UMTA Sec. 9	527,500	0	527,500
123-0000-332-9000 Dept of Transportation	164,600	0	164,600
123-0000-365-2009 Bus Fares	19,000	0	19,000

123-0000-365-1500	Rental of Land & Buildings	45,000	0	45,000
123-0000-368-2512	Job Access	6,000	0	6,000
123-0000-365-2100	ADA Paratransit	15,000	0	15,000
123-0000-368-2500	Charter Service Jitney	6,000	0	6,000
123-0000-368-2600	Paratransit Charter	3,000	0	3,000
123-0000-368-2700	Families First Charter	5,000	0	5,000
123-0000-391-0100	From General Fund	164,600	0	164,600
Totals:		955,700	0	955,700

Expenditures:

123-5901-602-1010	Salaries	364,800	0	364,800
123-5901-602-1011	Overtime	17,000	0	17,000
123-5901-602-1020	Social Security	27,950	0	27,950
123-5901-602-1030	Health Ins	41,486	0	41,486
123-5901-602-1040	Retirement	44,614	0	44,614
123-5901-602-1050	Life Insurance	800	0	800
123-5901-602-1052	Long Term Disability	650	0	650
123-5901-602-1060	Workmen's Comp	600	0	600
123-5901-602-1061	Unemployment	1,000	0	1,000
123-5901-602-2010	Advertising and Publication	2,000	0	2,000
123-5901-602-2011	Printing and Binding	4,000	0	4,000
123-5901-602-2030	Electric Service	7,000	0	7,000
123-5901-602-2033	Water and Sewer	935	0	935
123-5901-602-2034	Telephone	2,500	0	2,500
123-5901-602-2036	Natural Gas	3,395	0	3,395
123-5901-602-2042	Personal Vehicle Reimbursement	200	0	200
123-5901-602-2043	Dues and Membership	1,100	0	1,100
123-5901-602-2044	Literature and Subscriptions	500	0	500
123-5901-602-2052	Medical Service	750	0	750
123-5901-602-2054	Machinery/Equipment Rental	3,000	0	3,000
123-5901-602-2055	Repairs and Maintenance	3,000	0	3,000
123-5901-602-2099	Miscellaneous	10,000	0	10,000
123-5901-602-3010	Office Supplies	3,850	0	3,850
123-5901-602-3011	Postage	650	0	650
123-5901-602-3020	Operating Supplies & Tools	6,655	0	6,655
123-5901-602-3022	Maintenance Supplies	3,500	0	3,500
123-5901-602-3026	Sign Parts & Supplies	2,000	0	2,000
123-5901-602-3029	Clothing & Uniforms	7,500	0	7,500
123-5901-602-3044	Motor Pool Charges	1,000	0	1,000
123-5901-602-5010	Building Ins.	1,000	0	1,000
123-5902-602-1010	Salaries	21,122	0	21,122
123-5902-602-1020	Social Security	1,563	0	1,563
123-5902-602-1030	Health Ins.	1,616	0	1,616
123-5902-602-1040	Retirement	2,976	0	2,976
123-5902-602-1050	Life Insurance	55	0	55
123-5902-602-1052	Long Term Disability	58	0	58
123-5902-602-1060	Workmen's Comp	30	0	30
123-5902-602-1061	Unemployment	20	0	20
123-5902-602-2020	Professional Consultants	5,000	0	5,000
123-5902-602-2021	Accounting & Auditing Fees	3,000	0	3,000
123-5902-602-2023	Arch/Landscaping/Eng	0	0	0
123-5902-602-2040	Travel	2,550	0	2,550
123-5902-602-2041	Registration/Tuition	1,950	0	1,950
123-5902-602-2056	Repairs & Maintenance Vehicles	169,760	0	169,760
123-5902-602-5026	Vehicle Ins. Charged by Fleet	2,565	0	2,565
123-5902-602-9002	Buildings	145,000	(108,000)	37,000
123-5902-602-7001	To General Fund	0	108,000	108,000
123-5902-602-9004	Equipment	35,000	0	35,000
Totals:		955,700	0	955,700

Fund 123: Project FTA250

TN-90-X-250 Grant Project

Revenues:

123-0000-331-2000	Federal Rev. UMTA Sec. 9	569,025	0	569,025
123-0000-332-9000	Dept of Transportation	177,262	0	177,262
123-0000-365-2009	Bus Fares	19,500	0	19,500
123-0000-365-1500	Rental of Land & Buildings	45,000	0	45,000
123-0000-368-2512	Job Access	7,000	0	7,000
123-0000-365-2100	ADA Paratransit	16,000	0	16,000
123-0000-368-2500	Charter Service Jitney	3,000	0	3,000
123-0000-368-2600	Paratransit Charter	3,000	0	3,000
123-0000-368-2700	Families First Charter	5,000	0	5,000
123-0000-391-0100	From General Fund	177,262	0	177,262
Totals:		1,022,049	0	1,022,049

Expenditures:

123-5901-602-1010	Salaries	444,600	0	444,600
123-5901-602-1011	Overtime	35,000	0	35,000
123-5901-602-1020	Social Security	34,000	0	34,000
123-5901-602-1030	Health Ins	45,500	0	45,500
123-5901-602-1040	Retirement	58,800	0	58,800
123-5901-602-1050	Life Insurance	900	0	900
123-5901-602-1052	Long Term Disability	700	0	700
123-5901-602-1060	Workmen's Comp	1,400	0	1,400
123-5901-602-1061	Unemployment	1,000	0	1,000
123-5901-602-2010	Advertising and Publication	2,700	0	2,700
123-5901-602-2011	Printing and Binding	4,350	0	4,350
123-5901-602-2030	Electric Service	7,008	0	7,008
123-5901-602-2033	Water and Sewer	1,200	0	1,200
123-5901-602-2034	Telephone	4,635	0	4,635
123-5901-602-2036	Natural Gas	3,500	0	3,500
123-5901-602-2042	Personal Vehicle Reimbursement	100	0	100
123-5901-602-2043	Dues and Membership	1,500	0	1,500
123-5901-602-2044	Literature and Subscriptions	97	0	97
123-5901-602-2052	Medical Service	1,000	0	1,000
123-5901-602-2054	Machinery/Equipment Rental	5,210	0	5,210
123-5901-602-2055	Repairs and Maintenance	1,500	0	1,500
123-5901-602-2075	Temporary Employees	5,000	0	5,000
123-5901-602-2099	Miscellaneous	13,000	0	13,000
123-5901-602-3010	Office Supplies	4,000	0	4,000
123-5901-602-3011	Postage	1,000	0	1,000
123-5901-602-3020	Operating Supplies & Tools	3,500	0	3,500
123-5901-602-3022	Maintenance Supplies	2,500	0	2,500
123-5901-602-3026	Sign Parts & Supplies	350	0	350
123-5901-602-3029	Clothing & Uniforms	7,500	0	7,500
123-5901-602-5012	Insurance/Liability	5,000	0	5,000
123-5902-602-2020	Professional Consultants	4,208	0	4,208
123-5902-602-2021	Accounting & Auditing Fees	3,792	0	3,792
123-5902-602-2040	Travel	2,499	0	2,499
123-5902-602-2041	Registration/Tuition	2,000	0	2,000
123-5902-602-2056	Repairs & Maintenance Vehicles	150,000	0	150,000
123-5902-602-5026	Vehicle Ins. Charged by Fleet	3,000	0	3,000
123-5902-602-9002	Buildings	90,000	(63,171)	26,829
123-5902-602-7001	To General Fund	0	63,171	63,171
123-5902-602-9004	Equipment	70,000	0	70,000
Totals:		1,022,049	0	1,022,049

Fund 123: Project FTA263

TN-90-X-263 Grant Project

Revenues:

123-0000-331-2000	Federal Rev. UMTA Sec. 9	753,500	0	753,500
123-0000-332-9000	Dept of Transportation	383,750	0	383,750

123-0000-365-2009	Bus Fares	21,000	0	21,000
123-0000-365-1500	Rental of Land & Buildings	45,000	0	45,000
123-0000-365-2100	ADA Paratransit	9,000	0	9,000
123-0000-368-2600	Paratransit Charter	9,000	0	9,000
123-0000-368-2700	Families First Charter	5,000	0	5,000
123-0000-391-0100	From General Fund	240,717	25,000	265,717
Totals:		1,466,967	25,000	1,491,967

Expenditures:

123-5901-602-1010	Salaries	421,350	0	421,350
123-5901-602-1011	Overtime	26,650	0	26,650
123-5901-602-1020	Social Security	34,000	0	34,000
123-5901-602-1030	Health Ins	40,000	0	40,000
123-5901-602-1040	Retirement	48,000	0	48,000
123-5901-602-1050	Life Insurance	1,000	0	1,000
123-5901-602-1052	Long Term Disability	1,000	0	1,000
123-5901-602-1060	Workmen's Comp	1,000	0	1,000
123-5901-602-1061	Unemployment	1,000	0	1,000
123-5901-602-2010	Advertising and Publication	2,000	0	2,000
123-5901-602-2011	Printing and Binding	6,000	0	6,000
123-5901-602-2030	Electric Service	7,000	0	7,000
123-5901-602-2033	Water and Sewer	1,000	0	1,000
123-5901-602-2034	Telephone	6,000	0	6,000
123-5901-602-2036	Natural Gas	5,000	0	5,000
123-5901-602-2043	Dues and Membership	2,000	0	2,000
123-5901-602-2044	Literature and Subscriptions	100	0	100
123-5901-602-2052	Medical Service	1,500	0	1,500
123-5901-602-2054	Machinery/Equipment Rental	4,000	0	4,000
123-5901-602-2055	Repairs and Maintenance	1,000	0	1,000
123-5901-602-2075	Temporary Employees	10,000	0	10,000
123-5901-602-2099	Miscellaneous	20,400	0	20,400
123-5901-602-3010	Office Supplies	4,000	0	4,000
123-5901-602-3011	Postage	1,000	0	1,000
123-5901-602-3020	Operating Supplies & Tools	4,000	25,000	29,000
123-5901-602-3022	Maintenance Supplies	4,000	0	4,000
123-5901-602-3026	Sign Parts & Supplies	2,000	0	2,000
123-5901-602-3029	Clothing & Uniforms	8,000	0	8,000
123-5902-602-3044	Motor Pool Charges	1,000	0	1,000
123-5901-602-5010	Building Ins.	3,000	0	3,000
123-5902-602-2020	Professional Consultants	4,500	0	4,500
123-5902-602-2021	Accounting & Auditing Fees	5,500	0	5,500
123-5902-602-2040	Travel	3,000	0	3,000
123-5902-602-2041	Registration/Tuition	2,000	0	2,000
123-5902-602-2056	Repairs & Maintenance Vehicles	110,000	0	110,000
123-5902-602-5026	Vehicle Ins. Charged by Fleet	3,000	0	3,000
123-5902-602-9002	Buildings	155,000	0	155,000
123-5902-602-9004	Equipment	110,000	0	110,000
123-5902-602-9006	Purchases over \$5,000	406,967	0	406,967
Totals:		1,466,967	25,000	1,491,967

Fund 110: General Fund

Revenues:

110-0000-391-5300	From UMTA	0	168,200	168,200
Totals:		0	168,200	168,200

Expenditures:

110-4804-481-7036	To General Project Fund	190,000	(31,442)	158,558
110-1005-405-8093	KEDB Pavilion	300,000	199,642	499,642
Totals:		490,000	168,200	658,200

Fund 452: Project (SW0804)
Miscellaneous SL Annexations

Revenues:

452-0000-391-4200 From Sewer Fund

Totals:

\$	\$	\$
700,900	(2,061)	698,839
700,900	(2,061)	698,839

Expenditures:

452-0000-606-2022 Construction Contracts
 452-0000-606-2023 Arch/Landscaping/Engineering
 452-0000-606-9001 Land

Totals:

\$	\$	\$
495,542	(2,061)	493,481
105,358	0	105,358
100,000	0	100,000
700,900	(2,061)	698,839

Fund 452: Project (SW0305)

Future Annex Extensions

Revenues:

452-0000-391-0509 2002 WA & SW Series
 452-0000-391-0516 2004 WA & SW R & T
 452-0000-391-4200 From Sewer Fund

Totals:

\$	\$	\$
55,500	0	55,500
67,579	0	67,579
0	2,061	2,061
123,079	2,061	125,140

Expenditures:

452-0000-606-2022 Construction Contracts
 452-0000-606-9001 Land

Totals:

52,062	0	52,062
71,017	2,061	73,078
123,079	2,061	125,140

Fund 452: Project (SW0706)

Industry Drive Land Acquisition

Revenues:

452-0000-391-4200 From Sewer Fund

Totals:

\$	\$	\$
150,000	(16,635)	133,365
150,000	(16,635)	133,365

Expenditures:

452-0000-606-9001 Land
 452-0000-606-9002 Buildings

Totals:

20,000	(16,543)	3,457
130,000	(92)	129,908
150,000	(16,635)	133,365

Fund 452: Project (SW0404)

Reedy Creek Area 5-7/5-12

Revenues:

452-0000-391-0511 G.O. WA & SW 2003 Principal

Totals:

\$	\$	\$
1,140,000	(12,728)	1,124,384
1,140,000	(12,728)	1,124,384

Expenditures:

452-0000-606-2022 Construction Contracts
 452-0000-606-9004 Equipment
 452-0000-606-2023 Arch/Landscaping/Eng

Totals:

526,007	0	526,007
113,642	(8,324)	105,318
500,351	(4,404)	493,059
1,140,000	(12,728)	1,124,384

Fund 452: Project (SW0503)

I & I Reedy Creek 5-9

Revenues:

452-0000-391-0516 2004 WA & SW R & T

Totals:

\$	\$	\$
915,000	(4,528)	910,472
915,000	(4,528)	910,472

Expenditures:

452-0000-606-2022 Construction Contracts
 452-0000-606-2097 State Reviews & Permits
 452-0000-606-2023 Arch/Landscaping/Eng
 452-0000-606-9001 Land

Totals:

791,964	(57)	791,907
800	0	800
106,966	(1,352)	105,614
15,270	(3,119)	12,151
915,000	(4,528)	910,472

Fund 452: Project (SW0412)

\$	\$	\$
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Reedy Creek Area 5-6/5-8

Revenues:

452-0000-391-0511 G.O WA & SW 2003 Principal	1,500,000	0	1,500,000
452-0000-391-0516 2004 WA & SW R & T	1,320,000	(26,801)	1,293,199
Totals:	2,820,000	(26,801)	2,793,199

Expenditures:

452-0000-606-2022 Construction Contracts	2,544,040	784	2,544,824
452-0000-606-2023 Arch/Landscaping/Eng	266,960	(26,106)	240,854
452-0000-606-9001 Land	9,000	(1,479)	7,521
Totals:	2,820,000	(26,801)	2,793,199

Fund 452: Project (SW0402)

Industry Drive Relocation

Revenues:

452-0000-391-0512 2004 WA & SW Refunding	245,000	0	245,000
452-0000-391-0516 2004 WA & SW R & T	0	28,978	28,978
452-0000-391-4200 From Sewer Fund	0	16,635	16,635
452-0000-391-4228 Grants/Cont/Subsidies	216,000	0	216,000
Totals:	461,000	45,613	506,613

Expenditures:

452-0000-606-2020 Professional Consultant	0	3,000	3,000
452-0000-606-2022 Construction Contracts	460,983	4,002	464,985
452-0000-606-2023 Arch/Landscaping/Eng	0	38,611	38,611
452-0000-606-9001 Land	17	0	17
Totals:	461,000	45,613	506,613

Fund 452: Project (SW0113)

Eagle's Club-E Stone Dr

Revenues:

452-0000-391-0502 Series 1999 (Oct)	166,509	0	166,509
452-0000-391-0512 2004 WA & SW Refunding	2,454	0	2,454
452-0000-391-0516 2004 WA & SW R & T	0	2,351	2,351
452-0000-391-0511 G.O. WA & SW 2003 Principal	0	12,728	12,728
452-0000-391-4200 From Sewer Fund	207	0	207
Totals:	169,170	15,079	184,249

Expenditures:

452-0000-606-2022 Construction Contracts	144,765	15,079	159,844
452-0000-606-2023 Arch/Landscaping/Eng	15,483	0	15,483
452-0000-606-4011 Bond Interest	207	0	207
452-0000-606-9001 Land	8,715	0	8,715
Totals:	169,170	15,079	184,249

SECTION II. That this Ordinance shall take effect from and after its date of passage, as the law direct, the welfare of the City of Kingsport, Tennessee requiring it.

DENNIS R. PHILLIPS, Mayor

ATTEST:

APPROVED AS TO FORM:

JAMES H. DEMMING
City Recorder

J. MICHAEL BILLINGSLEY, City Attorney

PASSED ON 1ST READING: _____

PASSED ON 2ND READING: _____



AGENDA ACTION FORM

Consideration of an Ordinance to Amend the Zoning Code, Text, and Map, to Zone Property along Stapleton Drive to R-1B, Single Family Residential District

To: Board of Mayor and Aldermen
From: John G. Campbell, City Manager

Action Form No.: AF-178-2008
Work Session: June 30, 2008
First Reading / (Public Hearing Held): July 1, 2008

Final Adoption: July 15, 2008
Staff Work By: Karen Combs
Presentation By: Karen Combs

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #:
KSF #
KSO #

Recommendation:

- Approve ordinance.

Executive Summary:

The request is to rezone property along Stapleton Drive from A-1, Agricultural District to R-1B, Single Family Residential District. The rezoning will allow the owner to construct a 22 lot subdivision on this property. The A-1, Agricultural District is traditionally the City's "hold" zone until a plan can be submitted to the Planning Commission for review. The Kingsport Regional Planning Commission unanimously sent a favorable recommendation for this request during their May 15, 2008 meeting to the Board of Mayor and Alderman. The Notice of Public Hearing was published June 12, 2008.

Attachments:

1. Staff Report
2. Notice of Public Hearing
3. Zoning Ordinance
4. Map

Funding source appropriate and funds are available: _____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance to Amend the Zoning Code, Text, and Map, to Zone Property along Eastman Road to P-1, Professional Office District

To: Board of Mayor and Aldermen
From: John G. Campbell, City Manager

Action Form No.: AF-179-2008
Work Session: June 30, 2008
First Reading/(Public Hearing Held): July 1, 2008
Final Adoption: July 15, 2008
Staff Work By: Karen Combs
Presentation By: Karen Combs

BMA Strategic Plan 2005-2006
(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)
CV #:
KSF #
KSO #

Recommendation:

- Approve ordinance.

Executive Summary:

The request is to rezone property along Eastman Road from R-1C, Single Family Residential District to P-1, Professional Office District. The rezoning will allow the owner to provide a professional office in the current structure located on this property. P-1, Professional Office District is used buffer and transition a higher business use from the residential districts. The Kingsport Regional Planning Commission unanimously sent a favorable recommendation for this request during their May 15, 2008 meeting to the Board of Mayor and Alderman. The Notice of Public Hearing was published June 12, 2008.

Attachments:

- 1. Staff Report
2. Notice of Public Hearing
3. Zoning Ordinance
4. Map

Funding source appropriate and funds are available: _____

Table with 3 columns (Y, N, O) and 7 rows (Joh, Mallicote, Marsh, Munsey, Shull, Shupe, Phillips)



AGENDA ACTION FORM

Consideration of a Resolution to Authorize the Mayor to Sign all Documents Necessary to Apply and Receive a Community Grant Through the Smithsonian Institution

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager *[Signature]*

Action Form No.: AF-165-2008
 Work Session: July 14, 2008
 First Reading: July 15, 2008
 Final Adoption: July 15, 2008
 Staff Work By: Helen Whitaker/ Morris Baker
 Presentation By: Helen Whitaker

Recommendation: Approve the resolution.

Executive Summary:

The City of Kingsport's Public Library is seeking a grant to assist with hosting, promoting and conducting a Smithsonian Institution Traveling Exhibition Service (SITES) entitled Earth from Space. The exhibit will be displayed at the Kingsport Public Library from December 20, 2008 through February 15, 2009.

Consisting of 41 large-scale banners of spectacular satellite imagery collected over the past 30 years, *Earth from Space* also includes a fascinating digital video globe that displays global weather patterns and geologic events. SITES is one of the four national programs of the Smithsonian Institution in Washington, D.C. which help connect the American public to the Smithsonian's collections and research programs.

The City is applying for up to \$5,000 for expenses related to bring the curator of the exhibit to Kingsport, hosting a program information specialist from the U.S. Geological Survey – a collaborator of the exhibit, purchase of weekly film series and conduct promotional activities related to the program.

There is no match required with this grant opportunity. The Smithsonian Community Grant program is funded by MetLife Foundation.

Attachments:

1. Resolution

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE COMMUNITY GRANT FUNDS THROUGH THE SMITHSONIAN INSTITUTION FOR A TRAVELING EXHIBITION SERVICE ENTITLED "EARTH FROM SPACE"

WHEREAS, the city desires to apply for and receive up to \$5,000 in community grant funds through the Smithsonian Institution to assist with hosting, promoting, and conducting a Smithsonian Institution Traveling Exhibition Service (SITES) entitled "Earth From Space" from December 20, 2008 through February 15, 2009 at the Kingsport Public Library; and

WHEREAS, matching funds are not required.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney, all documents necessary and proper to apply for and receive up to \$5,000 in community grant funds through the Smithsonian Institution to assist with hosting, promoting, and conducting a Smithsonian Institution Traveling Exhibition Service (SITES) entitled "Earth From Space" from December 20, 2008 through February 15, 2009 at the Kingsport Public Library.

SECTION II. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 15th day of July, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Consideration of a Resolution Establishing a Lease Agreement with Northeast State Regarding the Regional Center for Health Professions (RCHP).

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager *[Signature]*

Agenda Form No.: AF - 222-2008
 Work Session: July 14, 2008
 First Reading: July 15, 2008
 Final Adoption: July 15, 2008
 Staff Work: Billingsley, Fleming
 Presentation: Billingsley

BMA Strategic Plan 2005-2006
 (CV=Core Value, KSF=Key Success Factor, KSO = Key Strategic Objective)

Recommendation:
 Approve the Resolution

Executive Summary:
 With RCHP scheduled to open in August, it is necessary to establish a lease with Northeast State for operating the facility. The lease is patterned after that of RCAT, which has been a partnership of the City of Kingsport and Northeast State since 2002. Northeast State will be responsible for operating and maintaining the facility. The City will retain rights to lease 3 offices to external recruiting agencies as well as an ATM for convenience of students.

Attachments:

- 1. Resolution

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT BETWEEN THE CITY OF KINGSPORT AND THE STATE UNIVERSITY AND COMMUNITY COLLEGE SYSTEM OF TENNESSEE FOR CERTAIN PROPERTY KNOWN AS THE REGIONAL CENTER FOR HEALTH PROFESSIONS LOCATED AT 300 WEST MAIN STREET IN THE CITY OF KINGSPORT, SULLIVAN COUNTY, TENNESSEE

WHEREAS, the City of Kingsport desires to enter into a lease agreement with the State University and Community College System of Tennessee for the property known as the Regional Center for Health Professions consisting of approximately 43,000 square feet of floor space located at 300 West Main Street in the City of Kingsport, Sullivan County, Tennessee; and

WHEREAS, the property to be used for higher educational facilities; and

WHEREAS, the lease agreement will be advantageous to and serve the public interest of the City of Kingsport.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Chapter 10 of the Charter of the City of Kingsport, a lease agreement with the State University and Community College System of Tennessee for the property known as the Regional Center for Health Professions consisting of approximately 43,000 square feet of floor space located at 300 West Main Street in the City of Kingsport, Sullivan County, Tennessee.

SECTION II. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 15th day of July, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Consideration of a Resolution Awarding the Bid for Electrical Package to National Electric Company Through Camp Dresser and McKee on Behalf of the City for Phase II of the Wastewater Treatment Plant Improvements

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager *(Signature)*

Action Form No.: AF-220-2008
 Work Session: July 14, 2008
 First Reading: n/a
 Final Adoption: July 15, 2008
 Staff Work By: R. McReynolds/N. Ensor
 Presentation By: R. McReynolds/N. Ensor

BMA Strategic Plan 2005-2006
 (CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)
CV #:
KSF #4: Stewardship of Public Funds
KSO #6: Reliable and Dependable Infrastructure

Recommendation: Approve resolution.

Executive Summary:

On July 18, 2006 the City entered into an EPCM contract with Camp Dresser and McKee for engineering, procurement and construction management services related to the required improvements at the wastewater treatment plant.

On August 20, 2007 the Board of Mayor and Aldermen authorized amendment number two for phase II of the wastewater treatment plant improvement project adjusting the Guaranteed Maximum Price to \$22, 341,397. The wastewater treatment plant improvements are essential to ensure compliance with state and federal regulations. Total project cost is approximately 8% below engineer's estimate. Installation cost is identified in project #SW0603

Attachments:

1. Resolution :
Electrical Installation Package – \$1,803,347
2. Bid Tabulation and Engineers Recommendation Package

Funding source appropriate and funds are available: _____

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE AWARD OF BID FOR AN ELECTRICAL INSTALLATION PACKAGE TO NATIONAL ELECTRIC COMPANY THROUGH CAMP DRESSER AND MCKEE FOR PHASE II OF THE WASTEWATER TREATMENT PLANT IMPROVEMENTS

WHEREAS, on July 18, 2006 the city entered into an EPCM contract with Camp Dresser and McKee for engineering, procurement and construction management services related to the required improvements at the wastewater treatment plant; and

WHEREAS, on August 20, 2007 the Board of Mayor and Aldermen authorized amendment number two for phase II of the wastewater treatment plant improvement project adjusting the Guaranteed Maximum Price to \$22,341,397; and

WHEREAS, bids were opened June 10, 2008 for an electrical installation package for phase II wastewater treatment plant improvements equipment essential to ensure compliance with state and federal regulations; and

WHEREAS, upon review of the bids, the board finds National Electric Company Company, is the lowest responsible compliant bidder in the best interest and advantage to the city for the electrical installation package at a cost of \$1,783,083; and

WHEREAS, the city desires to authorize the purchase of the electrical installation package from National Electric Company through Camp Dresser and McKee on behalf of the city; and

WHEREAS, cost of primary equipment is identified in project SW0603.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the bid for an electrical installation package, in the amount of \$1,803,347 is awarded to National Electric Company.

SECTION II. That Camp Dresser and McKee is authorized to purchase the electrical installation package, in the amount of \$1,783,083, from National Electric Company for the phase II wastewater treatment plant improvements project.

SECTION III. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 15th day of July, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

Kingsport Wastewater Treatment Plant Improvements Installation Bid Packages

Electrical & Instrumentation Installation

Evaluation:

National Electric Co., Inc. \$1,997,052.00

Total deducts per clarifications \$213,969.00 Revised total = \$1,783,083.00

Exceptions and Clarifications -

1. Exhibit B, Terms & Conditions – Paragraph 20.1.4 – National Electric does not carry pollution coverage on their insurance policy.
2. Exhibit E, Insurance Requirements – Paragraph 6 – Delete in its entirety as National Electric does not carry pollution coverage on the insurance policy.
3. Exhibit E, Insurance Requirements – Paragraph 5 – This section addresses the auto coverage including the endorsement for hazardous materials, so this will not be applicable.
4. Exhibit E, Insurance Requirements – Paragraph 7 – This section addresses Professional Liability coverage. Again, this will be non applicable to National Electric as we will not be providing any engineering or design services on this job.
5. Retainage will be 5% as allowed by Tennessee state law.
6. Specification Section 16000-1.01.E – Delete this section. National Electric will red-line CDM drawings for this requirement.
7. Specification Section 16000-1.03.B – Delete references to Item 4 – Switchgear and Switchboards; Item 6 – Lighting Fixtures and Lamps; Item 9 – Fire and Intrusion Alarm System.
8. Specification Section 16000-1.03.H – Delete this section.
9. Heat tracing will only be provided as shown in addendum #2.
10. Specification Section 16000-1.08.E – Cutler Hammer Engineering Services will be providing electrical testing for this project.
11. No work will be performed for Primary Settling Tanks shown on drawings E-9 and E-10 and related work on MCC-2 & MCC-3. This work was installed under previous contract.
12. Using Link-Seal products for cored holes in lieu of OZ Gedney specified.
13. Vibration Testing to be provided for influent pumps VFD.
14. Modifications to existing switchgear SB-1 by Eaton as follows:
 - a. Add new Digitrip with 400 amp rating plugs to two 500 amp breakers presently feeding MCC-7. These two breakers will re-feed existing MCC-5. Breakers will be set at 250 amps.
 - b. Add two 800 amp frame after market breakers with 400 amp trip. Breakers will be set at 350 amp and will new Intermediate Submersible Pumps 2 & 4.

- c. Add one new section to left of SB-1 with two new 800 amp frame breakers with 400 amp trip. Breakers will be set at 350 amps and will feed new Intermediate Submersible Pumps 1 & 3. This new section will be 22" wide leaving 53" of clearance between SB-1 and MCC-14. This section will be cabled to existing bus with 800 amps of cable per phase.

Add \$15,801 to bid item #7 for this modification. This eliminates MCC-7 in its entirety.

15. VFDs to be supplied by Allan Bradley as specified and shown on the drawings. Add \$23,848 to bid item #18.
16. Filters to be added later if needed after Harmonic Study is completed @ \$967 per 7.5HP, \$1056 per 15HP and \$1639 per 40HP. Output Reactors to be added later if needed @ \$600 ea.
17. Change GRC and SS Strut (conduit, hardware, supports, etc.) to Aluminum. Deduct \$22,078 from bid item #22.
18. Delete fiber optic conduit from scope. Deduct \$33,065 from bid item #22.
19. MCC 7 and MCC 11 to be supplied by CDM. Deduct \$76,130 from bid item #16.
20. Delete 20/3 breaker in MCC-5. Deduct \$1,745 from bid item #15.
21. Flowmeters to be provided by CDM. Deduct \$50,600 from bid item #19.
22. Deduct \$70,000 from bid item #22 for unexpected unforeseen site conditions.

Recommendation:

We recommend selecting National Electric Co., Inc., the low bidder, as the Electrical & Instrumentation Subcontractor for this project. Award contract to National Electric Co., Inc., in the amount of \$1,783,083.00.



2301 Maitland Center Parkway, Suite 300
Maitland, Florida 32751
tel: 407 660-2552
fax: 407 875-1161

July 8, 2008

Ms. Sandy Crawford
Procurement Manager
City of Kingsport
625 West Industry Drive
Kingsport, Tennessee 37660

**Subject: Kingsport, Tennessee
Wastewater Treatment Plant Improvements
State Revolving Loan Project No. 2007-197
Electrical & Instrumentation Installation Bid Package
Authority to Award Package**

Dear Sandy,

CDM Constructors Inc. (CDM) has completed the review and evaluation of the following Installation Bid Packages received on May 14, 2008:

- Electrical & Instrumentation Installation Bid Package

We recommend selecting National Electric Co., Inc. as the Electrical & Instrumentation Subcontractor for this project.

Enclosed please find, for your review and approval, all the required documentation as required by SRF regulations as comprising the Authority to Award Package:

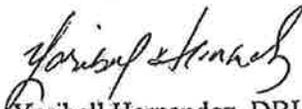
- Copy of the Advertisement for Bids
- An original, notarized certification of the bid advertisement publication
- Certified bid tabulations per equipment bid package as listed above
- Copies of signed bid proposal of the apparent successful equipment bidders per equipment bid package as listed above
- Completed Minority Business Enterprise and Women Business Enterprise (MBE/WBE) Certification and Participation Summary
- CDM's award recommendations together with all the necessary documentation, per equipment bid package as listed above



SRF Authority to Award Package
July 8, 2008
Page 2

If you have any questions, please feel free to call me.

Sincerely,



Yaribell Hernandez, DBIA
Project Manager
CDM Constructors Inc.

Enclosures

cc: Dr. Bagher Sami – SRF
Ms. Niki Ensor, Water/Wastewater Facilities Manager
Mr. Steve King, PE, BCEE – CDM
Mr. Bruce Duff – CDM

**CITY OF KINGSPORT WASTEWATER TREATMENT PLANT IMPROVEMENTS
Electrical and Instrumentation Installation**

BID TABULATION

Line Item	Description	Line Item Bid Price
		National Electric Co., Inc.
1	Mobilization	\$50,000.00
2	De-Mobilization	\$2,000.00
3	Bonds	\$15,900.00
4	Influent Pump Station Electrical Modifications as specified and shown on the Drawings	\$26,557.00
5	Primary Sludge Pump Houses Electrical Modifications as specified and shown on the Drawings	\$15,130.00
6	Intermediate Settling Basin Electrical Modifications as specified and shown on the Drawings	\$35,042.00
7	Switchgear and Chemical Building Electrical Modifications as specified and shown on the Drawings	\$126,363.00
8	Final Clarifiers Electrical Modifications as specified and shown on the Drawings	\$44,259.00
9	Return Sludge and Scan Pump Station Electrical Modifications as specified and shown on the Drawings	\$36,113.00
10	Dewatering Building Electrical Modifications as specified and shown on the Drawings	\$25,346.00
11	Gravity Thickener No. 1 Electrical Modifications as specified and shown on the Drawings	\$9,729.00
12	75' Digester Head House Electrical Modifications as specified and shown on the Drawings	\$25,619.00
13	Gravity Thickener No. 3 Electrical Work as specified and shown on the Drawings	\$19,567.00
14	100' Digester and Head House Electrical Modification as specified and shown on the Drawings	\$77,398.00
15	Existing Macs Modifications as specified and shown on the Drawings	\$120,296.00
16	Installation of new MCC 7 and MCC 11 as specified and shown on the Drawings	\$87,895.00
17	Transformer No. 5 Modifications as specified and shown on the Drawings	\$103,738.00
18	New VFD's as specified and shown on the Drawings	\$244,464.00
19	Instrumentation System Supplier (ISS) Work as specified and shown on the Drawings	\$398,705.00
20	All required demolition and disposal work	\$54,972.00
21	All temporary works required or specified	\$19,875.00
22	All other electrical work as specified and shown on the Drawings	\$458,284.00
23	TOTAL BID AMOUNT	\$ 1,997,052.00

This bid was opened on May 14, 2008 in the presence of Sandy Crawford, Brent Morelock, Nikl Ensor, Tom Hensley (City of Kingsport), Steve King & Yari Hernandez (CDM). These are the official bid results for the City of Kingsport WWTP Improvements Electrical & Instrumentation Installation Bid Package.



 Construction Manager



 Date



AGENDA ACTION FORM

Consideration of Resolutions Authorizing the Mayor to sign all Applicable Documents to Enter into a Performance Contract Agreement with Johnson Controls, Inc. for Automated Meter Readers Services, a Lease Purchase Agreement with All American Investment Group, LLC (Lessor), and an Escrow Agreement with the Lessor and U.S. Bank National Association (Escrow Agent)

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF-225-2008
 Work Session: July 14, 2008
 First Reading: NA
 Final Adoption: July 15, 2008
 Staff Work By: R. McReynolds
 Presentation By: R. McReynolds

BMA Strategic Plan 2005-2006
 (CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)
 CV #:
 KSF #
 KSO #

Recommendation: Approve the resolution.

Executive Summary:

In an ongoing effort to provide the best service possible at the lowest cost, Johnson Controls, Inc. (JCI) was contracted by the City to review the current meter reading program and provide a viable alternative solution. JCI has provided a proposal to provide water meter improvements with the objective to reduce both real and apparent water losses and to reduce the time and labor required for each billing cycle through the installation of a radio-read Automated Meter Reading (AMR) system and an automated leak detection system throughout the City of Kingsport's service area. JCI will guarantee the City will achieve \$15,666,806 of benefit over a seventeen year period. The method of service delivery is proposed to be a "lease purchase" arrangement with the annual cost being covered by the proposed annual benefits. The total project cost is \$9,774,347 with an average annual guaranteed benefit of \$921,577 and an average annual lease payment of \$864,973.

↗

Attachments:

1. Resolution
2. Performance Contract Agreement
3. Lease Purchase Agreement
4. Payment Schedule

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL APPLICABLE DOCUMENTS TO ENTER INTO A PERFORMANCE CONTRACT AGREEMENT WITH JOHNSON CONTROLS, INC. FOR AUTOMATED METER READERS SERVICES; AN EQUIPMENT LEASE-PURCHASE AGREEMENT WITH ALL AMERICAN INVESTMENT GROUP, LLC; AND AN ESCROW AGREEMENT WITH ALL AMERICAN INVESTMENT GROUP, LLC AND U.S. BANK NATIONAL ASSOCIATION

WHEREAS, the city desires to enter into a Performance Contract Agreement with Johnson Controls, Inc. to provide water meter improvements to reduce real and apparent water losses and to reduce the time and labor required for each billing cycle through the installation of a radio-read Automated Meter Reading (AMR) system and an automatic leak detection system throughout the city's water service area; and

WHEREAS, Johnson Controls, Inc. will guarantee the city will achieve \$15,666,806 of benefit over a seventeen year period; and

WHEREAS, the method of service delivery will be a lease purchase arrangement with the annual cost being covered by the proposed annual benefits; and

WHEREAS, in order to acquire the necessary equipment the city must enter into an Equipment Lease-Purchase Agreement with All American Investment Group, LLC (the lessor) and an Escrow Agreement with the All American Investment Group LLC (the lessor) and U.S. Bank National Association; and

WHEREAS, the total project cost is \$9,572,524 with an annual average guaranteed benefit of \$909,503.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Chapter 10 of the Charter of the City of Kingsport, a Performance Contract Agreement with Johnson Controls, Inc. to provide water meter improvements to reduce real and apparent water losses and to reduce the time and labor required for each billing cycle through the installation of a radio-read Automated Meter Reading (AMR) system and an automatic leak detection system throughout the city's

water service area at a total project cost is \$9,572,524 with an annual average guaranteed benefit of \$909,503.

SECTION II. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Chapter 10 of the Charter of the City of Kingsport, an Equipment Lease-Purchase Agreement with All American Investment Group, LLC in order to acquire equipment for automated meter readers services.

SECTION III. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Chapter 10 of the Charter of the City of Kingsport, an Escrow Agreement with the All American Investment Group LLC (the lessor) and U.S. Bank National Association in order to acquire equipment for automated meter readers services.

SECTION IV. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 15th day of July, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

PERFORMANCE CONTRACT (7-17-08)

PARTIES: JOHNSON CONTROLS, INC. (JCI)
2898 Boones Creek Road
Suite 100
Johnson City, TN 37615

City of Kingsport
222 West Center Street
Kingsport, TN 37660-4285

AGREEMENT DOCUMENTS: In addition to the terms and conditions of this Performance Contract incorporated into this Agreement are the following (checked as applicable):

	Page
<input checked="" type="checkbox"/> Schedule 1--Scope of Work Schedule	6
<input checked="" type="checkbox"/> Schedule 2--Assured Performance Guarantee Schedule	9
<input checked="" type="checkbox"/> Exhibit 1 – Annual Reconciliation & Guaranteed Project Benefit Allocation	12
<input checked="" type="checkbox"/> Exhibit 2 – Non-Measured Project Benefits	13
<input checked="" type="checkbox"/> Exhibit 3 – Responsibilities of JCI and Customer	15
<input checked="" type="checkbox"/> Exhibit 4 – Water Rate Schedule	17
<input checked="" type="checkbox"/> Exhibit 5 – Calculation of Baseline and Project Benefits	18
<input checked="" type="checkbox"/> Exhibit 6 – Pre-Retrofit Conditions - Annual Billable Data	23
<input checked="" type="checkbox"/> Exhibit 7 – Pre-Retrofit Conditions – Weighted Meter Average Accuracies	25
<input checked="" type="checkbox"/> Exhibit 8 – Pre-Retrofit and Post-Retrofit Conditions	31
<input checked="" type="checkbox"/> Exhibit 9 – Post-Retrofit Meter Guarantees & Exclusions	38
<input checked="" type="checkbox"/> Exhibit 10 – Post- Retrofit Conditions – Water Meter Average Accuracies	40
<input checked="" type="checkbox"/> Schedule 3--Services Schedule	42
<input checked="" type="checkbox"/> Schedule 4—Price and Payment Terms Schedule	
<input checked="" type="checkbox"/> Schedule 4A--Cash Payment Schedule	46

1. **SCOPE OF THE AGREEMENT.** JCI agrees to install identifiable improvement measures as delineated in the Scope of Work Schedule (Schedule 1) which will result in Project Benefits as set forth in the Assured Performance Guarantee (Schedule 2). After installation of the improvement measures, JCI agrees to provide the services identified in the Services Schedule (Schedule 3), that includes services that are necessary to monitor, measure and achieve the identified Project Benefits, subject to the terms of the Assured Performance Guarantee (Schedule 2). The Customer agrees to take all actions identified in this Agreement that are necessary to achieve the Project Benefits identified. JCI shall supervise and direct the Work and Services and shall be solely responsible for all construction means, methods, techniques, sequences, and procedures and for coordinating all portions of the Work and Services under this Agreement. JCI shall be responsible to pay for all labor, materials, equipment, tools, construction equipment and machinery, transportation and other facilities and services necessary for the proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work and Services.
2. **COMMENCEMENT DATE.** This Agreement shall begin on the Commencement Date, which shall be **July 17, 2008** or, if no date is included, the date of this Agreement. If the Work is divided into phases or individual projects for which individual prices have been negotiated, then separate Commencement Dates shall apply to each phase or individual project. The Work shall be completed by the Substantial Completion Date, which shall be the earlier of:
- (a) the date on which the Customer executes a Certificate of Substantial Completion; or
 - (b) 14 months after the Commencement Date, subject to adjustments as set forth in Paragraph 3 below.

If the Work is divided into phases or individual projects for which individual prices have been negotiated, then separate Substantial Completion Dates shall apply to each phase or individual project. Substantial Completion means that JCI has provided sufficient materials and services to permit the Customer to achieve the intended Project Benefits. The Services shall commence on the Substantial Completion Date and shall continue for 180 months. The Guarantee Term of the Assured Performance Guarantee (see Schedule 2) shall coincide with the term of the Services

Schedule (see Schedule 3). If for any reason, the Customer cancels or breaches this Agreement, including but not limited to the Services Schedule, the Assured Performance Guarantee shall automatically terminate.

The Payment Term shall be defined in Price and Payment Terms Schedule (Schedule 4A).

DELAYS. If JCI is delayed in the commencement or completion of the Work and/or Services by causes beyond its control and without its fault or negligence, including but not limited to inability to access property, fire, flood, labor disputes, unusual delays in deliveries, abnormal adverse weather conditions, acts of God, acts of war and acts of terrorism or by failure by the Customer to perform its obligations under the Performance Contract and Schedules or failure by the Customer to cooperate with JCI in the timely completion of the Work, then JCI shall provide written notice to the Customer of the existence, extent of and reason for such delays. An equitable adjustment in Substantial Completion Date, Payment Terms and Assured Performance Guarantee shall be made as a result.

ACCESS. Customer is responsible to provide JCI, its subcontractors and/or its agents reasonable and safe access to all facilities and properties that are in the Customer's control which are subject to the Work and Services contained in this Agreement. Customer further agrees to assist JCI, its subcontractors and/or its agents to gain access to facilities and properties that are not controlled by the Customer which are subject to the Work and Services contained in this Agreement. An equitable adjustment in Substantial Completion Date, Payment Terms and Assured Performance Guarantee shall be made as a result of any failure to grant such access.

4. CERTIFICATE OF SUBSTANTIAL COMPLETION. The Certificate of Substantial Completion to be executed by the Customer shall include:

- a. an acknowledgement by the Customer of the Improvement Measures substantially completed and the Substantial Completion Date for each Improvement Measure.
- b. an acknowledgment by the Customer of receipt of manuals and training provided by JCI under the Agreement.
- c. an acknowledgement by the Customer of the warranty start date, measurement and verify start date and warranty period.
- d. a punch list of items remaining to be completed by JCI and,
- e. an acknowledgement by the Customer that
 - (i) JCI does not warrant against system malfunction caused by improper use, misuse or wrong entry of data by the customer, and JCI shall not be liable for situations or damages that are the direct result of user-generated databases.

5. TAXES, PERMITS, AND FEES. JCI shall be responsible for obtaining all permits and related permit fees associated with the Work and Services. JCI shall pay sales, consumer, use and other similar taxes and shall secure and pay for the building permit and other permits and governmental fees, licenses and inspections necessary for proper execution. The Customer shall be responsible for securing any necessary approvals, easements, assessments or zoning changes and shall be responsible for real estate and personal property taxes where applicable. JCI makes no representations regarding the tax implications or Customer's accounting treatment of this Agreement.

6. WARRANTY. JCI warrants that materials and equipment furnished by JCI will be of good quality and new, that the Work will be free from defects not inherent in the quality required or permitted and that the Work and Services will conform to the requirements of the Agreement Documents. JCI warrants that the Work shall be free from defects in material and workmanship arising from normal usage for a period of one year from the Installation Date and that its Services will be free from defects in workmanship, design and material until the end of the Term or for one year, whichever is earlier. Upon written notice from the Customer, JCI shall, at its option, repair or replace the defective Work or re-perform defective Services. These warranties do not extend to any Work or Services that have been abused, altered, misused or repaired by the Customer or third parties without the supervision of and prior written approval of JCI or if JCI serial numbers or warranty date decals have been removed or altered. The Customer must promptly report any failure of the Equipment to JCI in writing. All replaced Equipment or parts become JCI's property.

THESE WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THOSE OF MERCHANTABILITY AND FITNESS FOR A SPECIFIC PURPOSE.

Customer understands that JCI is a provider of services under this Agreement. JCI shall not be considered a merchant or a vendor of goods. **If JCI installs or furnishes a piece of equipment under this Agreement, and that**

equipment is covered by a warranty from the manufacturer, JCI will transfer the benefits of that manufacturer's warranty to Customer if this Agreement with Customer terminates before the equipment manufacturer's warranty expires.

- **CLEANUP.** JCI shall keep the premises and the surrounding area free from accumulation of waste materials or rubbish caused by the Work and, upon completion of the Work, JCI shall remove all waste materials, rubbish, tools, construction equipment, machinery and surplus materials.
- 8. **SAFETY.** JCI shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Work or Services. JCI shall comply with all applicable laws, ordinances, rules, regulations and lawful orders of public authorities related to safety of persons or property.
- 9. **HAZARDOUS MATERIALS.** Unless specifically noted in Schedule 1, JCI's obligations expressly exclude any Work or Services of any nature associated or connected with the identification, abatement, cleanup, control, removal or disposal of hazardous materials or substances, including but not limited to asbestos, lead or PCBs, in or on the premises in which JCI will be required to perform Work. **The Customer warrants and represents that, to the best of the Customer's knowledge, there is no asbestos or other hazardous materials in the Customer's building(s) or other premises in which JCI will be required to perform Work that will in any way affect JCI's Work.** Should JCI become aware of or suspect the presence of asbestos or other hazardous materials, JCI shall have the right to stop work in the affected area immediately and notify the Customer. The Customer will be responsible for doing whatever is necessary to correct the condition in accordance with all applicable statutes and regulations. The Customer agrees to assume responsibility for any claims arising out of or relating to the presence of asbestos or other hazardous materials in the Customer's buildings or any premises in which JCI will be required to perform Work.
- 10. **INSURANCE.** Prior to commencing the Work, JCI shall provide a certificate of insurance with Contractor showing its insurance coverages, and JCI shall maintain such insurance in full force and effect at all times until the Work and Services have been completed, in the following minimum amounts:

COVERAGES	LIMITS OF LIABILITY
Workmen's Compensation Insurance or self insurance, including Employer's Liability	Statutory
Comprehensive General Liability Insurance, including Contractual.	\$5,000,000 One Occurrence \$5,000,000 Each Aggregate
Comprehensive Automobile Liability Insurance	\$5,000,000 Combined Single Limit

The above limits are obtained through primary and excess policies.

The Customer shall be responsible for obtaining any builder's risk insurance and shall assume full responsibility for any risk of loss to the Work.

- 11. **INDEMNITY.** The Customer assumes all risk and liability for the use, operation and storage of the Equipment and for injuries or death to persons or damage to property arising out of the use, operation or storage of the Equipment, except for any injuries or death to persons or damage to property caused by the negligence of JCI, its employees, agents or assigns. The Customer, being a political subdivision of the State of Tennessee, is governed by the provisions of the Tennessee Governmental Tort Liability Act, Tennessee Code Annotated, Sections 29-20-101 et seq., for causes sounding in tort. Further no contract provision requiring a Tennessee political entity to indemnify or hold harmless another party beyond the liability imposed by law is enforceable because it appropriates public money and nullifies governmental immunity without the authorization of the Tennessee General Assembly. Subject to the foregoing the Customer will be responsible for the liability from its own negligence arising out this contract. However, no provision of this Contract shall act or be deemed to be a waiver by the Customer of any immunity or of any provision of the TENNESSEE GOVERNMENTAL TORT LIABILITY ACT, Tenn. Code Ann. §29 10 101 et seq..

JCI shall indemnify and hold harmless the Customer, its employees, agents and assigns against all claims, actions, damages, liabilities and expenses, including attorney's fees, arising out of or related to any claims of patent infringement and any claims of construction or materialman's lien made by any subcontractor or materialman. JCI and the Customer agree that JCI shall be responsible only for such injury, loss or damage caused by the intentional misconduct or the negligence act or omission of JCI or its subcontractors. The obligations of JCI and of the Customer

under this paragraph are further subject to paragraph 12 below.

- 12. LIABILITY AND FORCE MAJEURE.** JCI shall not be liable under this Agreement in an amount in excess of its primary general comprehensive policy limits. Neither JCI nor the Customer will be responsible to the other for any special, indirect or consequential damages arising in any manner from the Work or Services. Neither party will be responsible to the other for damages, loss, injury or delay caused by conditions that are beyond the reasonable control, and without the intentional misconduct or negligence, of that party or its subcontractors. Such conditions include, but are not limited to: acts of God; acts of Government agencies; strikes; labor disputes; fire; explosions or other casualties; thefts; vandalism; riots or war; acts of terrorism; or unavailability of parts, materials or supplies. If this Agreement covers fire safety or security equipment, the Customer understands that JCI is not an insurer regarding those services. JCI shall not be responsible for any damage or loss that may result from fire safety or security equipment that fails to perform properly or fails to prevent a casualty loss. JCI is also not responsible for any injury, loss or damage caused by equipment that is not Covered Equipment, as defined in Schedule 3.
- 13. JCI'S PROPERTY.** All materials furnished by and used by JCI personnel and/or JCI authorized subcontractors or agents at the installation site, including documentation, schematics, test equipment, software and associated media remain the exclusive property of JCI. The Customer agrees not to use such materials for any purpose at any time. The Customer agrees to allow JCI personnel and/or JCI authorized subcontractors or agents to retrieve and to remove all such materials remaining after installation or maintenance operations have been completed. The Customer acknowledges that all JCI software included is proprietary and will be delivered only under the provisions of an appropriate Software License Agreement that will limit its use to the system purchased under this Agreement.
- 14. DISPUTES.** Any litigation filed by either party concerning this Contract shall be filed in the state or federal courts for Kingsport, Sullivan County, Tennessee
- 15. MODIFICATIONS.** Additions, deletions and modifications to this Agreement may be made upon the mutual agreement of the parties in writing. The parties contemplate that such modifications may include but are not limited to the installation of additional improvement measures, energy conservation measures, facility improvement measures, and operational efficiency improvements or furnishing of additional services within the identified facilities, as well as other facilities owned or operated by the Customer. These modifications may take the form of additional phases of work or modifications to the original Scope of Work or Services.
- J. NOTICES.** All notices or communications related to this Agreement shall be in writing and shall be deemed served if and when sent by facsimile or mailed by certified or registered mail to JCI at the address listed on page 1 of this Performance Contract and to JCI, ATTN: General Counsel - Controls, 507 East Michigan Street, Milwaukee, Wisconsin, 53202, and to Customer at the address listed on page 1 of this Performance Contract and to City of Kingsport, ATTN: City Attorney, 225 West Center Street, Kingsport, Tennessee 37660.
- 17. ENVIRONMENTAL CREDITS.** Any and all credits, allowances or other similar tangible or intangible property rights created by or resulting from improvements in the emission or pollution characteristics of Customer's facilities and operations caused by implementing JCI's products or services provided under this Performance Contract ("Environmental Credits") shall be the sole property of JCI, and Customer agrees to execute any and all certifications, assignments or other documents reasonably required by JCI to create, convey or perfect JCI's rights in such Environmental Credits. JCI shall have the right to trade, sell or use these Environmental Credits in its sole discretion and without the approval of Customer.
- 18. PROVISION OF UTILITY BILLS.** During the term of this Agreement, Customer shall provide the Utility Bills or requested reports for all buildings and/or locations covered by this Agreement to JCI within five (5) days of Customer receipt and/or generation. The Utility Bills shall be transmitted to the fax number, address, or email address provided by JCI. For purposes of this Agreement, Utility Bills shall include, but not be limited to, energy, all

telecommunications, water, wastewater, sewerage and other utility bills deemed useful in the management of this Agreement by JCI. If the Customer does not provide the requested Utility Bills for four consecutive months, Customer accepts and acknowledges that JCI may at its sole option cancel the Assured Performance Guarantee as described on Schedule 2. In the event JCI cancels the Assured Performance Guarantee as provided herein, all of JCI's obligations under the Assured Performance Guarantee during the Guarantee Term shall be deemed to have been met as of the cancellation date, and JCI shall have no further obligations to the Customer pursuant to the Assured Performance Guarantee.

19. ADDITIONAL TERMS.

- A. Any failure of JCI to require strict performance by the Customer, or any waiver by JCI of any requirement under this Agreement, shall not be deemed to be a consent to or a waiver of any subsequent failure or breach by the Customer.
- B. If any provision of this Agreement is invalid under any applicable law, that provision shall not apply, but the remaining provisions shall apply as written.
- C. The captions and titles in this Agreement are for convenience only and shall not affect the interpretation or meaning of this Agreement.
- D. This Agreement is the full Agreement between JCI and the Customer as of the date it is signed. All previous conversations, correspondence, agreements or representations related to this Agreement (including any Project Development Agreement) are not part of the Agreement between JCI and the Customer and are superceded by this Agreement.
- E. This Agreement shall be construed in accordance with the laws of the state of the principal place of business of the Customer at the time of the execution of this Agreement.
- F. If there is more than one Customer named in this Agreement, the liability of each shall be joint and several.

**NOTICE:
JCI MAKES NO WARRANTIES AS TO THE EQUIPMENT EXCEPT
AS SET FORTH ABOVE.**

Dated July 17, 2008

CUSTOMER:

JOHNSON CONTROLS, INC.

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: David M. Peters

Title: _____

Title: Regional Solutions Manager

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

SCOPE OF WORK SCHEDULE

SUMMARY OF WORK: The following summarizes the Work to be provided by JCI under this Agreement, as further defined below:

Scope Of Work Summary:
1. Improvements to Existing Water Meters
2. Automated Leak Detection System Installation

This project consists of various business improvement measures (BIM) involving water loss optimization programs to reduce both real and apparent water losses, to reduce operations and maintenance expenses, and to provide modifications and upgrades to the existing systems presently in operation at the City of Kingsport.

1. Improvements to Existing Water Meters

Water meter improvements will be performed by JCI as described below. The objectives are to reduce both real and apparent water losses and to reduce the time and labor required for each billing cycle through the installation of a radio-read Automated Meter Reading (AMR) system. Quantities and conditions are based upon information provided to JCI by the City and the JCI large meter survey. Only accounts that were classified as "Active" on the billing system extract that was created on December 1, 2007, are included in this scope of work. JCI shall provide an interface to the existing billing system and shall be responsible for all billing system data entry related to meter changeouts during the installation phase of this project. Warranty shall consist of one (1) year on parts and thirty (30) days on labor from date of installation. JCI will perform the following:

- Install thirty thousand, and eighty-three (30,083) new 0.625" x 0.75" Master Meter bottom load multi-jet water meters equipped with the Dialog 3G AMR system.
- Install four hundred, and fifty-three (453) new 1.00" Master Meter multi-jet water meters equipped with the Dialog 3G AMR system.
- Install one hundred, and eighty (180) new 1.50" Master Meter multi-jet water meters equipped with the Dialog 3G AMR system.
- Install two hundred, and forty-eight (248) new 2.00" Master Meter multi-jet water meters equipped with the Dialog 3G AMR system.
- Replace the existing register with a new Dialog 3G register on four thousand, seven hundred, and eighty-six (4,786) existing 0.625" x 0.75" Master Meter bottom load multi-jet water meters.
- Replace the existing register with a new Dialog 3G register on two hundred and thirty-four (234) existing 1.00" Master Meter bottom load multi-jet water meters.
- Replace the existing register with a new Dialog 3G register on forty-seven (47) existing 1.50" Master Meter bottom load multi-jet water meters.
- Replace the existing register with a new Dialog 3G register on sixty-four (64) existing 2" Master Meter bottom load multi-jet water meters.
- Rebuild the thirteen (13) large meters identified in Table 1

Customer ID - Location ID	Account name	Meter Size	Mfg.	Model	Type	Meter S/N
047836-056967	TEC Accounts Payable - Lincoln St	3"	Neptune	Tru/Flo	CMPD	31934787
048790-044305	Tri City Tow & Lin Serv	3"	Neptune	Tru/Flo	CMPD	70046840
000024832-000069071	IPH PAVILION	4"	Neptune	Tru/Flo T-8	CMPD	31936090
000027626-000057087	Kingsport Housing Auth	4"	Neptune	Tru/Flo T-8	CMPD	3196088
027626-057049	Kingsport Housing Authority	4"	Neptune	Tru/Flo T-8	CMPD	5760117
00027670-000056897	Quebecor World, MS #2	4"	Neptune	Tru/Flo T-8	CMPD	1958078

133388-004269	Ramada Inn of Kingsport	4"	Neptune	Tru/Flo T-8	CMPD	31918006
092528-057678	Summers-Taylor Materials Inc.	4"	Neptune	Tru/Flo T-10	CMPD	79237
118182-061860	Transit Mix	4"	Neptune	Tru/Flo T-10	CMPD	70080605
008838-136491	City of Johnson City	6"	Neptune	Tru/Flo T-8	CMPD	31944004
00033046-000056915	Domtar Paper Co, LLC	6"	Neptune	Tru/Flo T-8	CMPD	70008924
000017860-000056963	General Shale Products	6" x 1.5"	Neptune	Protectus III	FSC	31911559
027626-057055	Kingsport Housing Authority	8" x 2"	Neptune	Protectus III	FSC	30788720

Table 1 - Large Meters Scheduled to be Rebuilt

- Retrofit all meters sized three-inches and larger with new Master Meter 3G transceivers. These transceivers will either be the 3G Universal XTR or the 3G Interpreter Universal AMR Register depending on existing meter set and will be determined on a case-by-case basis. All 118 meters three inch in size and larger will be affected.
- Provide and install one (1) Master Meter Model 48 Dialog 3G Drive-By System complete. All hardware, software, interface to the existing billing system, and on site training shall be included.
- Collect and dispose of all existing meters which are being replaced
- Repair any sidewalks, curb stops, or roadways damaged by JCI during this project

Training – Radio Read System

- Provide a minimum of two (2) days of on-site system training

City Responsibilities:

- City of Kingsport is responsible for water line repairs further than 24" away from the meter. JCI is not liable for damages outside of this 24" zone, either on the water distribution side or on the customer side, incurred from the meter replacement process (i.e., shutoff, temporary outage, and restart of water service).
- Adequate personnel to assist in the shutting off of any meters where isolation valves are not functioning properly
- Locking meter box covers have not been included in this project. Any requirements for locking lids will be the responsibility of the City
- City shall provide a list of inactive accounts at the time of construction
- Reasonable assistance in locating meters as required
- Provide guidance and support in either the repair or replacement of sidewalks, curb stops, and roadways damaged by JCI during this project
- Assurance that water fixtures are running properly after the replacement of corresponding water meter will be the coordinated responsibility of JCI, City of Kingsport and said End User
- JCI will make all reasonable efforts to gain access to the meter location, but will need the assistance of the city if all reasonable efforts fail. Upon substantial completion of the project, any meters still unable to be changed will be turned over to the city, and a labor adjustment issued.

Notes:

- a. The quantities of existing water meters with "Active" accounts are based upon data provided to JCI by the City. Any additional existing meters that are found during installation will not be replaced as part of this Contract. Any excess materials will be left with the City to be used as bench stock. If JCI is requested to install additional quantities of water meters to complete this project, the total installed unit price (not including any applicable sales tax) per meter is provided in Table 2 on the following page.

Meter Size	Type	Unit Cost to Install Meter
5/8"	MJ	\$ 233
1"	MJ	\$ 318
1 1/2"	MJ	\$ 802
2"	MJ	\$ 951
3"	CMPD	\$ 3,698
4"	CMPD	\$ 4,623
6"	CMPD	\$ 7,565
6"	FSC	\$ 11,532
8"	FSC	\$ 15,328

Table 2 - Prices for Meters outside of current scope

- b. All water meters will be installed at the depth dictated by current water service line depth. Any change in water service line depth is the responsibility of the City.

2. Automated Leak Detection System

In order to reduce real water losses, JCI shall install an automated leak detection system throughout the City of Kingsport service area. JCI shall furnish and install approximately four thousand, five hundred and twenty-seven (4,527) Flow Metrix MLOG mobile RF automated leak detection system devices. One device shall be installed at approximately every eighth water meter service. JCI shall be responsible for determining the optimal location for each of the leak detection sensors. During the implementation phase of this project, if more than 4,527 sensors are required due to system expansion or unanticipated complexity, additional sensors may be purchased and installed for a fee of \$191 each (tax inclusive). JCI shall also provide one (1) Zcorr System with three (3) digital correlating loggers.

JCI shall document latitude and longitude of the automated leak detection endpoint using a GPS device that reads in degrees to four (4) decimal places at each location. JCI shall be responsible for coordinating installation activities with both the end user and the City of Kingsport. JCI shall provide a minimum of one (1) day of on site training in the installation and operation of the automated leak detection hardware and software. JCI shall also provide the services of an experienced field engineer on a quarterly basis to analyze the results of the leak detection system, provide quality assurance in collecting data, and to provide advance training as needed.

Dated July 17, 2008

CUSTOMER:

JOHNSON CONTROLS, INC.

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: David M. Peters

Title: _____

Title: Regional Solutions Manager

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

ASSURED PERFORMANCE GUARANTEE SCHEDULE

1. DEFINITIONS. The following terms are defined for purposes of this Schedule as follows:

Project Benefits are the Measured savings, cost avoidance and/or Billable Usage increases that occur in the Guarantee Term plus the Non-Measured savings, cost avoidance and/or Billable Usage increases achieved for that year as set forth in paragraph 3, Reconciliation, of this Schedule.

Annual Guaranteed Project Benefits are the portion of the Total Guaranteed Project Benefits to be achieved in any one year of the Guarantee Term, calculated and adjusted as set forth in this Schedule.

Annual Project Benefits are the Project Benefits achieved for any one year of this Agreement.

Project Benefits Surplus is the amount by which the Annual Project Benefits exceed the Annual Guaranteed Project Benefits in any one year of the Guarantee Term.

Project Benefits Shortfall is the amount by which the Annual Guaranteed Project Benefits exceed the Annual Project Benefits in any one year of the Guarantee Term.

Guarantee Term is the term of this Assured Performance Guarantee. As outlined in paragraph 2, Guarantee, of this Agreement. The Guarantee Term shall coincide with the term of Services and shall be 36 months from the Substantial Completion Date, unless terminated earlier.

Installation Period means the period between the Commencement Date and the first day of the month following the Substantial Completion Date. For purposes of the annual reconciliation, Project Benefits achieved during the Installation Period shall be considered Project Benefits achieved during the first year of the Guarantee Term.

Measured Project Benefits are achieved and calculated as set forth in paragraph 3, Reconciliation, of this Schedule.

Non-Measured Project Benefits are the Project Benefits that have been agreed to by the parties and will be deemed achieved on the Substantial Completion Date and are with set forth in Exhibit 2 of this Schedule. JCI and the Customer agree that Non-Measured Project Benefits may include, but are not limited to, future capital or operational costs avoided as a result of this Agreement.

Billable Usage Increases are the incremental increases in billable usage that occur as a result of guaranteed meter efficiency improvements as calculated in Schedule 2, Exhibit 5 pursuant to billing information as provided by the Customer.

Total Guaranteed Project Benefits are the Total Guaranteed Project Benefits to be achieved during the entire Guarantee Term, calculated and adjusted as set forth in this Schedule.

Total Project Benefits are the Project Benefits achieved during the entire term of this Agreement.

Equipment is the product(s) installed by JCI, its subcontractors and/or its agents as outlined in Schedule 1 (Scope of Work).

Service is the Scope of Work provided by JCI, its subcontractors and/or its agents as outlined in Schedule 3 (Services Schedule).

Baseline is the mutually agreed upon calculated figures and/or usage amounts that reflect existing conditions and assumptions as set forth in Schedule 2, Exhibit 5.

2. GUARANTEE. Subject to the terms and conditions of this Agreement, JCI guarantees that the Customer will achieve **\$15,666,806** of Total Guarantee Project Benefits during the Term of the Agreement. The sum of **\$8,482,614**, generated from leak detection and operations and maintenance savings, has been reflected in the financial business case. These costs identified by the city would have been incurred over the next seventeen years if the project would not have been implemented.

3. **RECONCILIATION.** Within 60 days after the Substantial Completion Date, or earlier if otherwise specified in this Performance Contract, JCI will calculate the Project Benefits achieved during the Installation Period and advise the Customer of the amount of such Project Benefits. The frequency and the methods of reconciliation to be used during the Guarantee Term will have been approved by the Customer at the time that this Agreement was executed and are defined in the Exhibits attached to this Schedule. Except by mutual agreement of the parties, no changes to the frequency or methods of reconciliation may be made during the Guarantee Term; but, if a utility providing energy to the Customer modifies its method of billing during the Guarantee Term, or if the Customer changes its utility suppliers or method of purchasing, JCI may, at its option, adjust the reconciliation methods to methods appropriate to the utility's revised method of billing.

Customer agrees and acknowledges that JCI shall not be responsible for the achievement of Non-Measured Project Benefits, as the actual realization of those Non-Measured Project Benefits is not within JCI's control. Customer acknowledges that it has evaluated sufficient information to believe that the Non-Measured Project Benefits will occur. As a result, Non-Measured Project Benefits shall not be measured or monitored at any time during the Guarantee Term, but rather shall be deemed achieved on the Substantial Completion Date.

4. **CHANGES IN USE.** The Customer agrees to notify JCI, within five (5) business days, of any actual or intended change, whether before or during the Guarantee Term, in the use of any facility or equipment to which this Schedule applies, or of any other condition arising before or during the Guarantee Term, that reasonably could be expected to change the amount of Project Benefits to which this Schedule applies. Such a change or condition would include, but is not limited to: changes in the primary use of any facility; changes to the hours of operation of any facility; changes or modifications to the Equipment or Services provided under this Agreement; failure of the premises to meet local building codes; changes in utility suppliers, method of utility billing, or method of utility purchasing; improper maintenance of the Equipment or of any related equipment other than by JCI; changes to the equipment or to any facility required by changes to local building codes; or additions or deletions of equipment at any facility. Such a change or condition need not be identified in the Baseline in order to permit JCI to make an adjustment. If JCI does not receive the notice within the time period specified above and travels to either the Customer's location or the project site to determine the nature and scope of such changes, Customer agrees to pay JCI, in addition to any other amounts due under this Performance Contract, the applicable current hourly consulting rate for the time it took to determine the changes and to make any adjustments and/or corrections to the project as a result of the changes, plus all out-of-pocket expenses, including travel costs. Upon receipt of such notice, or if JCI independently learns of any such change or condition, JCI shall calculate and send to the Customer a notice of adjustment to the Baseline to reflect the impact of such change or condition, and the adjustment shall become effective as of the date that the change or condition first arose. Should the Customer fail to provide JCI with notice of any such change or condition, JCI may make reasonable estimates as to the impact of such change or condition and as to the date on which such change or condition first arose in calculating the impact of such change or condition, and such estimates shall be conclusive.
5. **PROJECT BENEFIT SURPLUSES OR SHORTFALLS .** If the Annual Project Benefits during a specific year of the Guarantee Term, plus amounts credited from surpluses in the Installation Period and earlier years of the Guarantee Term, are less than the Annual Guaranteed Project Benefits for that year, JCI may apply the difference against any unpaid balances from the Customer then existing under the Agreement. If there are any remaining amounts, JCI may, where permitted by law (a) carry over the difference to the next year of the Performance Contract so as to increase the Annual Guaranteed Project Benefits in that year or (b) at the Customer's written election, pay the Customer any remaining Project Benefit shortfalls, however JCI reserves the right to bill Customer for these Project Benefit shortfall payments should subsequent years of the Agreement yield Project Benefit surpluses. Upon the mutual agreement of the parties, JCI may also provide additional products or services, in the value of the shortfall, at no additional cost to the Customer. Where Project Benefit shortfalls have occurred, JCI reserves the right, subject to the approval of the Customer, which shall not be unreasonably withheld, to implement additional operational improvements or conservation measures, at no cost to the Customer that will generate additional Project Benefits in future years of the Guarantee Term. Such payment or credit shall be the sole and exclusive remedy of the Customer for any failure by JCI to achieve guaranteed Project Benefits under this Agreement, including any alleged breach of any other express or implied warranty of Project Benefits. JCI may credit any Project Benefit Surplus, in whole or in part, toward the Annual Guaranteed Project Benefits in any future year of the Guarantee Term and/or as provided on Schedule 2, Exhibit 1.

The following Exhibits are attached and made part of this Schedule:

- Exhibit 1 Annual Reconciliation & Guaranteed Project Benefit Allocation
- Exhibit 2 Non-Measured Project Benefits
- Exhibit 3 Responsibilities of JCI and Customer
- Exhibit 4 Water Rate Schedule
- Exhibit 5 Calculation of Baseline and Project Benefits

FEMP or IPMVP Option A X Water Meter Upgrades
FEMP or IPMVP Option B
FEMP or IPMVP Option C
FEMP or IPMVP Option D

- Exhibit 6 Pre-Retrofit Conditions - Annual Billable Data
- Exhibit 7 Pre-Retrofit Conditions – Weighted Meter Average Accuracies
- Exhibit 8 Pre-Retrofit and Post-Retrofit Conditions
- Exhibit 9 Post-Retrofit Meter Guarantees & Exclusions
- Exhibit 10 Post-Retrofit Conditions - Weighted Meter Average Accuracies

ANNUAL RECONCILIATION & GUARANTEED PROJECT BENEFIT ALLOCATION

YEAR	Billable Usage Increases	Benefits from Leak Detection System	Operations & Maintenance Savings	Total Annual Benefit
Install	\$205,263		\$0	\$205,263
1	\$410,525	\$99,141	\$290,656	\$800,323
2	\$410,525	\$102,116	\$299,376	\$812,017
3	\$410,525	\$105,179	\$308,357	\$824,061
4	\$410,525	\$108,334	\$317,608	\$836,468
5	\$410,525	\$111,584	\$327,136	\$849,246
6	\$410,525	\$114,932	\$336,950	\$862,407
7	\$410,525	\$118,380	\$347,059	\$875,964
8	\$410,525	\$121,931	\$357,471	\$889,927
9	\$410,525	\$125,589	\$368,195	\$904,309
10	\$410,525	\$129,357	\$379,240	\$919,123
11	\$410,525	\$133,238	\$390,618	\$934,381
12	\$410,525	\$137,235	\$402,336	\$950,096
13	\$410,525	\$141,352	\$414,406	\$966,283
14	\$410,525	\$145,592	\$426,839	\$982,956
15	\$410,525	\$149,960	\$439,644	\$1,000,129
16	\$410,525	\$154,459	\$452,833	\$1,017,817
17	\$410,525	\$159,093	\$466,418	\$1,036,036
Totals	\$7,184,192	\$2,157,473	\$6,325,141	\$15,666,806

Table 3 - Annual Reconciliation & Guaranteed Benefit**NOTES:**

Operations & Maintenance Savings are defined in Exhibit 2 of this Schedule.

The term of the Assured Performance Guarantee (as seen above) shall coincide with the term of the Services Schedule (see Schedule 3). If for any reason, the Customer cancels or breaches this Agreement, including but not limited to the Service Schedule, the Assured Performance Guarantee shall automatically terminate. In the occurrence of additional performance enhancing projects, all avoidance will be combined into an overall cost avoidance calculation.

NON-MEASURED PROJECT BENEFITS

The Project Benefits identified below shall be Non-Measured Project Benefits (as defined above) under this Schedule. The amount of the Non-Measured Project Benefits shall be deemed to increase during each year of the Guarantee Term by the escalation percentages set forth below.

Source of Non-Measured Project Benefits	First Year Project Benefits	Escalation
Meter Replacement Costs	\$ 40,000	3%
Meter Reading Costs	\$250,656	3%
Automatic Leak Detection System	\$99,141	3%
TOTAL NON-MEASURED PROJECT BENEFITS	\$389,798	N/A

Table 4 - First Year Benefits Summary

Non-Measured Project Benefits

The following project benefits have been provided by the City of Kingsport, TN to Johnson Controls, Inc., or calculated by the formulas identified below and agreed in advance by both parties. These benefits will not be measured or tracked during the term of this guarantee. It is the responsibility of the City to take the appropriate action(s) related to each of the items below to ensure the ongoing financial benefit.

1. Meter Replacement Costs

Table 5 below lists five year meter replacement counts by meter size provided by the IT department and replacement costs per meter size provided by Technical Services. Based on these quantities and dollar amounts, an annualized cost avoidance was established. The rationale is that these meter replacements will be avoided during the manufacturer's warranty period.

Meter Sizes	5/8"	1"	1 1/2"	2"
5 Year Total Count Replaced	7,859	307	60	100
Average Qty Replaced per Year	1,572	61	12	20
Meter Replacement Costs from Kingsport (includes meter, labor, and vehicle)	\$ 36	\$ 112	\$ 380	\$ 512
Annualized Meter Replacement Costs	\$ 56,585	\$ 6,877	\$ 4,563	\$ 10,237

Table 5 - Projected Avoided Meter Replacement Costs

Meter replacement costs along with other miscellaneous expenses of \$6,738 yields an annualized cost avoidance due to meter replacement of \$85,000. However, as the position count for the meter service department is not expected to change, this amount has been reduced by the labor portion of the meter replacement costs. In addition, since the meter replacement budgeted amount is \$50,000 in the base year, the amount claimed for avoided meter replacement has been lowered to \$40,000 per year so that some funds are available to the department if needed.

2. Meter Reading Costs Reductions

One of the primary benefits of AMR systems is that fewer people and vehicles are required to read the existing meter population. It is expected that for the City of Kingsport, adding the AMR system will allow for five meter readers to be assigned to other, non-meter-reading, tasks. This will result in an annualized cost reduction of \$250,656. The total annualized number is based on \$50,131 per meter reader which is derived by dividing the 2009 BMA Approved budget amount of \$802,100 by the 16 employees in the department (411-5005) to get a cost per person. The cost per person is then multiplied by 5 employees to yield the final cost reduction amount.

3. Automatic Leak Detection System

This project includes the installation of 4,527 acoustic sensors located throughout the distribution system to "listen" for leaks. Data provided by the Technical Services department indicates that Kingsport has an annualized water loss of 1,284 MG due to leaks. Industry standards indicate that 75% of that quantity is "economically recoverable," and 80% of the recoverable quantity is "traceable."

To calculate the benefit, the annualized leakage is reduced by the factors described above and multiplied by the variable costs portion of the wholesale cost of water or the direct cost to the Utility for producing the water. The wholesale cost of water was reported as \$1,081.76/MG with the variable costs portion of that being \$408.44/MG.

$$\begin{aligned}
 1,284.31 \text{ MG} \times 75\% &= 963.23 \text{ MG which is economically recoverable} \\
 963.23 \text{ MG} \times 80\% &= 770.58 \text{ MG which is traceable (the leak can be found)} \\
 770.58 \text{ MG} \times \$408.44/\text{MG} &= \$314,734.39 \text{ potential annual benefit from leak detection}
 \end{aligned}$$

As a conservative estimate, the benefits calculated for this project include only 31.5% of the potential annual benefit from leak detection or \$314,734 x 31.5% which equals **\$99,141 per year in benefit from reacting to leaks quicker** and thus losing fewer gallons of water each year.

Dated July 17, 2008

CUSTOMER:

JOHNSON CONTROLS, INC.

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: David M. Peters

Title: _____

Title: Regional Solutions Manager

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

RESPONSIBILITIES OF JCI AND CUSTOMER

This Exhibit details the individual responsibilities of JCI and of the Customer, not otherwise set forth in this Performance Contract, in connection with the management and administration of the Assured Performance Guarantee.

City Roles, Responsibilities and Risk

- At a minimum, the City shall be responsible for maintaining the existing water and sewer rate schedules. Any reduction in monthly base charges, monthly allowable minimum base consumption, or monthly volume charges may reduce the projected project benefits to be recovered from improving meter accuracy.
- The City acknowledges that the implementation of any water rationing programs will serve to decrease consumption and therefore decrease water and sewer billable usage
- The City acknowledges that the projected benefits to be received through improved meter accuracy are based upon the existing water and sewer rate schedule. Should the City choose to forgive or reduce water bills as a service to its citizens, the City accepts responsibility for the decreased water and sewer billable usage.
- The City is responsible for the regular operations of the water enterprise, including the reduction in water meter reading staff as agreed to in this contract.
- The City is responsible for the continued maintenance of the water system including all water meters, meter boxes, and large water meter vaults.
- The City is responsible for providing to JCI notice of any significant changes in schedules, operating hours, conditioned areas, personnel levels, changes in population, commercial, industrial, wholesale account base, credits to water bills, imposed water rationing programs, or any other item which may have an impact on utility consumption and other operating costs.
- The City shall notify JCI within forty-eight (48) hours of the failure of any equipment, controls or strategies that might significantly impact this performance contract.
- The City assumes responsibility for any damage to the water meters by foreign objects as well as any intentional damage to the water meters by others than JCI personnel or their subcontractors.
- The City assumes responsibility for authorizing any non-metered water usage.
- The City assumes responsibility for maintaining water quality. Any water quality issues that affect the water meter manufacturer's warranty are the responsibility of the City.
- The City assumes responsibility for maintaining the average system pressure that was present during the baseline consumption period. A decrease in system pressure may cause subsequent decreases in both billed consumption and water and sewer billable usage.
- The City acknowledges that weather may affect water consumption. Changes in the number of degree-days and/or annual rainfall amounts may serve to either increase or decrease billed consumption and its associated water and sewer billable usage.
- The City acknowledges that demographic shifts (population growth or shrinkage) and changes in commercial business, industrial business and wholesale accounts may effect water consumption and its associated water and sewer billable usage.
- The baseline consumption shall be defined as the sum of the annual billed consumption as provided to JCI by the City and agreed to in this Schedule and the agreed to increase in billed consumption due to improving the accuracy of the water meters. In the event that the post-installation billed consumption does not increase, the Customer acknowledges that the agreed to increase in consumption was not realized due to factors beyond the control of JCI, such as changes in weather, demographic shifts, or usage patterns.
- The City assumes responsibility for complying with any government mandates regarding water source regulations and permits.
- The City assumes responsibility for providing the monthly billing extract as specified in Schedule 3 to JCI in a timely fashion.
- The City assumes responsibility for any damage resulting from acts of war and terrorism.
- The City assumes the responsibility for final location and repair of leaks identified by the Automatic Leak Detection System.

JCI Roles, Responsibilities and Risk

- JCI shall be responsible for meeting the financial guarantee set forth in this Schedule. JCI will not be responsible for meeting the financial guarantee should the City fail to meet their responsibilities as stated in this contract.
- JCI shall be responsible for meeting the water meter accuracy as described in Exhibits 7, 8, 9 and 10 of this Schedule.
- JCI shall be responsible for regular monitoring for the improvement measures as agreed to in Schedules 2 and 3 of this contract to assure performance.
- JCI shall be responsible for monitoring of installed systems to ensure performance of same as agreed to in Schedule 3 of this contract.
- Through the use of the regular site visits provided by the Performance Assurance Engineer assigned to this project, JCI shall be responsible for reporting any operational or retrofit opportunities that may further increase the efficiency of the facilities, infrastructure and water utility enterprise. These services are provided under Schedule 3 of this agreement.
- JCI will be responsible for conducting large meter testing at the recommended intervals as mutually agreed to in Schedule 3 of this agreement.

Water Rate Schedule

The existing and proposed water rate structure for the Base year of the Guarantee are set forth below and shall be used for all calculations made under this Schedule.

Rate Code	Min		Step 1		Step 2		Step 3		Step 4		Step 5	
	Rate	kgal	Rate	kgal	Rate	kgal	Rate	kgal	Rate	kgal	Rate	kgal
S-I-	\$ 13.64	2	\$ 6.82	++								
S-O-	\$ 17.54	2	\$ 8.77	++								
W-I-1	\$ 6.72	2	\$ 2.71	13	\$ 2.09	35	\$ 1.43	++				
W-I-2	\$ 12.14	4	\$ 2.71	11	\$ 2.09	35	\$ 1.43	++				
W-I-3	\$ 22.98	8	\$ 2.71	7	\$ 2.09	35	\$ 1.43	++				
W-I-4	\$ 39.24	14	\$ 2.71	1	\$ 2.09	35	\$ 1.43	++				
W-I-5	\$ 102.56	44	\$ 2.09	6	\$ 1.43	++						
W-I-6	\$ 202.33	111	\$ 1.43	++								
W-I-7	\$ 431.13	271	\$ 1.43	++								
W-I-8	\$ 598.44	388	\$ 1.43	++								
W-I-9	\$ 1,010.28	676	\$ 1.43	++								
W-O-1	\$ 15.34	1	\$ 6.66	9	\$ 6.02	10	\$ 5.59	70	\$ 4.57	100	\$ 4.30	++
W-O-2	\$ 35.32	4	\$ 6.66	6	\$ 6.02	10	\$ 5.59	70	\$ 4.57	100	\$ 4.30	++
W-O-3	\$ 61.96	8	\$ 6.66	2	\$ 6.02	10	\$ 5.59	70	\$ 4.57	100	\$ 4.30	++
W-O-4	\$ 99.36	14	\$ 6.02	6	\$ 5.59	70	\$ 4.57	100	\$ 4.30	++		
W-O-5	\$ 269.64	44	\$ 4.57	46	\$ 4.30	++						
W-O-6	\$ 622.75	111	\$ 4.57	79	\$ 4.30	++						
W-O-7	\$ 1,332.08	271	\$ 4.30	++								
W-O-8	\$ 1,835.18	388	\$ 4.30	++								

Effective Date: 7/1/2008

NOTE: ++ indicates all remaining units of water consumed

Table 6 – Baseline Water Rate Schedule

Note: the rate codes used in the rate tables are a compilation of several rate fields in the Kingsport database.

Calculation of Base Line and Project Benefits

Table 7 provides definitions for the acronyms throughout this document:

BIM	Business Improvement Measures
PC	Performance Contract
M&V	Measurement and Verification
PDE	Project Development Engineer
PAE	Performance Assurance Engineer

Table 7 – Definitions

The purpose of this Exhibit is to provide an organized plan and methods for measuring and verifying the benefits from reducing apparent water losses and reducing both operational and maintenance expenses associated with this project. It is a methodology to assure the City of Kingsport that the business improvement measures have the potential to generate the benefits as guaranteed. The Measurement and Verification (M&V) approach to verifying the potential to generate savings for this project is based on input from the City of Kingsport in partnership with JCI. The M&V methods proposed for this project conform to those outlined in the "M&V Guidelines: Measurement and Verification for Federal Energy Projects, Version 2.2" published by the Federal Energy Management Program (FEMP).

The potential for installed BIM'S to generate benefits is verified during the post-installation and/or performance contract period at regular intervals. Verifying the potential to generate savings can also be stated as confirming that:

- Baseline conditions were accurately defined
- Appropriate equipment/systems were installed
- The installed equipment/systems are performing to specification
- The equipment/systems have the potential to generate predicted savings

Baseline conditions and confirmation of BIM installation are determined based upon, but are not limited to, surveys, inspections, spot or short-term measurements, and commissioning activities. Verification of BIM performance in determining actual project benefits will be based upon the options and methods outlined in this M&V plan.

See Schedule 1 of this contract for detailed descriptions of the scope of work.

M&V methods proposed for the BIM technology categories in this project scope are shown in Table 8.

BIM #	Technology	M&V Method
1	Improvements to Existing Water Meters	Option A: Partially measured retrofit isolation. JCI shall test meters as described in Schedule 3.
2	Automated Leak Detection System	Option A: Stipulated savings.

Table 8 - Proposed Measurement & Verification Methods

Table 9 outlines the operational and maintenance responsibilities of the implemented BIM'S under the terms of this performance contract between the City of Kingsport and JCI.

BIM #	BIM Description	Operational Responsibility	JCI Testing and Support Responsibility
1	Improvements to Existing Water Meters	City of Kingsport	Small meters: as described in Schedule 3 Large meters: as described in Schedule 3
2	Automated Leak Detection System	City of Kingsport	No testing provided.

Table 9 - Operation and Maintenance Responsibilities

See Schedule 3 of the contract for details on JCI'S maintenance and service coverage.

**WATER METER REPLACEMENT
AND INSTALLATION OF AN AUTOMATED METER READING (AMR) SYSTEM**
 M&V OPTION A
Improvement Measure Measurement & Verification Plan

Water Meter Upgrades

Utility Billable Usage Impact Description

A significant percentage of the existing water meters served by the Customer do not read accurately, and the Customer is losing billable consumption annually due to this inaccuracy. By replacing inaccurate water meters with more accurate water meters the Customer will increase the volume of water registered by the meters and thereby increase billable consumption, assuming the same consumption pre/post installation. By applying accuracy increases to the baseline water billing amounts, supplied to JCI by the Customer, the impact of billing for the additional water recognized would have resulted in an increased billable of **\$410,525** in the baseline year.

Methodology: This measure represents annual water consumption increases associated with the replacement of the Customer's existing water meters with new, more accurate units. This measure includes the removal of the Customer's water meters and the installation of new meters as presented in Schedule 1. As agreed upon by the Customer, the total amount of base billable gallons for the term of this guarantee is equal to billable gallons measured by the Customer plus incremental gallons equal to the increase in accuracy from the old meter to the new (currently unrecognized and unbilled). The Customer assumes the responsibility under this project for maintaining water consumption at or above the base billable gallons for the term of the contract.

JCI Liability Limit: JCI is not responsible for damage to water meters as a result of foreign objects or other water quality issues that affect the water meter manufacturer's warranty. JCI is also not responsible should the Customer choose not to maintain/calibrate any equipment subject to this guarantee within manufacturer's guidelines.

Project Benefit Calculations

JCI and the customer agree upon all schedules, inputs and calculations described herein.

Pre-Retrofit Calculations: JCI used the Pre-Retrofit Monthly Billable Data supplied to JCI by the Customer and shown in Schedule 2, Exhibit 6. Baseline factors were obtained from billing reports supplied by the Customer during the detailed audit.

The Weighted Average Accuracy Pre-Retrofit was calculated during the detailed audit and is based upon testing a representative sample of the existing meter population and is included in Schedule 2, Exhibit 7. Average accuracy is based on the average of low, medium and high flow measurements according to the American Water Works Association (AWWA) guidelines as delineated in the Manual of Water Supply Practices - M6, Fourth Edition, Water Meters - Selection, Installation, Testing and Maintenance; Copyright - 1999 American Water Works Association, ISBN 1-58321-017-2

American Water Works Association
6666 West Quincy Avenue
Denver, CO 80235

or other mutually agreed upon guidelines for average accuracy measurements.

Further details of baseline factors are acknowledged and accepted by Customer in Schedule 2, Exhibit 8.

Post-Retrofit: JCI will determine the accuracy of the installed water meters as described in Schedule 3 (Services Schedule) of this contract.

The Weighted Average Meter Accuracy Post-Retrofit will be based upon a representative sample of the population for the new meters. The weighted average accuracy will be based on the average of low, medium and high flow measurements according to American Water Works Association (AWWA) guidelines as delineated in the Manual of Water Supply Practices - M6, Fourth Edition, Water Meters - Selection, Installation, Testing and Maintenance; Copyright - 1999 American Water Works Association, ISBN 1-58321-017-2

American Water Works Association
6666 West Quincy Avenue
Denver, CO 80235

or other mutually agreed upon guidelines for average accuracy measurements. For purposes of this contract, the Weighted Average Meter Accuracy Post-retrofit calculation and the Post-Retrofit Guaranteed Meter Accuracy is as described in Schedule 2, Exhibits 8 and 10.

Guarantee: JCI's guarantee is based upon the weighted average measured accuracy increase for a test sample of meters. JCI does not guarantee the performance of individual meters. The meter sizes considered as part of this performance contract are listed in Schedule 2, Exhibit 9. Any meter sizes excluded from the guarantee, and not tested post-retrofit, are listed in Schedule 2, Exhibit 9. No guarantee, either expressed or implied, is made relative to the post-retrofit accuracy of meters excluded from the guarantee.

The performance guarantee for this improvement measure is based solely on the post-retrofit weighted average measured accuracy of the meters installed applied to the Customer supplied "Baseline" billable values listed in Schedule 2, Exhibit 6. JCI makes no guarantee, either expressed or implied, as to the actual revenue to be achieved post-retrofit since actual revenues are impacted by variables outside the control of JCI. Examples of uncontrollable variables are: weather, droughts, floods, imposed restrictions, regulatory changes, demographic shifts, industrial base and utility rates. JCI makes no representation about Customer's ability to meet its financial commitments to third party financing sources, and JCI is not liable for any obligation of Customer to third party financing sources.

The following equations have been used to determine the impact of improved meter accuracy on Baseline billable usage. These equations will be used post-retrofit, along with tested meter accuracy, to determine the performance of the improvement measure versus guarantee.

Increased water and sewer billable usage during the installation period will be based upon the actual percentage of new meters installed each month and the manufacturer's stated accuracy for all new meters.

Equations

Refer to Schedule 2, Exhibits 6, 7 and 8 for Baseline conditions and Schedule 2, Exhibits 8, 9 and 10 for Post-Retrofit conditions.

Test flow rates for each meter size are listed in Schedule 2, Exhibit 7.

For Each Rate Class:

Baseline

Base Charge Annual Revenue (Baseline) = Number of Meters x Monthly Base Rate x 12 Months/Year

Marginal Revenue above Billable Gallons (Baseline) = Total Annual Revenue – Base Charge Annual Revenue (Baseline)

Post-Retrofit

Base Charge Annual Revenue (Post-Retrofit) = Number of Meters x Monthly Base Rate x 12 Months/Year

Marginal Revenue above Billable Gallons (Post-Retrofit) = Marginal Revenue above Billable Gallons (Baseline) x (Weighted Average Meter Accuracy Post-Retrofit/ Weighted Average Meter Accuracy Pre-Retrofit)

Revenue Increase = Marginal Revenue Billable Gallons (Post-Retrofit) - Marginal Revenue Billable Gallons (Baseline)

Dated July 17, 2008

CUSTOMER:

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

JOHNSON CONTROLS, INC.

Signature: _____

Printed Name: David M. Peters

Title: Regional Solutions Manager

PRE-RETROFIT CONDITIONS

ANNUAL BILLABLE DATA – BASELINE(S)

The City provided JCI with an extract from its billing system. This file was created on October 9, 2007 and was named BILL_RATE_07.CSV. Note: the rate codes used in the rate tables are a compilation of several rate fields in the Kingsport database.

Annual Water Billable Usage by Rate Code and Size from June 13, 2007 to June 12, 2008

Rate Code	SumOfBillableUsage
S-I-	\$9,001,282.99
S-I-01	\$1,599,249.33
S-I-02	\$938.61
S-I-04	\$9,964.74
S-I-05	\$25,701.19
S-I-06	\$260,037.53
S-I-07	\$74,584.23
S-I-08	\$3,978.11
S-O-	\$763,291.65
S-O-01	\$30,191.11
S-O-02	\$182.88
S-O-06	\$36,973.10
	\$11,806,375.47

Size	SumOfBillableUsage
0.625	\$17,027,668.50
1	\$960,129.27
1.5	\$589,074.58
2	\$1,552,352.67
3	\$569,141.37
4	\$1,181,023.85
6	\$1,598,325.92
8	\$455,525.65
10	\$30,379.69
	\$23,963,621.50

Rate Code	SumOfBillableUsage
F-I-	\$35,831.99
F-O-	\$6,747.20
W-I-	\$428.73
W-I-01	\$2,897,075.03
W-I-02	\$217,433.02
W-I-03	\$160,742.74
W-I-04	\$401,451.43
W-I-05	\$124,746.60
W-I-06	\$369,083.21
W-I-07	\$909,163.12
W-I-08	\$409,562.27
W-I-09	\$30,019.69
W-O-	\$492.48
W-O-01	\$6,091,113.09
W-O-02	\$197,307.90
W-O-03	\$41,412.63
W-O-04	\$111,756.30
W-O-05	\$13,779.63
W-O-06	\$92,359.44
W-O-07	\$46,739.53
	\$12,157,246.03

Dated July 17, 2008

CUSTOMER:

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

JOHNSON CONTROLS, INC.

Signature: _____

Printed Name: David M. Peters

Title: Regional Solutions Manager

RE-RETROFIT CONDITIONS

Water Meter Average Accuracies

Pre-retrofit water meter tests were performed on meters selected at random by JCI and approved by the Customer. The testing was performed in accordance with American Water Works Association (AWWA) guidelines. The weighted factors used in the testing were 15% for minimum flow, 70% for intermediate flow and 15% for high flow rates. The following Table summarizes the test result data.

Weighted Average Accuracy Pre-Retrofit = 15% x Low Flow Rate Accuracy + 70% x Mid Flow Rate Accuracy + 15 % x High Flow Rate Accuracy

Weighted Average Accuracy Pre-Retrofit
Meter Test Results and Flow Rates – All Meters Tested
Actual Test Results Per Meter in Appendix 1

Meter Size	Test Quantity	Weighted Average Accuracy
0.625"	66	97.6%
1"	32	96.4%
1.5"	51	96.5%*
2"	58	96.5%*

NOTE: An insufficient quantity of 1.5" and 2" water meters were tested to develop a representative weighted average accuracy for each of these sizes. This analysis is assuming a weighted average accuracy of 96.5% for these two meter sizes. Johnson Controls will test a maximum of fifty-one (51) 1.5" meters and a maximum of fifty-eight (58) 2" meters from the existing installed meters after they have been replaced and report the results back to the City of Kingsport as shown in the table above and the following tables in this Exhibit. These results will then be used to establish new baseline conditions as defined in Exhibit 8 of this Schedule.

Pre-Retrofit Guaranteed Meter Accuracies Used for Calculations

These accuracies derate per year at the rates shown below each meter size shown in the table below

Pre-Retrofit				
	0.625"	1"	1.5"	2"
Year 1	97.6%	96.4%	96.5%	96.5%
Year 2	97.5%	96.2%	96.3%	96.3%
Year 3	97.4%	96.1%	96.2%	96.2%
Year 4	97.3%	95.9%	96.0%	96.0%
Year 5	97.2%	95.7%	95.8%	95.8%
Year 6	97.1%	95.5%	95.7%	95.7%
Year 7	97.0%	95.4%	95.5%	95.5%
Year 8	96.9%	95.2%	95.3%	95.3%
Year 9	96.9%	95.0%	95.2%	95.2%
Year 10	96.8%	94.8%	95.0%	95.0%
Year 11	96.7%	94.7%	94.8%	94.8%
Year 12	96.6%	94.5%	94.7%	94.7%
Year 13	96.5%	94.3%	94.5%	94.5%
Year 14	96.4%	94.1%	94.3%	94.3%
Year 15	96.3%	94.0%	94.2%	94.2%
Year 16	96.2%	93.8%	94.0%	94.0%
Year 17	96.1%	93.6%	93.8%	93.8%
	0.09%	0.17%	0.17%	0.17%

5/8" Meter Test Results

Meter Size: 0.625 (5/8") **Weighted Factors:** 15.0% 70.0% 15.0%
Meter Type: PD (Positive Displacement)
Test Dates: 12/28/2007
Water Utility: Kingport TN

Ref #	Manufacturer	Serial #	Reading (kgal)	Minimum Flow		Intermediate Flow		High Flow		Weighted Average Accuracy (%)	Remarks
				Rate (gpm)	Accuracy (%)	Rate (gpm)	Accuracy (%)	Rate (gpm)	Accuracy (%)		
1	Neptune	41034895	866,078	0.25	0.0%	2.00	0.00%	15.00	82.9%	12.4%	DO not Use
2	Neptune	43133256	421,087	0.25	97.5%	2.00	98.79%	15.00	97.2%	98.3%	
3	Neptune	32680158	874,030	0.25	88.6%	2.00	98.09%	15.00	97.5%	96.6%	
4	Neptune	31409022	1,185,443	0.25	93.3%	2.00	97.63%	15.00	97.6%	97.0%	
5	Neptune	74587371	227,856	0.25	98.7%	2.00	99.48%	15.00	97.1%	99.0%	
6	Neptune	51034037	1,368,820	0.25	95.8%	2.00	97.86%	15.00	97.5%	97.5%	
7	Neptune	41829073	804,652	0.25	97.9%	2.00	99.02%	15.00	96.8%	98.5%	
8	Neptune	41034880	498,124	0.25	96.5%	2.00	98.33%	15.00	97.6%	97.9%	
9	Neptune	44948727	657,376	0.25	96.8%	2.00	97.86%	15.00	97.3%	97.6%	
10	Neptune	51039085	780,377	0.25	81.0%	2.00	96.71%	15.00	95.3%	94.1%	
11	Neptune	41608653	286,274	0.25	97.7%	2.00	98.33%	15.00	97.3%	98.1%	
12	Neptune	75269775	261,035	0.25	97.7%	2.00	98.79%	15.00	97.1%	98.4%	
13	Neptune	44419798	533,349	0.25	97.5%	2.00	98.56%	15.00	97.2%	98.2%	
14	Neptune	51042541	337,766	0.25	97.2%	2.00	99.25%	15.00	97.6%	98.7%	
15	Neptune	51041807	650,088	0.25	0.0%	2.00	96.24%	15.00	94.0%	81.5%	
16	Neptune	43606683	760,186	0.25	97.5%	2.00	98.33%	15.00	97.2%	98.0%	
17	Neptune	44419098	722,810	0.25	99.0%	2.00	99.27%	15.00	98.3%	99.1%	
18	Neptune	73578426	997,205	0.25	94.8%	2.00	98.77%	15.00	97.8%	98.0%	
19	Neptune	51043905	4,022,009	0.25	97.3%	2.00	98.30%	15.00	95.3%	97.7%	
20	Neptune	43133540	465,428	0.25	97.3%	2.00	98.07%	15.00	95.6%	97.6%	
21	Neptune	51033968	620,557	0.25	95.5%	2.00	96.68%	15.00	95.6%	96.3%	
22	Neptune	73860383	451,045	0.25	97.8%	2.00	98.30%	15.00	96.9%	98.0%	
23	Neptune	41035631	509,209	0.25	98.5%	2.00	99.69%	15.00	97.7%	99.2%	
24	Neptune	51039911	727,720	0.25	97.3%	2.00	98.07%	15.00	96.8%	97.8%	
25	Neptune	51037359	1,211,786	0.25	63.8%	2.00	92.89%	15.00	91.7%	88.4%	
26	Neptune	41829434	1,276,456	0.25	93.6%	2.00	98.77%	15.00	91.0%	96.8%	
27	Neptune	41609043	585,544	0.25	98.3%	2.00	98.54%	15.00	97.1%	98.3%	
28	Neptune	43606165	728,647	0.25	99.2%	2.00	99.92%	15.00	96.7%	99.3%	
29	Neptune	42642968	836,210	0.25	85.0%	2.00	99.00%	15.00	97.8%	96.7%	
30	Neptune	43606551	467,901	0.25	97.5%	2.00	97.98%	15.00	95.8%	97.6%	
31	Neptune	41829113	587,752	0.25	93.8%	2.00	94.95%	15.00	94.7%	94.7%	
32	Neptune	32680281	1,727,238	0.25	65.5%	2.00	94.60%	15.00	92.6%	89.9%	
33	Neptune	41034954	485,593	0.25	97.2%	2.00	97.70%	15.00	93.8%	97.0%	
34	Neptune	51037926	1,377,784	0.25	94.2%	2.00	98.85%	15.00	97.1%	97.9%	
35	Neptune	44948625	357,039	0.25	98.5%	2.00	99.27%	15.00	97.2%	98.8%	
36	Neptune	51037266	827,004	0.25	97.2%	2.00	100.01%	15.00	97.7%	99.2%	
37	Neptune	41829959	1,657,428	0.25	95.9%	2.00	96.13%	15.00	94.2%	95.8%	
38	Neptune	51043750	1,023,161	0.25	96.2%	2.00	97.93%	15.00	93.3%	97.0%	
39	Neptune	46189303	303,810	0.25	94.0%	2.00	98.62%	15.00	97.2%	97.7%	
40	Neptune	44419125	564,346	0.25	96.4%	2.00	98.85%	15.00	96.6%	98.2%	
41	Neptune	41035370	546,076	0.25	96.2%	2.00	98.85%	15.00	97.3%	98.2%	
42	Neptune	44948641	592,432	0.25	84.4%	2.00	98.39%	15.00	97.5%	96.2%	
43	Neptune	46189415	479,970	0.25	98.2%	2.00	98.62%	15.00	97.5%	98.4%	
44	Neptune	44948268	788,620	0.25	98.6%	2.00	98.85%	15.00	97.5%	98.6%	
45	Neptune	75270175	263,449	0.25	98.3%	2.00	99.43%	15.00	96.1%	98.8%	
46	Neptune	45848434	365,944	0.25	96.2%	2.00	98.16%	15.00	96.6%	97.6%	
47	Neptune	44948174	307,467	0.25	97.2%	2.00	98.85%	15.00	97.5%	98.4%	
48	Neptune	75270457	390,927	0.25	97.7%	2.00	97.70%	15.00	97.1%	97.6%	
49	Neptune	76313215	227,278	0.25	98.2%	2.00	99.99%	15.00	97.7%	99.4%	
50	Neptune	75754262	340,173	0.25	97.5%	2.00	98.38%	15.00	97.0%	98.0%	

5/8" Meter Test Results

AWWA Standard Tests

Meter Size: 0.625 (5/8") **Weighted Factors:** **Min.** 15.0% **Inter.** 70.0% **Max.** 15.0%
Meter Type: PD (Positive Displacement)
Test Dates: 12/28/2007
Water Utility: Kingport TN

Ref #	Manufacturer	Serial #	Reading (kgal)	Minimum Flow		Intermediate Flow		High Flow		Weighted Average Accuracy (%)	Remarks
				Rate (gpm)	Accuracy (%)	Rate (gpm)	Accuracy (%)	Rate (gpm)	Accuracy (%)		
51	Neptune	41809145	1,099,730	0.25	98.1%	2.00	98.82%	15.00	96.3%	98.3%	
52	Neptune	51037242	894,160	0.25	98.3%	2.00	98.70%	15.00	96.5%	98.3%	
53	Neptune	45847928	1,241,100	0.25	98.7%	2.00	98.89%	15.00	97.5%	98.6%	
54	Neptune	51043353	2,077,075	0.25	98.4%	2.00	98.84%	15.00	97.4%	98.6%	
55	Neptune	42290543	741,825	0.25	96.7%	2.00	97.92%	15.00	97.3%	97.6%	
56	Neptune	51033685	1,578,430	0.25	76.0%	2.00	97.24%	15.00	94.4%	93.6%	
57	Neptune	32087690	982,594	0.25	98.4%	2.00	98.61%	15.00	97.5%	98.4%	
58	Neptune	30522972	1,639,486	0.25	95.0%	2.00	98.15%	15.00	97.7%	97.6%	
59	Neptune	51044323	1,580,710	0.25	98.4%	2.00	99.12%	15.00	97.8%	98.8%	
60	Neptune	51039481	770,286	0.25	97.5%	2.00	99.07%	15.00	97.7%	98.6%	
61	Neptune	44419004	278,700	0.25	97.9%	2.00	98.86%	15.00	97.5%	98.5%	
62	Neptune	51038555	569,039	0.25	93.5%	2.00	99.30%	15.00	95.9%	97.9%	
63	Neptune	43606993	653,540	0.25	98.6%	2.00	98.93%	15.00	97.8%	98.7%	
64	Neptune	41608882	918,193	0.25	95.5%	2.00	98.15%	15.00	96.5%	97.5%	
65	Neptune	51037602	925,177	0.25	96.1%	2.00	101.23%	15.00	97.4%	99.9%	
66	Neptune	41829775	1,555,818	0.25	96.4%	2.00	98.00%	15.00	96.7%	97.6%	
67	Neptune	44948261	716,986	0.25	97.1%	2.00	97.51%	15.00	97.3%	97.4%	
68	Neptune	46871616	526,702	0.25	98.1%	2.00	98.69%	15.00	96.9%	98.3%	
69	Neptune	41829514	945,765	0.25	93.9%	2.00	98.00%	15.00	96.7%	97.2%	
70	Neptune	51043618	159,345	0.25	89.5%	2.00	97.31%	15.00	97.0%	96.1%	
71	Neptune	73577916	699,227	0.25	98.6%	2.00	98.69%	15.00	97.1%	98.4%	
72	Neptune	51039467	154,917	0.25	97.8%	2.00	98.00%	15.00	97.8%	97.9%	
73	Neptune	51037538	1,049,982	0.25	98.3%	2.00	99.84%	15.00	97.5%	99.3%	
74	Neptune	51037924	677,506	0.25	97.6%	2.00	97.77%	15.00	96.8%	97.6%	
75	Neptune	51038522	790,719	0.25	96.8%	2.00	100.07%	15.00	97.6%	99.2%	
76	Neptune	46871378	829,744	0.25	96.6%	2.00	98.69%	15.00	97.3%	98.2%	
77	Neptune	42290507	573,923	0.25	98.6%	2.00	98.69%	15.00	97.1%	98.4%	
78	Neptune	73578838	617,771	0.25	98.7%	2.00	99.96%	15.00	97.2%	99.4%	
79	Neptune	43606820	573,668	0.25	99.3%	2.00	99.61%	15.00	97.4%	99.2%	
80	Neptune	51036752	827,158	0.25	97.8%	2.00	98.23%	15.00	97.3%	98.0%	
81	Neptune	51039427	522,643	0.25	95.4%	2.00	98.85%	15.00	97.5%	98.1%	
82	Neptune	51034251	1,084,192	0.25	86.1%	2.00	96.88%	15.00	94.3%	94.9%	
83	Neptune	32593227	832,108	0.25	93.9%	2.00	98.62%	15.00	97.0%	97.7%	
84	Neptune	51042851	940,185	0.25	98.3%	2.00	98.85%	15.00	97.5%	98.6%	
85	Badger	89574199	1,392,833	0.25	95.6%	2.00	99.55%	15.00	96.8%	98.6%	
86	Badger	89868241	1,762,327	0.25	97.6%	2.00	99.32%	15.00	96.5%	98.6%	
87	Badger	90627834	659,058	0.25	99.3%	2.00	100.02%	15.00	97.0%	99.5%	
88	Badger	29479307	199,519	0.25	99.1%	2.00	99.78%	15.00	97.2%	99.3%	
89	Badger	29726651	178,397	0.25	97.3%	2.00	98.85%	15.00	96.8%	98.3%	
90	Badger	29077971	173,042	0.25	97.5%	2.00	99.06%	15.00	96.5%	98.4%	
91	Badger	29479396	121,122	0.25	97.1%	2.00	99.09%	15.00	96.9%	98.5%	
92	Badger	32418508	203,516	0.25	97.6%	2.00	98.62%	15.00	97.6%	98.3%	
93	Badger	29726826	322,760	0.25	96.8%	2.00	98.34%	15.00	97.3%	97.9%	
94	Badger	32418617	187,846	0.25	97.1%	2.00	98.62%	15.00	97.5%	98.2%	
95	Rockwell	18593540	178,957	0.25	98.6%	2.00	99.09%	15.00	95.0%	98.4%	
96	Rockwell	17440458	142,309	0.25	98.6%	2.00	99.55%	15.00	92.1%	98.3%	97.6%
97	Master Meter	104687	17,040	0.25	94.6%	1.00	99.5%	15.00	97.4%	98.4%	MJ
98	Master Meter	104082	24,258	0.25	97.5%	1.00	99.7%	15.00	98.4%	99.2%	MJ
99	Master Meter	104073	26,422	0.25	97.8%	1.00	98.7%	15.00	97.2%	98.4%	MJ
100	Master Meter	102482	48,522	0.25	96.0%	1.00	99.0%	15.00	94.6%	97.9%	MJ
101	Master Meter	103256	115,995	0.25	96.0%	1.00	97.5%	15.00	94.9%	96.9%	MJ
102	Master Meter	102485	38,284	0.25	94.1%	1.00	97.5%	15.00	94.6%	96.6%	MJ
103				0.25		2.00		15.00		97.6%	Average

1" Meter Test Results

AWWA Standard Tests

Meter Size: 1 (1") **Weighted Factors:** Min. 15.0% Inter. 70.0% Max. 15.0%
Meter Type: PD (Positive Displacement)
Test Dates: 12/28/2007
Water Utility: Kingport TN

Ref #	Manufacturer	Serial #	Reading (kgal)	Minimum Flow		Intermediate Flow		High Flow		Weighted Average Accuracy (%)	Remarks
				Rate (gpm)	Accuracy (%)	Rate (gpm)	Accuracy (%)	Rate (gpm)	Accuracy (%)		
1	Badger	88955611	2,251,832	0.75	0.00%	4.00	0.0%	40.00	94.5%	14.2%	DO not Use
2	Neptune	48159148	313,790	0.75	97.17%	4.00	97.68%	40.00	97.4%	97.6%	
3	Neptune	47762560	860,021	0.75	97.29%	4.00	98.1%	40.00	97.4%	97.9%	
4	Neptune	48044027	1,990,228	0.75	95.31%	4.00	98.1%	40.00	97.3%	97.6%	
5	Neptune	48382530	1,617,450	0.75	97.90%	4.00	99.5%	40.00	97.4%	99.0%	
6	Neptune	48216562	188,448	0.75	98.21%	4.00	98.8%	40.00	97.9%	98.6%	
7	Neptune	34752971	4,266,876	0.75	89.74%	4.00	97.9%	40.00	97.0%	96.6%	
8	Neptune	47827305	1,767,595	0.75	97.00%	4.00	97.3%	40.00	94.8%	96.9%	
9	Neptune	36149282	1,046,018	0.75	96.52%	4.00	96.4%	40.00	94.2%	96.1%	
10	Neptune	32619113	1,529,640	0.75	86.36%	4.00	97.1%	40.00	95.3%	95.2%	
11	Neptune	47762557	4,472,091	0.75	97.75%	4.00	97.9%	40.00	97.6%	97.8%	
12	Neptune	47614609	1,449,077	0.75	95.07%	4.00	97.7%	40.00	96.7%	97.2%	
13	Neptune	48126745	289,519	0.75	93.61%	4.00	95.9%	40.00	95.4%	95.5%	
14	Neptune	48216552	1,499,977	0.75	96.76%	4.00	98.4%	40.00	97.6%	98.0%	
15	Neptune	48216543	159,302	0.75	93.61%	4.00	95.7%	40.00	94.1%	95.2%	
16	Neptune	47003899	216,110	0.75	94.34%	4.00	95.0%	40.00	94.1%	94.8%	
17	Neptune	48159131	1,167,102	0.75	98.45%	4.00	98.8%	40.00	98.2%	98.6%	
18	Neptune	31297187	7,337,159	0.75	79.48%	4.00	97.6%	40.00	96.7%	94.8%	
19	Neptune	47086616	2,148,790	0.75	94.46%	4.00	98.1%	40.00	97.0%	97.4%	
20	Neptune	37677374	776,079	0.75	97.36%	4.00	98.1%	40.00	98.1%	98.0%	
21	Neptune	38806561	568,150	0.75	96.95%	4.00	98.5%	40.00	97.5%	98.1%	
22	Neptune	39987269	2,969,300	0.75	0.00%	4.00	72.0%	40.00	95.2%	64.7%	
23	Badger	92728079	305,457	0.75	96.39%	4.00	98.1%	40.00	96.8%	97.6%	
24	Badger	29344000	60,640	0.75	97.79%	4.00	99.2%	40.00	96.6%	98.6%	
25	Badger	92728082	1,234,226	0.75	97.11%	4.00	99.8%	40.00	97.2%	99.0%	
26	Badger	32815142	107,867	0.75	96.39%	4.00	98.5%	40.00	97.1%	98.0%	
27	Badger	32815131	13,186	0.75	95.42%	4.00	98.3%	40.00	96.8%	97.6%	
28	Badger	18915270	7,061,510	0.75	89.14%	4.00	98.5%	40.00	95.6%	96.7%	
29	Badger	19584807	622,053	0.75	96.63%	4.00	99.2%	40.00	96.8%	98.4%	
30	Badger	89448449	790,460	0.75	97.60%	4.00	98.3%	40.00	92.0%	97.2%	96.2%
31	Master Meter	102429	53,333	0.75	96.8%	3.00	98.1%	35.00	96.9%	97.7%	MJ
32	Master Meter	104140	377	0.75	98.9%	3.00	99.4%	35.00	98.3%	99.2%	MJ
33	Master Meter	102430	688,355	0.75	96.0%	3.00	98.6%	35.00	97.6%	98.0%	MJ
34				0.75		4.00		40.00		96.4%	Average

Large Water Meter Field Test Results

Account name	Acct Number	Percent of Accuracy @ Low Flow	Percent of Accuracy @ Mid Flow	Percent of Accuracy @ High Flow	Weighted Average	Baseline Accuracy %
Tri City Tow & Lin Serv	048790-044305	0.00%	30.00%	93.00%	41.00%	41.00%
TEC Accounts Payable - Lincoln St	047836-056967	62.00%	96.50%	100.10%	80.00%	80.00%
Transit Mix	118182-061860	68.00%	57.00%	97.00%	73.99%	73.99%
Quebecor World, MS #2	027670-056897	36.00%	110.00%	100.50%	82.16%	82.16%
Summers-Taylor Materials Inc.	092528-057678	0.00%	35.00%	97.00%	44.00%	44.00%
Ramada Inn of Kingsport	133388-004269	94.00%	80.00%	102.20%	92.06%	92.06%
Kingsport Housing Authority	027626-057087	96.00%	96.00%	101.50%	97.82%	97.82%
Indian Path	024832-069071	98.00%	91.50%	100.70%	96.72%	96.72%
City of Johnson City	008838-136491	0.00%	85.00%	101.50%	62.16%	93.25%
TEC Accounts Payable	047836-056985	0.00%	0.00%	86.00%	28.66%	90.00%
Domtar Paper Co., LLC	033046-056915	91.00%	80.00%	103.40%	91.46%	91.46%
Domtar Paper Co., LLC	033046-056909	97.50%	92.00%	40.90%	76.79%	97.50%
Miller Village Apartments	055706-016513	100.00%	93.30%	72.50%	88.59%	98.50%
Indian Path Hospital	024762-057071	0.00%	74.00%	70.00%	48.00%	48.00%
City of Johnson City	008838-063006	100.00%	96.00%	99.00%	98.32%	98.50%
Domtar Paper Co., LLC	033046-054042	100.00%	96.00%	89.00%	94.99%	98.50%

NOTE: In some instances because the AWWA weighted averages would tend to overstate the anticipated benefit of select meters, a more conservative accuracy percentage was utilized.

Dated July 17, 2008

CUSTOMER:

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

JOHNSON CONTROLS, INC.

Signature: _____

Printed Name: David M. Peters

Title: Regional Solutions Manager

PRE-RETROFIT and POST-RETROFIT CONDITIONS – BASELINE(S) *

(*See note at end of this Exhibit)

Accounts	Size	Rate Code	Pre-Retrofit Revenue	Base_Rate	Pre Retrofit Revenue above Base Charges	Baseline Tested Accuracy	Max Revenue above base charges (100% accuracy)	Guaranteed Accuracy	Post Retrofit Projected Revenue	Post Retrofit Funding	Post Retrofit Funding using '08/'09 Rate Changes
6.00	0.625	F-I-	\$ 1,160.00	\$20.00	\$0.00	97.60%	\$ -	99.00%	\$ -	\$ -	\$ -
6.00	0.625	F-I-	\$ 280.00	\$30.00	(\$140.00)	97.60%	\$ (143.44)	99.00%	\$ (142.01)	\$ (2.01)	\$ (2.01)
1.00	0.625	F-O-	\$ 558.00	\$30.00	\$288.00	97.60%	\$ 295.08	99.00%	\$ 292.13	\$ 4.13	\$ 4.13
1.00	0.625	F-O-	\$ 186.00	\$42.00	\$60.00	97.60%	\$ 61.48	99.00%	\$ 60.86	\$ 0.86	\$ 0.86
4,881.00	0.625	S-I-	\$ 1,197,531.44	\$12.88	\$599,925.20	97.60%	\$ 614,677.46	99.00%	\$ 608,530.68	\$ 8,605.48	\$ 9,293.92
4,670.00	0.625	S-I-	\$ 290,026.79	\$13.26	\$155,530.61	97.60%	\$ 159,355.13	99.00%	\$ 157,761.58	\$ 2,230.97	\$ 2,409.45
9.00	0.625	S-I-01	\$ 41,370.55	\$12.88	\$40,275.75	97.60%	\$ 41,266.14	99.00%	\$ 40,853.48	\$ 577.73	\$ 623.94
9.00	0.625	S-I-01	\$ 3,721.77	\$13.26	\$3,416.79	97.60%	\$ 3,500.81	99.00%	\$ 3,465.80	\$ 49.01	\$ 52.93
420.00	0.625	S-O-	\$ 107,393.95	\$15.04	\$52,257.31	97.60%	\$ 53,542.33	99.00%	\$ 53,006.90	\$ 749.59	\$ 809.56
403.00	0.625	S-O-	\$ 39,906.21	\$16.24	\$21,035.33	97.60%	\$ 21,552.59	99.00%	\$ 21,337.07	\$ 301.74	\$ 325.88
2.00	0.625	S-O-01	\$ 1,930.24	\$15.04	\$1,659.52	97.60%	\$ 1,700.33	99.00%	\$ 1,683.32	\$ 23.80	\$ 25.71
2.00	0.625	S-O-01	\$ 238.24	\$16.24	\$140.80	97.60%	\$ 144.26	99.00%	\$ 142.82	\$ 2.02	\$ 2.18
5,060.00	0.625	W-I-01	\$ 737,657.33	\$6.72	\$345,229.49	97.60%	\$ 353,718.74	99.00%	\$ 350,181.55	\$ 4,952.06	\$ 4,952.06
4,059.00	0.625	W-O-01	\$ 1,155,033.63	\$14.25	\$639,611.13	97.60%	\$ 655,339.27	99.00%	\$ 648,785.88	\$ 9,174.75	\$ 9,495.87
3,925.00	0.625	W-O-01	\$ 406,972.82	\$14.82	\$235,920.38	97.60%	\$ 241,721.70	99.00%	\$ 239,304.48	\$ 3,384.10	\$ 3,502.55
5.00	0.625	F-I-	\$ 842.00	\$20.00	\$2.00	97.60%	\$ 2.05	99.00%	\$ 2.03	\$ 0.03	\$ 0.03
4.00	0.625	F-I-	\$ 180.00	\$30.00	(\$90.00)	97.60%	\$ (92.21)	99.00%	\$ (91.29)	\$ (1.29)	\$ (1.29)
1.00	0.625	F-O-	\$ 378.00	\$30.00	\$108.00	97.60%	\$ 110.66	99.00%	\$ 109.55	\$ 1.55	\$ 1.55
1.00	0.625	F-O-	\$ 126.00	\$42.00	\$0.00	97.60%	\$ -	99.00%	\$ -	\$ -	\$ -
4,996.00	0.625	S-I-	\$ 1,269,010.80	\$12.88	\$667,386.00	97.60%	\$ 683,797.13	99.00%	\$ 676,959.16	\$ 9,573.16	\$ 10,339.01
4,719.00	0.625	S-I-	\$ 314,765.58	\$13.26	\$177,140.04	97.60%	\$ 181,495.94	99.00%	\$ 179,680.98	\$ 2,540.94	\$ 2,744.22
18.00	0.625	S-I-01	\$ 1,237,925.54	\$12.88	\$1,235,942.02	97.60%	\$ 1,266,334.04	99.00%	\$ 1,253,670.70	\$ 17,728.68	\$ 19,146.97
16.00	0.625	S-I-01	\$ 257,960.50	\$13.26	\$257,403.58	97.60%	\$ 263,733.18	99.00%	\$ 261,095.84	\$ 3,692.26	\$ 3,987.65
397.00	0.625	S-O-	\$ 100,856.81	\$15.04	\$50,578.09	97.60%	\$ 51,821.81	99.00%	\$ 51,303.60	\$ 725.51	\$ 783.55
367.00	0.625	S-O-	\$ 36,340.13	\$16.24	\$19,109.49	97.60%	\$ 19,579.40	99.00%	\$ 19,383.60	\$ 274.11	\$ 296.04
17.00	0.625	S-O-01	\$ 7,006.33	\$15.04	\$4,750.33	97.60%	\$ 4,867.14	99.00%	\$ 4,818.47	\$ 68.14	\$ 73.59
16.00	0.625	S-O-01	\$ 1,677.50	\$16.24	\$914.22	97.60%	\$ 936.70	99.00%	\$ 927.33	\$ 13.11	\$ 14.16
5,173.00	0.625	W-I-01	\$ 764,548.96	\$6.72	\$368,781.28	97.60%	\$ 377,849.67	99.00%	\$ 374,071.18	\$ 5,289.90	\$ 5,289.90
1.00	0.625	W-I-02	\$ 116.95	\$12.14	(\$4.45)	97.60%	\$ (4.56)	99.00%	\$ (4.51)	\$ (0.06)	\$ (0.06)
2.00	0.625	W-O-	\$ 492.48	\$20.52	\$0.00	97.60%	\$ -	99.00%	\$ -	\$ -	\$ -
4,031.00	0.625	W-O-01	\$ 1,217,247.10	\$14.25	\$709,277.35	97.60%	\$ 726,718.60	99.00%	\$ 719,451.41	\$ 10,174.06	\$ 10,530.15
3,896.00	0.625	W-O-01	\$ 620,818.62	\$14.82	\$451,277.82	97.60%	\$ 462,374.82	99.00%	\$ 457,751.07	\$ 6,473.25	\$ 6,699.81
4.00	0.625	F-I-	\$ 800.00	\$20.00	\$0.00	97.60%	\$ -	99.00%	\$ -	\$ -	\$ -
4.00	0.625	F-I-	\$ 160.00	\$30.00	(\$80.00)	97.60%	\$ (81.97)	99.00%	\$ (81.15)	\$ (1.15)	\$ (1.15)
4,251.00	0.625	S-I-	\$ 1,094,455.42	\$12.88	\$600,597.58	97.60%	\$ 615,366.37	99.00%	\$ 609,212.71	\$ 8,615.13	\$ 9,304.34
3,891.00	0.625	S-I-	\$ 271,483.91	\$13.26	\$155,339.57	97.60%	\$ 159,159.40	99.00%	\$ 157,567.80	\$ 2,228.23	\$ 2,406.49
70.00	0.625	S-I-01	\$ 25,579.24	\$12.88	\$17,851.24	97.60%	\$ 18,290.20	99.00%	\$ 18,107.30	\$ 256.06	\$ 276.55
66.00	0.625	S-I-01	\$ 7,844.67	\$13.26	\$5,258.97	97.60%	\$ 5,388.29	99.00%	\$ 5,334.41	\$ 75.44	\$ 81.47
474.00	0.625	S-O-	\$ 126,395.61	\$15.04	\$67,183.13	97.60%	\$ 68,835.17	99.00%	\$ 68,146.82	\$ 963.69	\$ 1,040.79
433.00	0.625	S-O-	\$ 44,973.06	\$16.24	\$24,802.98	97.60%	\$ 25,412.89	99.00%	\$ 25,158.76	\$ 355.78	\$ 384.24
29.00	0.625	S-O-01	\$ 7,004.35	\$15.04	\$3,289.47	97.60%	\$ 3,370.36	99.00%	\$ 3,336.66	\$ 47.19	\$ 50.96
27.00	0.625	S-O-01	\$ 2,435.71	\$16.24	\$1,136.51	97.60%	\$ 1,164.46	99.00%	\$ 1,152.81	\$ 16.30	\$ 17.61
4,419.00	0.625	W-I-01	\$ 700,755.30	\$6.72	\$375,372.90	97.60%	\$ 384,603.38	99.00%	\$ 380,757.35	\$ 5,384.45	\$ 5,384.45
3,584.00	0.625	W-O-01	\$ 1,097,640.86	\$14.25	\$655,434.86	97.60%	\$ 671,552.11	99.00%	\$ 664,836.59	\$ 9,401.73	\$ 9,730.79
3,399.00	0.625	W-O-01	\$ 400,045.20	\$14.82	\$253,505.04	97.60%	\$ 259,738.77	99.00%	\$ 257,141.38	\$ 3,636.34	\$ 3,763.61
7.00	0.625	F-I-	\$ 1,372.67	\$20.00	\$192.67	97.60%	\$ 197.41	99.00%	\$ 195.43	\$ 2.76	\$ 2.76
5.00	0.625	F-I-	\$ 240.00	\$30.00	(\$60.00)	97.60%	\$ (61.48)	99.00%	\$ (60.86)	\$ (0.86)	\$ (0.86)
4,679.00	0.625	S-I-	\$ 1,080,717.51	\$12.88	\$558,678.23	97.60%	\$ 572,416.22	99.00%	\$ 566,692.06	\$ 8,013.83	\$ 8,654.93
4,484.00	0.625	S-I-	\$ 285,661.80	\$13.26	\$154,281.72	97.60%	\$ 158,075.53	99.00%	\$ 156,494.78	\$ 2,213.06	\$ 2,390.10
54.00	0.625	S-I-01	\$ 17,746.78	\$12.88	\$12,234.14	97.60%	\$ 12,534.98	99.00%	\$ 12,409.63	\$ 175.49	\$ 189.53
51.00	0.625	S-I-01	\$ 7,100.28	\$13.26	\$5,058.24	97.60%	\$ 5,182.62	99.00%	\$ 5,130.80	\$ 72.56	\$ 78.36
531.00	0.625	S-O-	\$ 119,034.30	\$15.04	\$59,099.90	97.60%	\$ 60,553.18	99.00%	\$ 59,947.64	\$ 847.74	\$ 915.56
480.00	0.625	S-O-	\$ 45,074.27	\$16.24	\$23,540.03	97.60%	\$ 24,118.88	99.00%	\$ 23,877.69	\$ 337.66	\$ 364.68
21.00	0.625	S-O-01	\$ 7,030.93	\$15.04	\$4,263.57	97.60%	\$ 4,368.41	99.00%	\$ 4,324.73	\$ 61.16	\$ 66.05
21.00	0.625	S-O-01	\$ 2,867.81	\$16.24	\$1,860.93	97.60%	\$ 1,906.69	99.00%	\$ 1,887.62	\$ 26.69	\$ 28.83
5.00	0.625	W-I-	\$ 428.73	\$0.00	\$428.73	97.60%	\$ 439.27	99.00%	\$ 434.88	\$ 6.15	\$ 6.15
4,923.00	0.625	W-I-01	\$ 681,960.38	\$6.72	\$336,048.38	97.60%	\$ 344,311.86	99.00%	\$ 340,868.75	\$ 4,820.37	\$ 4,820.37

PRE-RETROFIT and POST-RETROFIT CONDITIONS – BASELINE(S) (continued)

Accounts	Size	Rate Code	Pre-Retrofit		Pre Retrofit Revenue above Base Charges	Baseline Tested Accuracy	Max Revenue above base charges (100% accuracy)	Guaranteed Accuracy	Post Retrofit Projected Revenue	Post Retrofit Funding	Post Retrofit Funding using '08/'09 Rate	Post Retrofit Changes
			Revenue	Base_Rate								
1.00	0.625	W-I-02	\$ 288.30	\$12.14	\$130.48	97.60%	\$ 133.69	99.00%	\$ 132.35	\$ 1.87	\$ 1.87	
1.00	0.625	W-I-04	\$ 78.48	\$39.24	\$0.00	97.60%	\$ -	99.00%	\$ -	\$ -	\$ -	
3,069.00	0.625	W-O-01	\$ 857,446.21	\$14.25	\$496,037.71	97.60%	\$ 508,235.36	99.00%	\$ 503,153.01	\$ 7,115.30	\$ 7,364.33	
3,060.00	0.625	W-O-01	\$ 326,786.45	\$14.82	\$197,630.15	97.60%	\$ 202,489.91	99.00%	\$ 200,465.01	\$ 2,834.86	\$ 2,934.08	
6.00	1	F-I-	\$ 1,320.00	\$20.00	\$300.00	96.40%	\$ 311.20	99.00%	\$ 308.09	\$ 8.09	\$ 8.09	
5.00	1	F-I-	\$ 260.00	\$30.00	(\$40.00)	96.40%	\$ (41.49)	99.00%	\$ (41.08)	\$ (1.08)	\$ (1.08)	
1.00	1	F-O-	\$ 378.00	\$30.00	\$108.00	96.40%	\$ 112.03	99.00%	\$ 110.91	\$ 2.91	\$ 2.91	
1.00	1	F-O-	\$ 126.00	\$42.00	\$0.00	96.40%	\$ -	99.00%	\$ -	\$ -	\$ -	
105.00	1	S-I-	\$ 93,436.55	\$12.88	\$80,440.63	96.40%	\$ 83,444.64	99.00%	\$ 82,610.19	\$ 2,169.56	\$ 2,343.13	
102.00	1	S-I-	\$ 22,133.78	\$13.26	\$19,243.10	96.40%	\$ 19,961.72	99.00%	\$ 19,762.10	\$ 519.00	\$ 560.53	
2.00	1	S-O-	\$ 3,316.32	\$15.04	\$3,045.60	96.40%	\$ 3,159.34	99.00%	\$ 3,127.74	\$ 82.14	\$ 88.71	
2.00	1	S-O-	\$ 1,005.48	\$16.24	\$908.04	96.40%	\$ 941.95	99.00%	\$ 932.53	\$ 24.49	\$ 26.45	
12.00	1	W-I-01	\$ 1,798.74	\$6.72	\$918.42	96.40%	\$ 952.72	99.00%	\$ 943.19	\$ 24.77	\$ 24.77	
118.00	1	W-I-02	\$ 51,612.16	\$12.14	\$35,077.48	96.40%	\$ 36,387.43	99.00%	\$ 36,023.55	\$ 946.07	\$ 946.07	
1.00	1	W-O-01	\$ 494.11	\$14.25	\$365.86	96.40%	\$ 379.52	99.00%	\$ 375.73	\$ 9.87	\$ 10.21	
1.00	1	W-O-01	\$ 177.04	\$14.82	\$132.58	96.40%	\$ 137.53	99.00%	\$ 136.16	\$ 3.58	\$ 3.70	
41.00	1	W-O-02	\$ 45,239.64	\$32.79	\$32,451.54	96.40%	\$ 33,663.42	99.00%	\$ 33,326.79	\$ 875.25	\$ 905.88	
41.00	1	W-O-02	\$ 15,709.59	\$34.11	\$11,343.51	96.40%	\$ 11,767.13	99.00%	\$ 11,649.46	\$ 305.95	\$ 316.65	
3.00	1	F-I-	\$ 650.00	\$20.00	\$50.00	96.40%	\$ 51.87	99.00%	\$ 51.35	\$ 1.35	\$ 1.35	
3.00	1	F-I-	\$ 130.00	\$30.00	(\$50.00)	96.40%	\$ (51.87)	99.00%	\$ (51.35)	\$ (1.35)	\$ (1.35)	
124.00	1	S-I-	\$ 168,127.95	\$12.88	\$152,749.23	96.40%	\$ 158,453.56	99.00%	\$ 156,869.02	\$ 4,119.79	\$ 4,449.38	
114.00	1	S-I-	\$ 46,602.63	\$13.26	\$43,314.15	96.40%	\$ 44,931.69	99.00%	\$ 44,482.37	\$ 1,168.22	\$ 1,261.68	
2.00	1	S-I-02	\$ 840.21	\$12.88	\$647.01	96.40%	\$ 671.17	99.00%	\$ 664.46	\$ 17.45	\$ 18.85	
1.00	1	S-I-02	\$ 26.52	\$13.26	\$0.00	96.40%	\$ -	99.00%	\$ -	\$ -	\$ -	
6.00	1	S-O-	\$ 1,576.22	\$15.04	\$899.42	96.40%	\$ 933.01	99.00%	\$ 923.68	\$ 24.26	\$ 26.20	
6.00	1	S-O-	\$ 653.85	\$16.24	\$377.77	96.40%	\$ 391.88	99.00%	\$ 387.96	\$ 10.19	\$ 11.00	
11.00	1	W-I-01	\$ 1,721.04	\$6.72	\$961.68	96.40%	\$ 997.59	99.00%	\$ 987.62	\$ 25.94	\$ 25.94	
138.00	1	W-I-02	\$ 80,034.52	\$12.14	\$60,464.84	96.40%	\$ 62,722.86	99.00%	\$ 62,095.63	\$ 1,630.79	\$ 1,630.79	
3.00	1	W-O-01	\$ 440.41	\$14.25	\$141.16	96.40%	\$ 146.43	99.00%	\$ 144.97	\$ 3.81	\$ 3.94	
3.00	1	W-O-01	\$ 257.68	\$14.82	\$124.30	96.40%	\$ 128.94	99.00%	\$ 127.65	\$ 3.35	\$ 3.47	
60.00	1	W-O-02	\$ 39,352.84	\$32.79	\$21,351.13	96.40%	\$ 22,148.48	99.00%	\$ 21,926.99	\$ 575.86	\$ 596.02	
62.00	1	W-O-02	\$ 13,685.18	\$34.11	\$7,511.27	96.40%	\$ 7,791.77	99.00%	\$ 7,713.86	\$ 202.59	\$ 209.68	
6.00	1	F-I-	\$ 1,230.00	\$20.00	\$90.00	96.40%	\$ 93.36	99.00%	\$ 92.43	\$ 2.43	\$ 2.43	
6.00	1	F-I-	\$ 350.00	\$30.00	(\$130.00)	96.40%	\$ (134.85)	99.00%	\$ (133.51)	\$ (3.51)	\$ (3.51)	
96.00	1	S-I-	\$ 71,830.50	\$12.88	\$60,354.42	96.40%	\$ 62,608.32	99.00%	\$ 61,982.24	\$ 1,627.82	\$ 1,758.04	
91.00	1	S-I-	\$ 17,594.00	\$13.26	\$14,875.70	96.40%	\$ 15,431.22	99.00%	\$ 15,276.91	\$ 401.21	\$ 433.31	
1.00	1	S-I-02	\$ 45.08	\$12.88	(\$6.44)	96.40%	\$ (6.68)	99.00%	\$ (6.61)	\$ (0.17)	\$ (0.19)	
1.00	1	S-I-02	\$ 26.80	\$13.26	\$0.28	96.40%	\$ 0.29	99.00%	\$ 0.29	\$ 0.01	\$ 0.01	
11.00	1	S-O-	\$ 7,921.50	\$15.04	\$6,597.98	96.40%	\$ 6,844.38	99.00%	\$ 6,775.93	\$ 177.95	\$ 192.19	
9.00	1	S-O-	\$ 1,963.67	\$16.24	\$1,525.19	96.40%	\$ 1,582.15	99.00%	\$ 1,566.33	\$ 41.14	\$ 44.43	
1.00	1	S-O-02	\$ 182.88	\$0.00	\$182.88	96.40%	\$ 189.71	99.00%	\$ 187.81	\$ 4.93	\$ 5.33	
17.00	1	W-I-01	\$ 3,675.40	\$6.72	\$2,499.40	96.40%	\$ 2,592.74	99.00%	\$ 2,566.81	\$ 67.41	\$ 67.41	
105.00	1	W-I-02	\$ 41,333.65	\$12.14	\$26,316.47	96.40%	\$ 27,299.24	99.00%	\$ 27,026.25	\$ 709.78	\$ 709.78	
2.00	1	W-O-01	\$ 1,146.71	\$14.25	\$890.21	96.40%	\$ 923.45	99.00%	\$ 914.22	\$ 24.01	\$ 24.85	
2.00	1	W-O-01	\$ 340.82	\$14.82	\$251.90	96.40%	\$ 261.31	99.00%	\$ 258.69	\$ 6.79	\$ 7.03	
57.00	1	W-O-02	\$ 33,530.54	\$32.79	\$17,069.96	96.40%	\$ 17,707.43	99.00%	\$ 17,530.35	\$ 460.39	\$ 476.51	
54.00	1	W-O-02	\$ 13,120.07	\$34.11	\$7,389.59	96.40%	\$ 7,665.55	99.00%	\$ 7,588.89	\$ 199.30	\$ 206.28	
4.00	1	F-I-	\$ 761.33	\$20.00	\$1.33	96.40%	\$ 1.38	99.00%	\$ 1.37	\$ 0.04	\$ 0.04	
4.00	1	F-I-	\$ 160.00	\$30.00	(\$80.00)	96.40%	\$ (82.99)	99.00%	\$ (82.16)	\$ (2.16)	\$ (2.16)	
1.00	1	F-O-	\$ 333.20	\$30.00	\$93.20	96.40%	\$ 96.68	99.00%	\$ 95.71	\$ 2.51	\$ 2.51	
1.00	1	F-O-	\$ 126.00	\$42.00	\$0.00	96.40%	\$ -	99.00%	\$ -	\$ -	\$ -	
87.00	1	S-I-	\$ 69,716.88	\$12.88	\$59,490.16	96.40%	\$ 61,711.78	99.00%	\$ 61,094.67	\$ 1,604.51	\$ 1,732.87	
90.00	1	S-I-	\$ 17,786.52	\$13.26	\$15,134.52	96.40%	\$ 15,899.71	99.00%	\$ 15,542.71	\$ 408.19	\$ 440.85	
23.00	1	S-O-	\$ 7,487.86	\$15.04	\$4,660.34	96.40%	\$ 4,834.38	99.00%	\$ 4,786.03	\$ 125.69	\$ 135.75	
21.00	1	S-O-	\$ 2,742.86	\$16.24	\$1,735.98	96.40%	\$ 1,800.81	99.00%	\$ 1,782.80	\$ 46.82	\$ 50.57	
11.00	1	W-I-01	\$ 2,130.65	\$6.72	\$1,451.93	96.40%	\$ 1,506.15	99.00%	\$ 1,491.09	\$ 39.16	\$ 39.16	
89.00	1	W-I-02	\$ 35,649.57	\$12.14	\$23,983.03	96.40%	\$ 24,878.66	99.00%	\$ 24,629.88	\$ 646.85	\$ 646.85	

PRE-RETROFIT and POST-RETROFIT CONDITIONS – BASELINE(S) (continued)

Accounts	Size	Rate Code	Pre-Retrofit		Pre Retrofit Revenue above Base Charges	Baseline Tested Accuracy	Max Revenue above base charges (100% accuracy)	Guaranteed Accuracy	Post Retrofit Projected Revenue	Post Retrofit Funding	Post Retrofit Funding using '08/'09 Rate Changes
			Revenue	Base_Rate							
4.00	1	W-O-01	\$ 843.07	\$14.25	\$415.57	96.40%	\$ 431.09	99.00%	\$ 426.78	\$ 11.21	\$ 11.60
3.00	1	W-O-01	\$ 323.21	\$14.82	\$204.65	96.40%	\$ 212.29	99.00%	\$ 210.17	\$ 5.52	\$ 5.71
51.00	1	W-O-02	\$ 26,705.01	\$32.79	\$12,539.73	96.40%	\$ 13,008.02	99.00%	\$ 12,877.94	\$ 338.21	\$ 350.05
54.00	1	W-O-02	\$ 9,965.03	\$34.11	\$4,643.87	96.40%	\$ 4,817.29	99.00%	\$ 4,769.12	\$ 125.25	\$ 129.63
1.00	1.5	F-I-	\$ 270.00	\$20.00	\$90.00	96.50%	\$ 93.26	99.00%	\$ 92.33	\$ 2.33	\$ 2.33
1.00	1.5	F-I-	\$ 90.00	\$30.00	\$0.00	96.50%	\$ -	99.00%	\$ -	\$ -	\$ -
2.00	1.5	F-O-	\$ 756.00	\$30.00	\$216.00	96.50%	\$ 223.83	99.00%	\$ 221.60	\$ 5.60	\$ 5.60
2.00	1.5	F-O-	\$ 252.00	\$42.00	\$0.00	96.50%	\$ -	99.00%	\$ -	\$ -	\$ -
35.00	1.5	S-I-	\$ 51,081.45	\$12.88	\$46,663.61	96.50%	\$ 48,356.07	99.00%	\$ 47,872.51	\$ 1,208.90	\$ 1,305.61
35.00	1.5	S-I-	\$ 14,039.01	\$13.26	\$13,004.73	96.50%	\$ 13,476.40	99.00%	\$ 13,341.64	\$ 336.91	\$ 363.86
6.00	1.5	S-O-	\$ 10,491.14	\$15.04	\$9,678.98	96.50%	\$ 10,030.03	99.00%	\$ 9,929.73	\$ 250.75	\$ 270.81
6.00	1.5	S-O-	\$ 3,757.74	\$16.24	\$3,465.42	96.50%	\$ 3,591.11	99.00%	\$ 3,555.20	\$ 89.78	\$ 96.96
37.00	1.5	W-I-03	\$ 29,418.91	\$22.98	\$18,917.05	96.50%	\$ 19,603.16	99.00%	\$ 19,407.13	\$ 490.08	\$ 490.08
11.00	1.5	W-O-03	\$ 13,365.18	\$57.51	\$7,959.24	96.50%	\$ 8,247.92	99.00%	\$ 8,165.44	\$ 206.20	\$ 213.41
11.00	1.5	W-O-03	\$ 4,369.37	\$59.83	\$2,394.98	96.50%	\$ 2,481.84	99.00%	\$ 2,457.03	\$ 62.05	\$ 64.22
5.00	1.5	F-I-	\$ 1,050.66	\$20.00	\$210.66	96.50%	\$ 218.30	99.00%	\$ 216.12	\$ 5.46	\$ 5.46
5.00	1.5	F-I-	\$ 267.33	\$30.00	(\$62.67)	96.50%	\$ (64.94)	99.00%	\$ (64.29)	\$ (1.62)	\$ (1.62)
40.00	1.5	S-I-	\$ 58,515.17	\$12.88	\$53,607.89	96.50%	\$ 55,552.22	99.00%	\$ 54,996.70	\$ 1,388.81	\$ 1,499.91
40.00	1.5	S-I-	\$ 14,897.93	\$13.26	\$13,678.01	96.50%	\$ 14,174.10	99.00%	\$ 14,032.36	\$ 354.35	\$ 382.70
1.00	1.5	W-I-01	\$ 221.30	\$6.72	\$140.66	96.50%	\$ 145.76	99.00%	\$ 144.30	\$ 3.64	\$ 3.64
3.00	1.5	W-I-02	\$ 717.65	\$12.14	\$414.15	96.50%	\$ 429.17	99.00%	\$ 424.88	\$ 10.73	\$ 10.73
44.00	1.5	W-I-03	\$ 32,965.71	\$22.98	\$21,199.95	96.50%	\$ 21,968.86	99.00%	\$ 21,749.17	\$ 549.22	\$ 549.22
8.00	1.5	W-O-03	\$ 9,804.66	\$57.51	\$5,606.43	96.50%	\$ 5,809.77	99.00%	\$ 5,751.67	\$ 145.24	\$ 150.33
8.00	1.5	W-O-03	\$ 2,702.56	\$59.83	\$1,326.47	96.50%	\$ 1,374.58	99.00%	\$ 1,360.83	\$ 34.36	\$ 35.57
3.00	1.5	F-I-	\$ 580.00	\$20.00	\$0.00	96.50%	\$ -	99.00%	\$ -	\$ -	\$ -
3.00	1.5	F-I-	\$ 140.00	\$30.00	(\$70.00)	96.50%	\$ (72.54)	99.00%	\$ (71.81)	\$ (1.81)	\$ (1.81)
63.00	1.5	S-I-	\$ 144,537.87	\$12.88	\$136,784.11	96.50%	\$ 141,745.19	99.00%	\$ 140,327.74	\$ 3,543.63	\$ 3,827.12
39.00	1.5	S-I-	\$ 24,587.31	\$13.26	\$23,407.17	96.50%	\$ 24,256.13	99.00%	\$ 24,013.57	\$ 606.40	\$ 654.92
2.00	1.5	S-O-	\$ 1,008.43	\$15.04	\$767.79	96.50%	\$ 795.64	99.00%	\$ 787.68	\$ 19.89	\$ 21.48
2.00	1.5	S-O-	\$ 489.61	\$16.24	\$392.17	96.50%	\$ 406.39	99.00%	\$ 402.33	\$ 10.16	\$ 10.97
2.00	1.5	W-I-01	\$ 94.08	\$6.72	\$0.00	96.50%	\$ -	99.00%	\$ -	\$ -	\$ -
1.00	1.5	W-I-02	\$ 508.34	\$12.14	\$362.66	96.50%	\$ 375.81	99.00%	\$ 372.06	\$ 9.40	\$ 9.40
67.00	1.5	W-I-03	\$ 63,970.72	\$22.98	\$46,138.24	96.50%	\$ 47,811.65	99.00%	\$ 47,333.53	\$ 1,195.29	\$ 1,195.29
7.00	1.5	W-O-03	\$ 5,111.73	\$57.51	\$1,546.11	96.50%	\$ 1,602.19	99.00%	\$ 1,586.16	\$ 40.05	\$ 41.46
7.00	1.5	W-O-03	\$ 1,788.80	\$59.83	\$592.20	96.50%	\$ 613.88	99.00%	\$ 607.54	\$ 15.34	\$ 15.88
2.00	1.5	F-I-	\$ 400.00	\$20.00	\$0.00	96.50%	\$ -	99.00%	\$ -	\$ -	\$ -
2.00	1.5	F-I-	\$ 80.00	\$30.00	(\$40.00)	96.50%	\$ (41.45)	99.00%	\$ (41.04)	\$ (1.04)	\$ (1.04)
25.00	1.5	S-I-	\$ 48,589.18	\$12.88	\$45,382.06	96.50%	\$ 47,028.04	99.00%	\$ 46,557.76	\$ 1,175.70	\$ 1,269.76
47.00	1.5	S-I-	\$ 16,777.68	\$13.26	\$15,425.16	96.50%	\$ 15,984.62	99.00%	\$ 15,824.78	\$ 399.62	\$ 431.58
2.00	1.5	S-O-	\$ 1,601.02	\$15.04	\$1,435.58	96.50%	\$ 1,487.65	99.00%	\$ 1,472.77	\$ 37.19	\$ 40.17
1.00	1.5	S-O-	\$ 489.00	\$16.24	\$440.28	96.50%	\$ 456.25	99.00%	\$ 451.69	\$ 11.41	\$ 12.32
1.00	1.5	W-I-01	\$ 606.60	\$6.72	\$525.96	96.50%	\$ 545.04	99.00%	\$ 539.59	\$ 13.63	\$ 13.63
1.00	1.5	W-I-03	\$ 526.85	\$22.98	\$274.07	92.10%	\$ 297.58	99.00%	\$ 294.60	\$ 20.53	\$ 20.53
47.00	1.5	W-I-03	\$ 23,883.26	\$22.98	\$15,541.52	96.50%	\$ 16,105.20	99.00%	\$ 15,944.15	\$ 402.63	\$ 402.63
5.00	1.5	W-O-03	\$ 3,172.40	\$57.51	\$987.02	96.50%	\$ 1,022.82	99.00%	\$ 1,012.59	\$ 25.57	\$ 26.47
4.00	1.5	W-O-03	\$ 1,097.93	\$59.83	\$379.97	96.50%	\$ 393.75	99.00%	\$ 389.81	\$ 9.84	\$ 10.19
11.00	2	F-I-	\$ 2,540.00	\$20.00	\$400.00	96.50%	\$ 414.51	99.00%	\$ 410.36	\$ 10.36	\$ 10.36
12.00	2	F-I-	\$ 550.67	\$30.00	(\$169.33)	96.50%	\$ (175.47)	99.00%	\$ (173.72)	\$ (4.39)	\$ (4.39)
1.00	2	F-O-	\$ 378.00	\$30.00	\$108.00	96.50%	\$ 111.92	99.00%	\$ 110.80	\$ 2.80	\$ 2.80
1.00	2	F-O-	\$ 126.00	\$42.00	\$0.00	96.50%	\$ -	99.00%	\$ -	\$ -	\$ -
52.00	2	S-I-	\$ 211,002.19	\$12.88	\$204,253.07	96.50%	\$ 211,661.21	99.00%	\$ 209,544.60	\$ 5,291.53	\$ 5,714.85
52.00	2	S-I-	\$ 37,376.70	\$13.26	\$35,904.84	96.50%	\$ 37,207.09	99.00%	\$ 36,835.02	\$ 930.18	\$ 1,004.59
1.00	2	S-I-04	\$ 7,436.91	\$12.88	\$7,308.11	96.50%	\$ 7,573.17	99.00%	\$ 7,497.44	\$ 189.33	\$ 204.48
1.00	2	S-I-04	\$ 1,369.09	\$13.26	\$1,342.57	96.50%	\$ 1,391.26	99.00%	\$ 1,377.35	\$ 34.78	\$ 37.56
7.00	2	S-O-	\$ 11,554.27	\$15.04	\$10,576.67	96.50%	\$ 10,960.28	99.00%	\$ 10,850.68	\$ 274.01	\$ 295.93
7.00	2	S-O-	\$ 1,865.28	\$16.24	\$1,556.72	96.50%	\$ 1,613.18	99.00%	\$ 1,597.05	\$ 40.33	\$ 43.56
1.00	2	W-I-01	\$ 776.70	\$6.72	\$635.58	96.50%	\$ 658.63	99.00%	\$ 652.05	\$ 16.47	\$ 16.47

PRE-RETROFIT and POST-RETROFIT CONDITIONS – BASELINE(S) (continued)

Accounts	Size	Rate Code	Pre-Retrofit		Pre Retrofit Revenue above Base Charges	Baseline Tested Accuracy	Max Revenue above base charges (100% accuracy)	Guaranteed Accuracy	Post Retrofit Projected Revenue	Post Retrofit Funding	Post Retrofit Funding using '08/'09 Rate Changes
			Revenue	Base_Rate							
2.00	2	W-I-02	\$ 291.36	\$12.14	\$0.00	96.50%	\$ -	99.00%	\$ -	\$ -	\$ -
61.00	2	W-I-04	\$ 105,396.49	\$39.24	\$76,123.45	96.50%	\$ 78,884.40	99.00%	\$ 78,095.56	\$ 1,972.11	\$ 1,972.11
17.00	2	W-O-04	\$ 26,508.32	\$92.27	\$11,929.66	96.50%	\$ 12,362.34	99.00%	\$ 12,238.72	\$ 309.06	\$ 319.88
17.00	2	W-O-04	\$ 6,385.17	\$95.97	\$1,970.55	96.50%	\$ 2,042.02	99.00%	\$ 2,021.60	\$ 51.05	\$ 52.84
9.00	2	F-I-	\$ 1,717.33	\$20.00	\$117.33	96.50%	\$ 121.59	99.00%	\$ 120.37	\$ 3.04	\$ 3.04
9.00	2	F-I-	\$ 440.00	\$30.00	(\$190.00)	96.50%	\$ (196.89)	99.00%	\$ (194.92)	\$ (4.92)	\$ (4.92)
4.00	2	F-O-	\$ 1,512.00	\$30.00	\$432.00	96.50%	\$ 447.67	99.00%	\$ 443.19	\$ 11.19	\$ 11.19
4.00	2	F-O-	\$ 504.00	\$42.00	\$0.00	96.50%	\$ -	99.00%	\$ -	\$ -	\$ -
61.00	2	S-I-	\$ 164,307.89	\$12.88	\$156,992.05	96.50%	\$ 162,686.06	99.00%	\$ 161,059.20	\$ 4,067.15	\$ 4,392.52
58.00	2	S-I-	\$ 38,037.31	\$13.26	\$36,313.51	96.50%	\$ 37,630.58	99.00%	\$ 37,254.27	\$ 940.76	\$ 1,016.03
1.00	2	S-I-04	\$ 736.73	\$12.88	\$620.81	96.50%	\$ 643.33	99.00%	\$ 636.89	\$ 16.08	\$ 17.37
1.00	2	S-I-04	\$ 230.03	\$13.26	\$190.25	96.50%	\$ 197.15	99.00%	\$ 195.18	\$ 4.93	\$ 5.32
2.00	2	S-O-	\$ 11,485.24	\$15.04	\$11,214.52	96.50%	\$ 11,621.26	99.00%	\$ 11,505.05	\$ 290.53	\$ 313.77
2.00	2	S-O-	\$ 2,879.10	\$16.24	\$2,781.66	96.50%	\$ 2,882.55	99.00%	\$ 2,853.72	\$ 72.06	\$ 77.83
1.00	2	W-I-01	\$ 80.64	\$6.72	\$0.00	96.50%	\$ -	99.00%	\$ -	\$ -	\$ -
1.00	2	W-I-02	\$ 491.34	\$12.14	\$345.66	96.50%	\$ 358.20	99.00%	\$ 354.61	\$ 8.95	\$ 8.95
74.00	2	W-I-04	\$ 107,803.70	\$39.24	\$74,057.30	96.50%	\$ 76,743.32	99.00%	\$ 75,975.88	\$ 1,918.58	\$ 1,918.58
17.00	2	W-O-04	\$ 43,730.43	\$92.27	\$29,613.12	96.50%	\$ 30,687.17	99.00%	\$ 30,380.30	\$ 767.18	\$ 794.03
17.00	2	W-O-04	\$ 13,419.01	\$95.97	\$8,620.51	96.50%	\$ 8,933.17	99.00%	\$ 8,843.84	\$ 223.33	\$ 231.15
11.00	2	F-I-	\$ 2,076.67	\$20.00	\$216.67	96.50%	\$ 224.53	99.00%	\$ 222.28	\$ 5.61	\$ 5.61
11.00	2	F-I-	\$ 504.67	\$30.00	(\$215.33)	96.50%	\$ (223.14)	99.00%	\$ (220.91)	\$ (5.58)	\$ (5.58)
1.00	2	F-O-	\$ 378.00	\$30.00	\$108.00	96.50%	\$ 111.92	99.00%	\$ 110.80	\$ 2.80	\$ 2.80
1.00	2	F-O-	\$ 126.00	\$42.00	\$0.00	96.50%	\$ -	99.00%	\$ -	\$ -	\$ -
64.00	2	S-I-	\$ 263,817.42	\$12.88	\$256,179.58	96.50%	\$ 265,471.07	99.00%	\$ 262,816.36	\$ 6,636.78	\$ 7,167.72
55.00	2	S-I-	\$ 64,306.56	\$13.26	\$62,609.28	96.50%	\$ 64,880.08	99.00%	\$ 64,231.28	\$ 1,622.00	\$ 1,751.76
1.00	2	S-I-04	\$ 132.02	\$12.88	\$16.10	96.50%	\$ 16.68	99.00%	\$ 16.52	\$ 0.42	\$ 0.45
1.00	2	S-I-04	\$ 59.96	\$13.26	\$20.18	96.50%	\$ 20.91	99.00%	\$ 20.70	\$ 0.52	\$ 0.56
1.00	2	S-O-	\$ 6,752.96	\$15.04	\$6,617.60	96.50%	\$ 6,857.62	99.00%	\$ 6,789.04	\$ 171.44	\$ 185.16
1.00	2	S-O-	\$ 3,267.72	\$16.24	\$3,219.00	96.50%	\$ 3,335.75	99.00%	\$ 3,302.39	\$ 83.39	\$ 90.07
3.00	2	W-I-01	\$ 735.18	\$6.72	\$493.26	96.50%	\$ 511.15	99.00%	\$ 506.04	\$ 12.78	\$ 12.78
5.00	2	W-I-02	\$ 1,816.30	\$12.14	\$1,087.90	96.50%	\$ 1,127.36	99.00%	\$ 1,116.08	\$ 28.18	\$ 28.18
1.00	2	W-I-03	\$ 275.76	\$22.98	\$0.00	96.50%	\$ -	99.00%	\$ -	\$ -	\$ -
66.00	2	W-I-04	\$ 115,449.25	\$39.24	\$84,802.81	96.50%	\$ 87,878.56	99.00%	\$ 86,999.77	\$ 2,196.96	\$ 2,196.96
6.00	2	W-O-04	\$ 11,085.21	\$92.27	\$6,102.63	96.50%	\$ 6,323.97	99.00%	\$ 6,260.73	\$ 158.10	\$ 163.63
6.00	2	W-O-04	\$ 4,163.80	\$95.97	\$2,436.34	96.50%	\$ 2,524.70	99.00%	\$ 2,499.46	\$ 63.12	\$ 65.33
12.00	2	F-I-	\$ 2,279.00	\$20.00	\$359.00	96.50%	\$ 372.02	99.00%	\$ 368.30	\$ 9.30	\$ 9.30
13.00	2	F-I-	\$ 756.00	\$30.00	(\$144.00)	96.50%	\$ (149.22)	99.00%	\$ (147.73)	\$ (3.73)	\$ (3.73)
53.00	2	S-I-	\$ 137,155.21	\$12.88	\$131,359.21	96.50%	\$ 136,123.53	99.00%	\$ 134,762.30	\$ 3,403.09	\$ 3,675.34
63.00	2	S-I-	\$ 51,402.78	\$13.26	\$49,466.82	96.50%	\$ 51,260.95	99.00%	\$ 50,748.34	\$ 1,281.52	\$ 1,384.05
1.00	2	S-O-	\$ 2,609.43	\$15.04	\$2,474.07	96.50%	\$ 2,563.80	99.00%	\$ 2,538.17	\$ 64.10	\$ 69.22
1.00	2	S-O-	\$ 1,088.30	\$16.24	\$1,039.58	96.50%	\$ 1,077.28	99.00%	\$ 1,066.51	\$ 26.93	\$ 29.09
2.00	2	W-I-01	\$ 312.73	\$6.72	\$211.93	96.50%	\$ 219.62	99.00%	\$ 217.42	\$ 5.49	\$ 5.49
3.00	2	W-I-02	\$ 490.24	\$12.14	\$308.14	96.50%	\$ 319.32	99.00%	\$ 316.12	\$ 7.98	\$ 7.98
2.00	2	W-I-03	\$ 691.88	\$22.98	\$140.36	96.50%	\$ 145.45	99.00%	\$ 144.00	\$ 3.64	\$ 3.64
64.00	2	W-I-04	\$ 68,124.21	\$39.24	\$44,305.53	96.50%	\$ 45,912.47	99.00%	\$ 45,453.34	\$ 1,147.81	\$ 1,147.81
1.00	2	W-O-01	\$ 3,535.65	\$14.25	\$3,407.40	96.50%	\$ 3,530.98	99.00%	\$ 3,495.67	\$ 88.27	\$ 91.36
1.00	2	W-O-01	\$ 1,563.50	\$14.82	\$1,519.04	96.50%	\$ 1,574.13	99.00%	\$ 1,558.39	\$ 39.35	\$ 40.73
3.00	2	W-O-04	\$ 4,756.43	\$92.27	\$1,434.71	96.50%	\$ 1,486.75	99.00%	\$ 1,471.88	\$ 37.17	\$ 38.47
4.00	2	W-O-04	\$ 1,707.93	\$95.97	\$460.32	96.50%	\$ 477.02	99.00%	\$ 472.25	\$ 11.93	\$ 12.34
1.00	3	F-I-	\$ 300.00	\$20.00	\$100.00	98.50%	\$ 101.52	98.50%	\$ 100.00	\$ -	\$ -
1.00	3	F-I-	\$ 60.00	\$30.00	\$0.00	98.50%	\$ -	98.50%	\$ -	\$ -	\$ -
7.00	3	S-I-	\$ 50,052.96	\$12.88	\$49,151.36	98.50%	\$ 49,899.86	98.50%	\$ 49,151.36	\$ -	\$ -
7.00	3	S-I-	\$ 21,845.16	\$13.26	\$21,646.26	98.50%	\$ 21,975.90	98.50%	\$ 21,646.26	\$ -	\$ -
1.00	3	W-I-03	\$ 6,212.00	\$22.98	\$5,936.24	98.50%	\$ 6,026.64	98.50%	\$ 5,936.24	\$ -	\$ -
9.00	3	W-I-05	\$ 32,752.62	\$102.56	\$19,112.14	98.50%	\$ 19,403.19	98.50%	\$ 19,112.14	\$ -	\$ -
1.00	3	F-I-	\$ 200.00	\$20.00	\$0.00	41.00%	\$ -	98.50%	\$ -	\$ -	\$ -
9.00	3	F-I-	\$ 1,833.33	\$20.00	\$93.33	98.50%	\$ 94.75	98.50%	\$ 93.33	\$ -	\$ -

PRE-RETROFIT and POST-RETROFIT CONDITIONS – BASELINE(S) (continued)

Accounts	Size	Rate Code	Pre-Retrofit		Pre Retrofit Revenue above Base Charges	Baseline Tested Accuracy	Max Revenue above base charges (100% accuracy)	Guaranteed Accuracy	Post Retrofit Projected Revenue	Post Retrofit Funding	Post Retrofit Funding using '08/'09 Rate Changes
			Revenue	Base_Rate							
1.00	3	F-I-	\$ 40.00	\$30.00	(\$20.00)	41.00%	\$ (48.78)	98.50%	\$ (48.05)	\$ (28.05)	\$ (28.05)
9.00	3	F-I-	\$ 380.00	\$30.00	(\$160.00)	98.50%	\$ (162.44)	98.50%	\$ (160.00)	\$ -	\$ -
1.00	3	S-I-	\$ 39,566.73	\$12.88	\$39,437.93	41.00%	\$ 96,190.07	98.50%	\$ 94,747.22	\$ 55,309.29	\$ 59,734.04
12.00	3	S-I-	\$ 56,167.11	\$12.88	\$54,621.51	98.50%	\$ 55,453.31	98.50%	\$ 54,621.51	\$ -	\$ -
1.00	3	S-I-	\$ 232.71	\$13.26	\$206.19	41.00%	\$ 502.90	98.50%	\$ 495.36	\$ 289.17	\$ 312.30
12.00	3	S-I-	\$ 9,431.83	\$13.26	\$9,113.59	98.50%	\$ 9,252.38	98.50%	\$ 9,113.59	\$ -	\$ -
1.00	3	S-O-	\$ 13,699.45	\$15.04	\$13,564.09	98.50%	\$ 13,770.65	98.50%	\$ 13,564.09	\$ -	\$ -
1.00	3	S-O-	\$ 1,604.61	\$16.24	\$1,555.89	98.50%	\$ 1,579.58	98.50%	\$ 1,555.89	\$ -	\$ -
1.00	3	W-I-05	\$ 9,426.92	\$102.56	\$8,196.20	41.00%	\$ 19,990.73	98.50%	\$ 19,690.87	\$ 11,494.67	\$ 11,494.67
12.00	3	W-I-05	\$ 22,095.43	\$102.56	\$7,326.79	98.50%	\$ 7,438.37	98.50%	\$ 7,326.79	\$ -	\$ -
1.00	3	W-O-05	\$ 9,866.94	\$260.49	\$6,741.06	98.50%	\$ 6,843.72	98.50%	\$ 6,741.06	\$ -	\$ -
9.00	3	F-I-	\$ 2,010.00	\$20.00	\$290.00	98.50%	\$ 294.42	98.50%	\$ 290.00	\$ -	\$ -
9.00	3	F-I-	\$ 510.00	\$30.00	(\$150.00)	98.50%	\$ (152.28)	98.50%	\$ (150.00)	\$ -	\$ -
12.00	3	S-I-	\$ 94,303.51	\$12.88	\$92,822.31	98.50%	\$ 94,235.85	98.50%	\$ 92,822.31	\$ -	\$ -
12.00	3	S-I-	\$ 28,677.16	\$13.26	\$28,292.62	98.50%	\$ 28,723.47	98.50%	\$ 28,292.62	\$ -	\$ -
1.00	3	S-I-05	\$ 8,889.63	\$0.00	\$8,889.63	98.50%	\$ 9,025.01	98.50%	\$ 8,889.63	\$ -	\$ -
1.00	3	S-O-	\$ 2,503.41	\$15.04	\$2,353.01	98.50%	\$ 2,388.84	98.50%	\$ 2,353.01	\$ -	\$ -
1.00	3	S-O-	\$ 1,946.36	\$16.24	\$1,913.88	98.50%	\$ 1,943.03	98.50%	\$ 1,913.88	\$ -	\$ -
2.00	3	W-I-02	\$ 3,790.87	\$12.14	\$3,499.51	98.50%	\$ 3,552.80	98.50%	\$ 3,499.51	\$ -	\$ -
1.00	3	W-I-03	\$ 572.09	\$22.98	\$296.33	98.50%	\$ 300.84	98.50%	\$ 296.33	\$ -	\$ -
13.00	3	W-I-05	\$ 38,124.65	\$102.56	\$22,125.29	98.50%	\$ 22,462.22	98.50%	\$ 22,125.29	\$ -	\$ -
1.00	3	W-O-05	\$ 2,737.31	\$250.43	\$233.01	98.50%	\$ 236.56	98.50%	\$ 233.01	\$ -	\$ -
1.00	3	W-O-05	\$ 1,175.38	\$260.49	\$654.40	98.50%	\$ 664.37	98.50%	\$ 654.40	\$ -	\$ -
4.00	3	F-I-	\$ 800.00	\$20.00	\$0.00	98.50%	\$ -	98.50%	\$ -	\$ -	\$ -
4.00	3	F-I-	\$ 160.00	\$30.00	(\$80.00)	98.50%	\$ (81.22)	98.50%	\$ (80.00)	\$ -	\$ -
5.00	3	S-I-	\$ 56,052.48	\$12.88	\$55,421.36	98.50%	\$ 56,265.34	98.50%	\$ 55,421.36	\$ -	\$ -
5.00	3	S-I-	\$ 10,772.36	\$13.26	\$10,626.50	98.50%	\$ 10,788.32	98.50%	\$ 10,626.50	\$ -	\$ -
1.00	3	S-I-05	\$ 14,296.80	\$12.88	\$14,168.00	98.50%	\$ 14,383.76	98.50%	\$ 14,168.00	\$ -	\$ -
1.00	3	S-I-05	\$ 2,514.76	\$13.20	\$2,488.36	98.50%	\$ 2,526.25	98.50%	\$ 2,488.36	\$ -	\$ -
1.00	3	W-I-03	\$ 1,189.82	\$22.98	\$914.06	98.50%	\$ 927.98	98.50%	\$ 914.06	\$ -	\$ -
6.00	3	W-I-05	\$ 22,346.98	\$102.56	\$14,962.66	98.50%	\$ 15,190.52	98.50%	\$ 14,962.66	\$ -	\$ -
1.00	4	F-I-	\$ 200.00	\$20.00	\$0.00	82.20%	\$ -	98.50%	\$ -	\$ -	\$ -
1.00	4	F-I-	\$ 300.00	\$20.00	\$100.00	98.50%	\$ 101.52	98.50%	\$ 100.00	\$ -	\$ -
1.00	4	F-I-	\$ 40.00	\$30.00	(\$20.00)	82.20%	\$ (24.33)	98.50%	\$ (23.97)	\$ (3.97)	\$ (3.97)
1.00	4	F-I-	\$ 60.00	\$30.00	\$0.00	98.50%	\$ -	98.50%	\$ -	\$ -	\$ -
1.00	4	S-I-	\$ 59,977.64	\$12.88	\$59,848.84	97.80%	\$ 61,195.13	98.50%	\$ 60,277.21	\$ 428.37	\$ 462.64
4.00	4	S-I-	\$ 122,843.63	\$12.88	\$122,328.43	98.50%	\$ 124,191.30	98.50%	\$ 122,328.43	\$ -	\$ -
1.00	4	S-I-	\$ 12,655.35	\$13.26	\$12,628.83	97.80%	\$ 12,912.91	98.50%	\$ 12,719.22	\$ 90.39	\$ 97.62
4.00	4	S-I-	\$ 22,894.71	\$13.26	\$22,788.63	98.50%	\$ 23,135.66	98.50%	\$ 22,788.63	\$ -	\$ -
1.00	4	S-I-06	\$ 6,269.99	\$12.88	\$6,141.19	96.70%	\$ 6,350.77	98.50%	\$ 6,255.50	\$ 114.31	\$ 123.46
1.00	4	S-I-06	\$ 1,032.95	\$13.26	\$1,006.43	96.70%	\$ 1,040.78	98.50%	\$ 1,025.16	\$ 18.73	\$ 20.23
1.00	4	W-I-02	\$ 145.68	\$12.14	\$0.00	98.50%	\$ -	98.50%	\$ -	\$ -	\$ -
1.00	4	W-I-06	\$ 6,937.90	\$202.33	\$4,509.94	82.20%	\$ 5,486.55	98.50%	\$ 5,404.25	\$ 894.31	\$ 894.31
1.00	4	W-I-06	\$ 3,347.03	\$202.33	\$919.07	96.70%	\$ 950.43	98.50%	\$ 936.18	\$ 17.11	\$ 17.11
1.00	4	W-I-06	\$ 16,570.80	\$202.33	\$14,142.84	97.80%	\$ 14,460.98	98.50%	\$ 14,244.07	\$ 101.23	\$ 101.23
4.00	4	W-I-06	\$ 35,203.74	\$202.33	\$25,491.90	98.50%	\$ 25,880.10	98.50%	\$ 25,491.90	\$ -	\$ -
1.00	4	W-O-06	\$ 25,178.26	\$578.42	\$19,972.48	98.50%	\$ 20,276.63	98.50%	\$ 19,972.48	\$ -	\$ -
1.00	4	W-O-06	\$ 7,620.96	\$601.71	\$5,815.83	98.50%	\$ 5,904.40	98.50%	\$ 5,815.83	\$ -	\$ -
1.00	4	F-I-	\$ 800.00	\$20.00	\$600.00	86.20%	\$ 696.06	98.50%	\$ 685.61	\$ 85.61	\$ 85.61
3.00	4	F-I-	\$ 720.00	\$20.00	\$100.00	98.50%	\$ 101.52	98.50%	\$ 100.00	\$ -	\$ -
1.00	4	F-I-	\$ 160.00	\$30.00	\$100.00	86.20%	\$ 116.01	98.50%	\$ 114.27	\$ 14.27	\$ 14.27
3.00	4	F-I-	\$ 140.00	\$30.00	(\$40.00)	98.50%	\$ (40.61)	98.50%	\$ (40.00)	\$ -	\$ -
1.00	4	S-I-	\$ 69,631.87	\$12.88	\$69,503.07	86.20%	\$ 80,630.01	98.50%	\$ 79,420.56	\$ 9,917.49	\$ 10,710.89
7.00	4	S-I-	\$ 121,700.53	\$12.88	\$120,914.85	98.50%	\$ 122,756.19	98.50%	\$ 120,914.85	\$ -	\$ -
1.00	4	S-I-	\$ 17,124.63	\$13.26	\$17,098.11	86.20%	\$ 19,835.39	98.50%	\$ 19,537.86	\$ 2,439.75	\$ 2,634.93
6.00	4	S-I-	\$ 20,961.40	\$13.26	\$20,802.28	98.50%	\$ 21,119.07	98.50%	\$ 20,802.28	\$ -	\$ -
1.00	4	S-I-06	\$ 8,119.53	\$12.88	\$7,990.73	98.50%	\$ 8,112.42	98.50%	\$ 7,990.73	\$ -	\$ -

PRE-RETROFIT and POST-RETROFIT CONDITIONS – BASELINE(S) (continued)

Accounts	Size	Rate Code	Pre-Retrofit		Pre Retrofit Revenue above Base Charges	Baseline Tested Accuracy	Max Revenue above base charges (100% accuracy)	Guaranteed Accuracy	Post Retrofit Projected Revenue	Post Retrofit Funding	Post Retrofit Funding using '08/'09 Rate Changes
			Revenue	Base Rate							
1.00	4	S-I-06	\$ 797.59	\$13.26	\$771.07	98.50%	\$ 782.81	98.50%	\$ 771.07	\$ -	\$ -
1.00	4	S-O-06	\$ 36,973.10	\$0.00	\$36,973.10	98.50%	\$ 37,536.14	98.50%	\$ 36,973.10	\$ -	\$ -
1.00	4	W-I-04	\$ 1,847.42	\$39.24	\$1,376.54	98.50%	\$ 1,397.50	98.50%	\$ 1,376.54	\$ -	\$ -
1.00	4	W-I-06	\$ 19,678.49	\$202.33	\$17,250.53	86.20%	\$ 20,012.22	98.50%	\$ 19,712.03	\$ 2,461.50	\$ 2,461.50
11.00	4	W-I-06	\$ 155,427.45	\$202.33	\$128,517.56	98.50%	\$ 130,474.68	98.50%	\$ 128,517.56	\$ -	\$ -
2.00	4	W-O-06	\$ 31,561.65	\$578.42	\$21,150.09	98.50%	\$ 21,472.17	98.50%	\$ 21,150.09	\$ -	\$ -
2.00	4	W-O-06	\$ 9,547.48	\$601.71	\$5,937.22	98.50%	\$ 6,027.63	98.50%	\$ 5,937.22	\$ -	\$ -
1.00	4	F-O-	\$ 378.00	\$30.00	\$108.00	98.50%	\$ 109.64	98.50%	\$ 108.00	\$ -	\$ -
1.00	4	F-O-	\$ 126.00	\$42.00	\$0.00	98.50%	\$ -	98.50%	\$ -	\$ -	\$ -
5.00	4	S-I-	\$ 77,881.51	\$12.88	\$77,250.39	98.50%	\$ 78,426.79	98.50%	\$ 77,250.39	\$ -	\$ -
5.00	4	S-I-	\$ 18,722.30	\$13.26	\$18,589.70	98.50%	\$ 18,872.79	98.50%	\$ 18,589.70	\$ -	\$ -
1.00	4	S-I-06	\$ 393.48	\$12.88	\$277.56	98.50%	\$ 281.79	98.50%	\$ 277.56	\$ -	\$ -
1.00	4	S-I-06	\$ 125.97	\$13.26	\$86.19	98.50%	\$ 87.50	98.50%	\$ 86.19	\$ -	\$ -
1.00	4	W-I-02	\$ 134.35	\$12.14	\$0.81	98.50%	\$ 0.82	98.50%	\$ 0.81	\$ -	\$ -
1.00	4	W-I-03	\$ 1,035.74	\$22.98	\$759.98	98.50%	\$ 771.55	98.50%	\$ 759.98	\$ -	\$ -
1.00	4	W-I-06	\$ 6,744.45	\$202.33	\$4,316.49	44.00%	\$ 9,810.20	98.50%	\$ 9,663.05	\$ 5,346.56	\$ 5,346.56
6.00	4	W-I-06	\$ 90,280.35	\$202.33	\$75,914.92	98.50%	\$ 77,070.98	98.50%	\$ 75,914.92	\$ -	\$ -
1.00	4	W-O-06	\$ 16,669.25	\$578.42	\$11,463.47	98.50%	\$ 11,638.04	98.50%	\$ 11,463.47	\$ -	\$ -
1.00	4	W-O-06	\$ 1,781.84	\$601.71	(\$23.29)	98.50%	\$ (23.64)	98.50%	\$ (23.29)	\$ -	\$ -
4.00	4	F-I-	\$ 741.33	\$20.00	\$61.33	98.50%	\$ 62.26	98.50%	\$ 61.33	\$ -	\$ -
4.00	4	F-I-	\$ 160.00	\$30.00	(\$80.00)	98.50%	\$ (81.22)	98.50%	\$ (80.00)	\$ -	\$ -
6.00	4	S-I-	\$ 43,104.88	\$12.88	\$42,486.64	98.50%	\$ 43,133.64	98.50%	\$ 42,486.64	\$ -	\$ -
7.00	4	S-I-	\$ 17,048.16	\$13.26	\$16,862.52	98.50%	\$ 17,119.31	98.50%	\$ 16,862.52	\$ -	\$ -
1.00	4	S-I-06	\$ 42,818.90	\$12.88	\$42,690.10	92.10%	\$ 46,351.90	98.50%	\$ 45,656.62	\$ 2,966.52	\$ 3,203.84
1.00	4	S-I-06	\$ 8,750.94	\$13.26	\$8,724.42	92.10%	\$ 9,472.77	98.50%	\$ 9,330.68	\$ 606.26	\$ 654.76
1.00	4	W-I-02	\$ 11.74	\$12.14	(\$0.40)	98.50%	\$ (0.41)	98.50%	\$ (0.40)	\$ -	\$ -
1.00	4	W-I-04	\$ 2,751.88	\$39.24	\$2,281.00	98.50%	\$ 2,315.74	98.50%	\$ 2,281.00	\$ -	\$ -
1.00	4	W-I-06	\$ 12,364.04	\$202.33	\$9,936.08	92.10%	\$ 10,788.36	98.50%	\$ 10,626.54	\$ 690.46	\$ 690.46
7.00	4	W-I-06	\$ 22,528.96	\$202.33	\$8,770.52	98.50%	\$ 8,904.08	98.50%	\$ 8,770.52	\$ -	\$ -
3.00	6	S-I-	\$ 113,981.56	\$12.88	\$113,659.56	98.50%	\$ 115,390.42	98.50%	\$ 113,659.56	\$ -	\$ -
3.00	6	S-I-	\$ 24,973.90	\$13.26	\$24,894.34	98.50%	\$ 25,273.44	98.50%	\$ 24,894.34	\$ -	\$ -
1.00	6	S-I-06	\$ 166,119.80	\$12.88	\$165,991.00	98.50%	\$ 168,518.78	98.50%	\$ 165,991.00	\$ -	\$ -
1.00	6	S-I-06	\$ 25,608.38	\$13.26	\$25,581.86	98.50%	\$ 25,971.43	98.50%	\$ 25,581.86	\$ -	\$ -
1.00	6	S-I-07	\$ 62,943.27	\$12.88	\$62,814.47	48.00%	\$ 130,863.48	98.50%	\$ 128,900.53	\$ 66,086.06	\$ 71,372.94
1.00	6	S-I-07	\$ 11,640.96	\$13.26	\$11,614.44	96.50%	\$ 12,035.69	98.50%	\$ 11,855.15	\$ 240.71	\$ 259.97
1.00	6	W-I-07	\$ 27,141.96	\$431.13	\$21,968.40	96.50%	\$ 22,765.18	98.50%	\$ 22,423.70	\$ 455.30	\$ 455.30
6.00	6	W-I-07	\$ 146,480.68	\$431.13	\$110,265.76	98.50%	\$ 111,944.93	98.50%	\$ 110,265.76	\$ -	\$ -
1.00	6	W-O-07	\$ 11,136.24	\$1,237.36	\$0.00	93.30%	\$ -	98.50%	\$ -	\$ -	\$ -
1.00	6	W-O-07	\$ 3,811.44	\$1,287.04	(\$49.68)	93.30%	\$ (53.25)	98.50%	\$ (52.45)	\$ (2.77)	\$ (2.87)
1.00	6	F-I-	\$ 200.00	\$20.00	\$0.00	96.50%	\$ -	98.50%	\$ -	\$ -	\$ -
1.00	6	F-I-	\$ 40.00	\$30.00	(\$20.00)	96.50%	\$ (20.73)	98.50%	\$ (20.41)	\$ (0.41)	\$ (0.41)
5.00	6	S-I-	\$ 63,538.96	\$12.88	\$63,023.76	98.50%	\$ 63,983.51	98.50%	\$ 63,023.76	\$ -	\$ -
4.00	6	S-I-	\$ 18,141.83	\$13.26	\$18,022.49	98.50%	\$ 18,296.94	98.50%	\$ 18,022.49	\$ -	\$ -
1.00	6	W-I-07	\$ 448,807.32	\$431.13	\$443,633.76	90.00%	\$ 492,926.40	98.50%	\$ 485,532.50	\$ 41,898.74	\$ 41,898.74
1.00	6	W-I-07	\$ 38,700.50	\$431.13	\$33,528.94	91.50%	\$ 36,641.46	98.50%	\$ 36,091.84	\$ 2,564.90	\$ 2,564.90
9.00	6	W-I-07	\$ 212,780.07	\$431.13	\$170,960.46	98.50%	\$ 173,563.92	98.50%	\$ 170,960.46	\$ -	\$ -
2.00	6	S-I-	\$ 97,635.56	\$12.88	\$97,377.96	98.50%	\$ 98,860.87	98.50%	\$ 97,377.96	\$ -	\$ -
1.00	6	S-I-	\$ 545.65	\$13.26	\$519.13	98.50%	\$ 527.04	98.50%	\$ 519.13	\$ -	\$ -
2.00	6	W-I-07	\$ 26,845.47	\$431.13	\$17,360.61	98.50%	\$ 17,624.98	98.50%	\$ 17,360.61	\$ -	\$ -
1.00	6	S-I-	\$ 3,633.45	\$12.88	\$3,517.53	98.50%	\$ 3,571.10	98.50%	\$ 3,517.53	\$ -	\$ -
2.00	6	S-I-	\$ 15,863.47	\$13.26	\$15,797.17	98.50%	\$ 16,037.74	98.50%	\$ 15,797.17	\$ -	\$ -
2.00	6	S-O-	\$ 28,282.72	\$15.04	\$28,012.00	98.50%	\$ 28,438.58	98.50%	\$ 28,012.00	\$ -	\$ -
2.00	6	S-O-	\$ 9,273.76	\$16.24	\$9,176.32	98.50%	\$ 9,316.06	98.50%	\$ 9,176.32	\$ -	\$ -
2.00	6	W-I-07	\$ 8,407.12	\$431.13	\$2,371.30	98.50%	\$ 2,407.41	98.50%	\$ 2,371.30	\$ -	\$ -
2.00	6	W-O-07	\$ 23,944.30	\$1,237.36	\$1,671.82	98.50%	\$ 1,697.28	98.50%	\$ 1,671.82	\$ -	\$ -
2.00	6	W-O-07	\$ 7,847.55	\$1,287.04	\$125.31	98.50%	\$ 127.22	98.50%	\$ 125.31	\$ -	\$ -
1.00	8	S-I-	\$ 23,884.02	\$12.88	\$23,742.34	98.50%	\$ 24,103.90	98.50%	\$ 23,742.34	\$ -	\$ -

PRE-RETROFIT and POST-RETROFIT CONDITIONS – BASELINE(S) (continued)

Accounts	Size	Rate Code	Pre-Retrofit Revenue	Base_Rate	Pre Retrofit Revenue above Base Charges	Baseline Tested Accuracy	Max Revenue above base charges (100% accuracy)	Guaranteed Accuracy	Post Retrofit Projected Revenue	Post Retrofit Funding	Post Retrofit Funding using '08/'09 Rate Changes
1.00	8	S-I-	\$ 4,545.52	\$13.26	\$4,519.00	98.50%	\$ 4,587.82	98.50%	\$ 4,519.00	\$ -	\$ -
4.00	8	W-I-08	\$ 33,311.82	\$598.44	\$2,791.38	98.50%	\$ 2,833.89	98.50%	\$ 2,791.38	\$ -	\$ -
2.00	8	F-I-	\$ 800.00	\$20.00	\$400.00	98.50%	\$ 406.09	98.50%	\$ 400.00	\$ -	\$ -
2.00	8	F-I-	\$ 160.00	\$30.00	\$40.00	98.50%	\$ 40.61	98.50%	\$ 40.00	\$ -	\$ -
1.00	8	S-I-	\$ 9,166.06	\$12.88	\$9,037.26	98.50%	\$ 9,174.88	98.50%	\$ 9,037.26	\$ -	\$ -
1.00	8	S-I-	\$ 2,410.67	\$13.26	\$2,384.15	98.50%	\$ 2,420.46	98.50%	\$ 2,384.15	\$ -	\$ -
4.00	8	W-I-08	\$ 355,089.75	\$598.44	\$326,364.63	98.50%	\$ 331,334.65	98.50%	\$ 326,364.63	\$ -	\$ -
1.00	8	F-I-	\$ 959.00	\$20.00	\$319.00	98.50%	\$ 323.86	98.50%	\$ 319.00	\$ -	\$ -
1.00	8	F-I-	\$ 60.00	\$30.00	\$0.00	98.50%	\$ -	98.50%	\$ -	\$ -	\$ -
1.00	8	S-I-08	\$ 3,951.59	\$12.88	\$3,822.79	98.50%	\$ 3,881.01	98.50%	\$ 3,822.79	\$ -	\$ -
1.00	8	S-I-08	\$ 26.52	\$13.20	\$0.12	98.50%	\$ 0.12	98.50%	\$ 0.12	\$ -	\$ -
1.00	8	W-I-08	\$ 21,160.70	\$598.44	\$813.74	98.50%	\$ 826.13	98.50%	\$ 813.74	\$ -	\$ -
1.00	10	F-I-	\$ 300.00	\$20.00	\$100.00	97.50%	\$ 102.56	98.50%	\$ 101.03	\$ 1.03	\$ 1.03
1.00	10	F-I-	\$ 60.00	\$30.00	\$0.00	97.50%	\$ -	98.50%	\$ -	\$ -	\$ -
1.00	10	W-I-09	\$ 30,019.69	\$1,010.28	\$17,896.33	97.50%	\$ 18,355.21	98.50%	\$ 18,079.88	\$ 183.55	\$ 183.55

NOTES:

- The Funding amount shown above has been reduced by \$27,918 outside of the modeling tool (see calculations below). This reduction in Post Retrofit Funding is attributable to the fact that a total of five thousand, one hundred and thirty-one (5,131) meters sized 5/8" through 2" are not being replaced. These meters are all three or fewer years in age and are not deemed beneficial for replacement. The portion of each respective meter size that is not being replaced was deducted from the Funding model. The total Post Retrofit Funding amount calculated to \$410,525 after this correction.
- Once the meter test results for the 1.5" and 2" meters described in Exhibit 7 are completed, the tables in this Exhibit will be modified to reflect the new baseline conditions.

Deduct Calculations:

13.7% of the 5/8" x 3/4" meters are 3 years old or younger and will not be replaced as part of this project. The total Post Retrofit funding due to these meters is \$151,659. 13.7% of the total yields \$20,777. Likewise, 34.1% of the 1" meters are 3 years old or younger and will not be replaced as part of this project. The total Post Retrofit funding due to these meters is \$20,940. 34.1% of the total yields \$7,141. \$20,777 + 7,141 = \$27,918 deducted from the model.

Dated July 17, 2008

CUSTOMER:

JOHNSON CONTROLS, INC.

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: David M. Peters

Title: _____

Title: Regional Solutions Manager

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

POST-RETROFIT METER GUARANTEES & EXCLUSIONS

Meter sizes included in the Performance Guarantee

Meter Size	Qty
0.625"	30,083
1"	453
1.5"	180
2"	248
3"	2
4"	7
6"	3
8"	1

Meter sizes excluded from the Performance Guarantee

The following meters will not be tested post-retrofit. No guarantee, either express or implied, is made relative to the post-retrofit accuracy of these meters. These meters will be retrofitted with AMR equipment as listed in the scope of work, however, the meter bodies will not be replaced or rebuilt during the project.

Meter Size	Qty
0.625"	4,786
1"	234
1.5"	47
2"	64
3"	40
4"	33
6"	22
8"	8
10"	1

Dated July 17, 2008

JSTOMER:

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

JOHNSON CONTROLS, INC.

Signature: _____

Printed Name: David M. Peters

Title: Regional Solutions Manager

POST-RETROFIT CONDITIONS

Water Meter Average Accuracies

Post-retrofit water meter tests will be performed on meters selected at random by JCI and approved by the Customer. The testing will be performed in accordance with American Water Works Association (AWWA) guidelines. The weighted factors used in the testing will be 15% for minimum flow, 70% for intermediate flow and 15% for high flow rates. The following Table summarizes the meter accuracies that will be guaranteed by JCI as part of this agreement.

Weighted Average Accuracy Post-Retrofit = 15% x Low Flow Rate Accuracy x 70% * Mid Flow Rate Accuracy + 15 % x High Flow Rate Accuracy

Post-Retrofit Guaranteed Meter Accuracy

Post-Retrofit

	0.625"	1"	1.5"	2"	3"	4"	6"
Installed	99.0%	99.0%	99.0%	99.0%	98.5%	98.5%	98.5%
Year 1	98.9%	98.8%	98.8%	98.8%	97.9%	97.9%	97.9%
Year 2	98.8%	98.7%	98.7%	98.7%	97.4%	97.4%	97.4%
Year 3	98.7%	98.5%	98.5%	98.5%	96.8%	96.8%	96.8%
Year 4	98.6%	98.3%	98.3%	98.3%	96.2%	96.2%	96.2%
Year 5	98.5%	98.1%	98.2%	98.2%	95.7%	95.7%	95.7%
Year 6	98.4%	98.0%	98.0%	98.0%	95.1%	95.1%	95.1%
Year 7	98.3%	97.8%	97.8%	97.8%	94.5%	94.5%	94.5%
Year 8	98.3%	97.6%	97.7%	97.7%	94.0%	94.0%	94.0%
Year 9	98.2%	97.4%	97.5%	97.5%	93.4%	93.4%	93.4%
Year 10	98.1%	97.3%	97.3%	97.3%	92.8%	92.8%	92.8%
Year 11	98.0%	97.1%	97.2%	97.2%	92.3%	92.3%	92.3%
Year 12	97.9%	96.9%	97.0%	97.0%	91.7%	91.7%	91.7%
Year 13	97.8%	96.7%	96.8%	96.8%	91.1%	91.1%	91.1%
Year 14	97.7%	96.6%	96.7%	96.7%	90.6%	90.6%	90.6%
Year 15	97.6%	96.4%	96.5%	96.5%	90.0%	90.0%	90.0%
Year 16	97.5%	96.2%	96.3%	96.3%	89.4%	89.4%	89.4%
Year 17	97.4%	96.1%	96.2%	96.2%	88.9%	88.9%	88.9%
	0.09%	0.17%	0.17%	0.17%	0.57%	0.57%	0.57%

Dated July 17, 2008

CUSTOMER:

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

JOHNSON CONTROLS, INC.

Signature: _____

Printed Name: David M. Peters

Title: Regional Solutions Manager

SERVICES SCHEDULE

1. **SCOPE OF SERVICE.** JCI and the City agree that the services checked below will be provided by JCI to the City for a period of three (3) years from substantial completion.

- Performance Reporting Services
- Water Utilities Performance Consulting Service
- Water Meter Testing and Repair Services (year 3 only)

2. JCI Assured Performance Responsibilities:

- A. Guarantee Management Services: Provide project benefits reports based upon system improvements as described in Schedule 1 and 2 of this contract. Reporting frequency and content is described in Schedule 2 of this agreement and shall include the following:

1. Billable water/sewer usage calculations for period compared to targets.
2. Operating and future capital cost avoidance for period.
3. Status of improvement measures implemented by JCI.

- B. Water Utilities Performance Consulting Services:

1. Items a.) and b.) below are predicated on the City having a billing system that is capable of providing a billing data extract to Johnson Controls, Inc. with all billing information in a file format that will permit performance analysis of the water system.
 - a) Monthly review of the water pumped and billable water and sewer usage with performance period comparison to that of target values derived from base year performance.
 - b) Based upon trending results, a revenue evaluation and recommended corrective actions plan will be provided as required. **These reports will be delivered on a quarterly basis.** The City will be responsible for implementing the corrective actions.
2. Provide monthly written evaluations of the billed data to assess the metering system and recommend a benefit optimization strategy to maximize value. The report shall include:
 - a) Accounts that failed to register any consumption,
 - b) Accounts with minimal consumption as compared to the historical record,
 - c) Accounts with abnormally high consumption as compared to the historical record,
 - d) Accounts whose registered consumption is approaching the meter manufacturer's warranted usage limits,
 - e) A listing of locations where leaks have been identified by the automated leak detection system,
 - f) A review of the billed consumption and revenue of the one hundred (100) accounts that have historically generated the highest billable consumption for the City, and
 - g) Verification that the water and sewer rate structures are being applied correctly.
3. JCI will visit site to review status and operation of improvement measures implemented by JCI and the City.
4. Report any operational or retrofit opportunities that would increase billable water and sewer usage and energy cost avoidance.
5. Training
 - a) Customer consultation.
 - b) Telephone support as required.

* **NOTE:** The Performance Consulting Services for items one and two will be provided only if the City provides the information in an electronic exportable format to Johnson Controls, Inc. that is suitable for use in an Microsoft Access database and is available on a monthly basis in an ASCII Comma or Tab delimited format with the first line of the file

being a header line to denote the data in each column. Monthly information requested for each account to be provided to Johnson Controls Inc:

- Account Number
- Account Sequence – (if applicable)
- Meter Sequence – (if applicable)
- Cycle Code – (if applicable)
- Route Code – (if applicable)
- Sequence – (if applicable)
- Customer Name
- Customer Address
- Rate Code – (Please provide one line of data per rate code)
- Water
- Sewer
- Irrigation
- Account Status
- Serial Number
- Meter Size
- Meter Manufacturer
- Meter Location Information
- Billing Date
- Usage / consumption
- Bill Amount (For each rate code item)

C. Water Meter Testing and Repair Services:

JCI will verify the accuracy of the water meters by testing up to the quantity of meters according to the following table of meter size, count and frequency.

Meter Size	Maximum Quantity to Test	*Test Frequency
0.625" x 0.75"	66	Year 3 of contract
1"	37	Year 3 of contract
1.5"	51	Year 3 of contract
2"	58	Year 3 of contract
3"	1	Year 3 of contract
4"	2	Year 3 of contract
6"	3	Year 3 of contract

Table 10 - Meter Sizes & Testing Frequency

The scope of work is as follows:

- a) JCI will provide a test set of meters up to 2" for the **sole use** of annual water meter testing.
- b) JCI will provide a storage locker for the safe storage of this water meter test set at a mutually agreed upon site at the City of Kingsport Water Department.
- c) Based on a random test list provided by JCI & agreed upon by the Customer, the Customer will provide account contact information for access and pre-test notification as required for all water meters. If access or contact information cannot be obtained and or provided in a timely manner an alternate location will be selected and mutually agreed upon for testing.
- d) JCI will provide the push pull labor to replace meters up through 2" with new or refurbished water meters that have been tested per AWWA standards. These replacement meters will be provided by JCI from the established

meter locker.

- e) JCI will bag, package and palletize removed meters up to 2" for shipment to the factory approved testing facility.
- f) JCI will coordinate and be responsible for shipping to and from factory approved testing facility for accuracy bench testing per AWWA standards.
- g) As part of meter testing, JCI will clean the tested meters up to 2" and return ship the meters to the Water Department for the City's use.
- h) JCI will perform a field test per AWWA standards for all meters above 2" listed in the table above.
- i) Prior to the water meter test, if JCI and the Customer determine that the meters selected for testing are damaged and/or inaccurate meters by causes other than normal wear and tear, the Customer will be responsible for replacement or repair of the meters found to be damaged or inaccurate due to causes other than normal wear and tear. Alternate meters will then be selected for testing.

The average (central tendency) and variance (spread) will be calculated to estimate the population characteristics. Additional samples may be required if the variability in the sample test shows that the sample size is not sufficient to draw valid conclusions about the population. A complete retest will be conducted if the sample average is lower than the required weighted average accuracy. If these two samples are significantly different, another retest will be conducted. If not, the reconciliation process will be initiated as described in Schedule 2 of this Agreement. During the test year (year three of the guarantee), if the measured efficiency's fall short of the guaranteed level the shortfall paid will be prorated back over the first three years of the guarantee.

Dated July 17, 2008

CUSTOMER:

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

JOHNSON CONTROLS, INC.

Signature: _____

Printed Name: David M. Peters

Title: Regional Solutions Manager

PRICE AND PAYMENT TERMS SCHEDULE

- PAYMENTS.** This project will be funded from a lease-purchase agreement between the Customer and a Third Party Financial Institution. The Customer shall approve payments from escrow to JCI for Work performed.

The total price for this project is \$9,572,524. \$5,409,757 will be used by the City to purchase the meters and AMR devices. The remaining \$4,162,768 will be payable to JCI according to the payment schedule outlined in Table 11 below. These payments will be due and payable when the Customer receives JCI's invoice and in advance of the services JCI is to provide and shall be made throughout the Service Term.

ITEM NO.	DESCRIPTION OF WORK	SCHEDULED
		Amount
1	Project Mobilization and Engineering Cost (Month 1)	\$ 1,250,000
2	Project Material and Engineering Cost (Month 2)	\$ 260,000
3	Project Material and Engineering Cost (Month 3)	\$ 260,000
4	Progress payments base on percent of meters installed (duration) *	\$ 2,217,768
5	Retention Due at Job Completion (Final Payment)	\$ 175,000
SUBTOTAL		\$ 4,162,768

Table 11 – Project Payment Schedule

* Progress payments are based on percent of meters installed. For example, after 10% of meters are installed, a progress payment of \$241,777 would be made by the customer. Installation duration is expected to be 12 months.

All payments are due 30 days from the date of invoice. Final payment, constituting the entire unpaid balance for the Work, shall be made to JCI within 30 days after the Substantial Completion Date. Payments may be withheld on account of any breach of this Agreement by JCI and claims by third parties (including JCI subcontractors and material suppliers), but only to the extent that written notice has been provided to JCI and JCI has failed, within ten days of the date of receipt of such notice, to provide adequate security to protect Customer from any loss, cost, or expense related to such claims.

The total price for JCI'S Consultation and Verification Services during the Term of this Agreement is \$292,561. This amount will be paid to JCI in annual installments as shown in Table 12 below. These payments will be due and payable when the Customer receives JCI'S invoice and in advance of the services JCI is to provide and shall be made throughout the Service Term.

Installation	\$ 107,220
Year 1	\$ 49,551
Year 2	\$ 50,790
Year 3	\$ 85,000
Total	\$ 292,561

Table 12 - Measurement & Verification/Service Payment Schedule

2. **CUSTOMER PURCHASE ORDERS.** The Customer acknowledges and agrees that any purchase order issued by Customer, in accordance with this Agreement, is intended only to establish payment authority for the Customer's internal accounting purposes. No purchase order shall be considered to be a counteroffer, amendment, modification or other revision to the terms of this Agreement. No term or condition included in the Customer's purchase order will have any force or effect.

Dated July 17, 2008

CUSTOMER:

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

Signature: _____

Printed Name: _____

Title: _____

JOHNSON CONTROLS, INC.

Signature: _____

Printed Name: David M. Peters

Title: Regional Solutions Manager

EQUIPMENT LEASE/PURCHASE AGREEMENT

THIS EQUIPMENT LEASE/PURCHASE AGREEMENT is made as of February 1, 2008, between **ALL AMERICAN INVESTMENT GROUP, LLC**, as Lessor (“Lessor”), and the **CITY OF KINGSPORT, TENNESSEE**, a political subdivision of the State of Tennessee (the “City”), as Lessee.

RECITALS

WHEREAS, the City desires to finance the acquisition of a City-wide water meter system (the “Equipment”) for the City, including related software, engineering and project management (the “Project”); and

WHEREAS, Lessor has agreed to finance such Project costs and to lease the Equipment to the City pursuant to the terms of this Lease Agreement; and

WHEREAS, all acts, conditions and things required by law to happen, exist and be performed precedent to and in connection with the execution of and entering into this Lease Agreement have happened, exist and have been performed in regular and due time and in form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this Lease Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions.

All capitalized terms contained in this Lease Agreement and not otherwise defined shall have the meanings set forth below, unless the context otherwise requires:

“Additional Rent” shall mean (a) reasonable costs and expenses to be reimbursed to Lessor, and (b) all other amounts which the City agrees to pay under the terms of this Lease Agreement, but not including Basic Rent.

“Authorized Representative of the City” shall mean such person or persons as may be designated to act on behalf of the City by a certificate executed by the City Manager.

“Basic Rent” shall mean the payments payable by the City pursuant to Section 4.2(a) in the amounts and on the dates set forth in Exhibit A.

“City Council” shall mean the governing body of the City.

“Code” shall mean the Internal Revenue Code of 1986, as amended, including applicable regulations, rulings and revenue procedures promulgated or applicable thereunder.

“Cost of the Project” shall have the meaning given such term in Section 5.2.

“Equipment” shall mean the water meter system, consisting of all hardware, software, testing and training equipment and materials furnished to the City, as such items are more specifically identified on Exhibit B attached hereto, which Exhibit may be amended from time to time.

“Escrow Agent” shall mean _____.

“Event of Default” shall mean any of the events enumerated in Section 7.1.

“Fiscal Year” shall mean, with respect to the City, a twelve-month period commencing July 1 and ending June 30.

“Lease Agreement” shall mean this Lease Agreement and any and all supplements, amendments and modifications hereto.

“Lease Term” shall mean the duration of the leasehold estate created in the Equipment, as provided in Section 4.1.

“Lessor” shall mean All American Investment Group, LLC.

“Net Proceeds” shall mean the gross proceeds from any insurance recovery, or action of condemnation or loss of title award in connection with the Project less payments for attorneys’ fees, fees and expenses of the Lessor and other expenses incurred in the collection of such gross proceeds.

“Payment of Basic Rent” shall mean payment in full of all Basic Rent due and to become due under this Lease Agreement.

“Permitted Encumbrances” shall mean, as of any particular time as to the Equipment, (a) liens for taxes and special assessments not then delinquent, (b) liens for taxes and assessments which are delinquent but the validity of which is being contested in good faith and with respect to which the City shall have set aside adequate reserves, unless thereby any of the Equipment or the interest of the City therein may be in danger of being lost or forfeited, (c) this Lease Agreement and any security interests or other liens created hereby, (d) any security interests created under any contract relating to the acquisition of components of the Equipment, (e) mechanics’ and materialmen’s liens incident to construction or maintenance now or hereafter filed of record which are being contested in good faith and have not proceeded to judgment, provided that the City shall have set aside adequate reserves with respect thereto, (f) restrictions, mineral rights, easements, rights of way, exceptions or reservations for the purpose of utilities (including but not limited to water and gas pipelines, sanitary and storm sewers, telephone lines, telegraph lines, power lines, substations and other facilities and equipment used in connection with such utilities), roads, streets, alleys, highways, railroads, dikes, canals, laterals, ditches, and other like purposes, or for the joint or common use of real property, in each case which do not

materially impair the use of the Equipment for the purposes for which it is or may reasonably be expected to be held, (g) such defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to property owned or leased by the City for essential governmental purposes and similar in character to the Equipment and as will not, in the opinion of the City Attorney, impair the use of the Equipment affected thereby for the purpose for which it is or may reasonably be expected to be held by the City, and (h) present or future zoning laws and ordinances.

“Project” shall mean the acquisition and construction of the Equipment, including the related engineering and project management.

“Project Fund” shall mean the fund created in Article V of this Lease Agreement.

Section 1.2. Rules of Construction.

The following rules shall apply to the construction of this Lease Agreement unless the context otherwise requires:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this Lease Agreement.

(c) The headings and Table of Contents herein are solely for convenience of reference and shall not constitute a part of this Lease Agreement nor shall they affect its meaning, construction or effect.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by Lessor.

Lessor makes the following representations:

(a) Lessor is a _____, _____ corporation;

(b) Lessor has full power and authority to enter into this Lease Agreement and to perform the transactions contemplated hereby and to carry out its obligations hereunder and by proper action has duly authorized, executed and delivered this Lease Agreement;

(c) There is no litigation at law or in equity or any proceeding before any governmental agency involving Lessor pending, or to the best of its knowledge, threatened with respect to (1) the authority of Lessor to execute and deliver this Lease Agreement, (2) the validity or enforceability of this Lease Agreement or Lessor’s performance of its obligations hereunder, (3) the title of any offices of Lessor executing this Lease Agreement, or (4) the power to lease the Equipment to the City;

(d) Lessor acknowledges that it has experience and expertise in the purchase and ownership of obligations similar to those arising under this Lease Agreement and that it is capable of evaluating the merits and risks of this Lease Agreement;

(e) Lessor is entering into this Lease Agreement for its own account and acknowledges that no offering statement, prospectus or other comprehensive disclosure document containing material information with respect to the City and this Lease Agreement has been provided to it in connection with entering into this Lease Agreement; however, it has been provided with such information concerning the operations and financial condition of the City as it has requested. Lessor has had an opportunity to make inquiries of such officers, employees, agents and attorneys of the City as it considers appropriate in connection with entering into this Lease Agreement; and

(f) Lessor has no present intention of reselling or disposing and will not further sell or dispose of its interest in the Lease Agreement in transactions constituting a “distribution” thereof (as that term is used in the Securities Act of 1933, as amended, and the regulations promulgated by the Securities and Exchange Commission thereunder).

Section 2.2. Representations by the City.

The City makes the following representations:

- (a) The City is a political subdivision of the State of Tennessee;
- (b) The lease of the Equipment to the City pursuant to this Lease Agreement will provide necessary water system equipment for the City and, therefore, will serve a function which is necessary and essential to the proper, efficient and economic operation of the City;
- (c) The City has full power and authority to enter into this Lease Agreement and to perform the transactions contemplated hereby and to carry out its obligations hereunder and by proper action has duly authorized, executed and delivered this Lease Agreement, including after notice pursuant to Tennessee Statutes 7-51-904;
- (d) The City is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in an event of default thereunder;
- (e) The City is not in default under or in violation of, and the execution, delivery and compliance by the City with the terms and conditions of this Lease Agreement will not conflict with or constitute or result in a default under or violation of, (1) any existing law, rule or regulation applicable to the City, or (2) any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the City or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation;

(f) No further approval, consent or withholding of objection on the part of any regulatory body or any official, Federal, state or local, is required in connection with the execution or delivery of or compliance by the City with the terms and conditions of this Lease Agreement; and

(g) There is no litigation at law or in equity or any proceeding before any governmental agency involving the City pending or, to the knowledge of the City, threatened with respect to (1) the authority of the City to execute and deliver this Lease Agreement, (2) the validity or enforceability of this Lease Agreement or the City's performance of its obligations hereunder, (3) the title of any officer of the City executing this Lease Agreement, or (4) the power to undertake the Project and lease the Equipment from Lessor.

ARTICLE III

LEASE OF EQUIPMENT

Section 3.1. Lease of Equipment.

Lessor demises and leases to the City and the City leases from Lessor the Equipment, for the term set forth in Section 4.1, for the Basic Rent and Additional Rent provided for in Section 4.2 and in accordance with the terms of this Lease Agreement. Subject to the provisions of Articles VII and VIII, the City shall be entitled to the possession of the Equipment from time to time. THIS LEASE AGREEMENT IS NOT A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OF TENNESSEE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, AND DOES NOT CREATE ANY OBLIGATION ON THE PART OF THE CITY EXCEPT AS SPECIFICALLY STATED HEREIN.

Section 3.2. Deposit to Project Fund.

Contemporaneously with the execution hereof, Lessor shall transfer to the Project Fund for deposit therein, an amount equal to \$ _____, which, together with estimated investment earnings thereon and other available moneys, is expected to be sufficient to finance the Cost of the Project and expenses related to this Lease Agreement. Such amounts shall be used by the Lessee as provided to pay Costs of the Project and expenses related to this Lease Agreement. Lessor represents and warrants that, subject to the terms and conditions of any contract for the acquisition of the Equipment, the City will have quiet and peaceful possession of the Equipment, and that the Equipment is free from encumbrances done, made or knowingly suffered by Lessor or anyone claiming by, through or under it. The City recognizes that since the Equipment is being acquired at its request and by contractors and suppliers selected by it, LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION OR WORKMANSHIP OF ANY PART OF THE EQUIPMENT OR ITS SUITABILITY FOR THE CITY'S PURPOSES OR NEEDS OR THE EXTENT TO WHICH PROCEEDS DERIVED HEREUNDER WILL PAY THE COSTS TO BE INCURRED IN CONNECTION THEREWITH.

Section 3.3. Default in Contractor's or Supplier's Performance.

In the event of default of any contractor or supplier under any purchase contract for the Equipment, the City will promptly proceed to exhaust the remedies of Lessor or the City, as agent for Lessor, against the contractor or supplier in default and against each surety, if any, for the performance of such contractor or supplier. The City agrees to provide Lessor prior written notice of the steps it intends to take in connection with any such default. The City may, in good faith and at its own expense, in its name or in the name of Lessor, by written notice from the City to Lessor, prosecute or defend any action or proceeding or take any other action involving such contractor or supplier or surety which the City deems reasonably necessary, and in such event Lessor, at City's sole expense (subject to Section 4.3 herein), agrees to cooperate fully with the City. Any amounts recovered by way of damages, refunds, adjustments or otherwise, net of reasonable expenses related thereto, in connection with the foregoing shall be paid into the Project Fund or, if the Project is completed, paid subject to any requirements of the Code, to the City to reimburse the City for any costs it has incurred in connection with the foregoing and then to Lessor as prepayment of Basic Rent.

Section 3.4. Inspection, Acceptance and Written Notice of Defects.

Once all of the Equipment has been installed, the City shall inspect the Equipment, and, if the City accepts the Equipment, it shall file with Lessor an executed Certificate of Acceptance substantially in the form of Exhibit C attached hereto. Unless the City gives Lessor written notice of each defect or other proper objection to the Equipment before the execution of the Certificate of Acceptance, it shall be conclusively presumed upon execution of the Certificate of Acceptance, as between Lessor and the City, that the City has fully inspected and acknowledged that the Equipment described in the Certificate of Acceptance is in good condition and repair, has been properly installed and is performing satisfactorily and that the City is satisfied with and has accepted such Equipment in such good condition and repair, and that the City is satisfied with and has accepted the Equipment in such good condition and repair.

ARTICLE IV

**LEASE TERM; PAYMENT OF RENTAL; MAINTENANCE;
INSURANCE AND TAXES**

Section 4.1. Lease Term.

The Lease Term shall commence on _____, 2008, and, unless sooner terminated in accordance with the provisions hereof, shall terminate at the earlier of midnight on _____, _____, or the date all payments required by this Lease Agreement have been made. If all payments required by this Lease Agreement have not been made on _____, _____, the Lease Term shall end when all such payments shall have been made.

Section 4.2. Rental Payments.

(a) Subject to Section 4.3, the City shall pay Basic Rent to Lessor on the dates and in the amounts set forth on Exhibit A attached hereto, as it may be amended from time to time, and

to pay when due any Additional Rent. All payments of Basic Rent and Additional Rent shall be made to Lessor at its principal office or any other place that Lessor may designate in writing to the City. A portion of each payment of Basic Rent shall be allocated to interest as set forth on Exhibit A.

(b) Basic Rent may be prepaid by the City, in whole or in part, at any time, upon payment of 100% of the amount of principal components thereof to be prepaid, plus interest accrued to the date fixed for prepayment.

Section 4.3. Appropriations of Basic Rent and Additional Rent; Declaration of Essentiality.

The City reasonably believes that funds sufficient to make all payments of Basic Rent and Additional Rent during the term of this Lease Agreement can be obtained. While recognizing that it is not empowered to make any binding commitment to make payments of Basic Rent and Additional Rent beyond the current Fiscal Year, the City Council in authorizing the execution of this Lease Agreement has stated its intent to make annual appropriations sufficient to make the payments of Basic Rent and Additional Rent.

The City declares the nature of the Project essential to the proper operations of the City. The City anticipates that the need for the Project will not change during the term of this Lease Agreement. Notwithstanding anything in this Lease Agreement to the contrary, the City's obligations to pay the cost of performing its obligations under this Lease Agreement, including its obligations to pay all Basic Rent and Additional Rent, shall be subject to and dependent upon appropriations being made from time to time by the City Council for such purpose; provided, however, that the City Manager or other officer charged with the responsibility for preparing the City's Annual Budget shall include in the budget for each Fiscal Year as a single appropriation the amount of all Basic Rent and estimated Additional Rent during such Fiscal Year. Throughout the Lease Term, the City Manager or other officer charged with the responsibility for preparing the City's Annual Budget shall deliver to Lessor within 10 days after the adoption of the Annual Budget for each Fiscal Year, but not later than 10 days after the beginning of each Fiscal Year, a certificate stating whether an amount equal to or credited to the payment of, the Basic Rent and estimated Additional Rent which will be due during such Fiscal Year has been appropriated by the City Council in such budget. If, by 15 days after the beginning of the Fiscal Year, the City Council has not appropriated funds for the payment of both Basic Rent and estimated Additional Rent for the then current Fiscal Year, the City Manager or other officer charged with the responsibility for preparing the Annual Budget shall give written notice to the City Council of the consequences of such failure to appropriate, including the right of Lessor to terminate this Lease Agreement in accordance with Article VII, and request the City Council to consider a supplemental appropriation for such purposes.

If at any time during any Fiscal Year, the amount appropriated in the budget for any Fiscal Year is insufficient to pay when due the Basic Rent and Additional Rent due from the City under this Lease Agreement, the City Manager or such other officer charged with the responsibility for preparing the City's budgets shall submit to the City Council at its next regularly scheduled meeting or as promptly as practicable, but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit. The City Manager or

such other officer as designated shall deliver to Lessor within 5 days after such meeting of the City Council a certificate stating whether an amount equal to or credited to the payment of such deficit has been appropriated by the City Council.

Section 4.4. Insurance.

Subject to Section 4.3, the City shall continuously maintain throughout the Lease Term at its sole cost and expense insurance on the Equipment covering such risks as are customarily insured against by reasonable and prudent government bodies of like size for such equipment, and in such amounts at a minimum equal to the outstanding principal components of Basic Rent under this Lease Agreement with such deductibles as required, and with such insurance companies as shall be satisfactory to Lessor. All insurance for loss or damage shall provide that losses if any, shall be payable to Lessor. Reasonable evidence of all required liability insurance shall be provided to Lessor. The City shall pay the premiums therefor and deliver to Lessor the policies of insurance or duplicates thereof or other evidence satisfactory to Lessor of such insurance coverage. The City shall undertake its best efforts to obtain from each such insurer by endorsement upon the policy or policies issued by such insurer an agreement that: (a) the insurer will give sixty (60) days prior written notice to Lessor of cancellation, non-renewal, or material modification of such policy and ten (10) days prior written notice for non-payment of premium; and (b) the coverage of Lessor shall not be terminated, reduced or affected in any manner regardless of any breach or violation by the City of any warranties, declarations or conditions of such insurance policy or policies. The proceeds of such insurance, at the option of Lessor, shall be applied: (a) toward the replacement, restoration or repair of the Equipment, or (b) toward payment of Basic Rent hereunder. The City hereby appoints Lessor as the City's attorney-in-fact to make claim for, receive payment of, and execute all documents, checks or drafts received in payment of loss or damage under any such insurance policy. Notwithstanding the preceding provisions of this Section, the City may self-insure as to any or all of such coverage and such self-insurance will satisfy the requirements of this Section. If the City self-insures, the City shall cause to be filed annually with Lessor a certificate of its risk manager or insurance consultant as to the adequacy of reserves for such self-insurance.

Section 4.5. Maintenance.

Subject to Sections 4.3, 6.1 and 6.2, the City shall preserve, maintain, preserve and keep the Project in compliance with all legal requirements and in good repair and operating condition (normal wear and tear excepted) and from time to time shall make all necessary repairs, replacements and renewals.

Section 4.6. Inspection of Equipment.

Lessor and its duly authorized representatives and agents shall have such reasonable rights of access to the Equipment (subject to prior written or telephonic notice to the City) as may be necessary to determine whether the City is in compliance with the requirements of this Lease Agreement, but Lessor shall have no duty to monitor the City's compliance.

Section 4.7. Title.

Title to the Equipment and any and all additions, repairs, replacements or modifications thereto, shall be deemed to be vested in the Lessor but shall vest permanently in the City upon payment in full of all Basic Rent and Additional Rent, free and clear of any lien or security interest of Lessor therein.

Section 4.8. Security Agreement.

To secure all obligations of the City hereunder, the City hereby grants to Lessor a security interest in any and all of the City's right, title and interest in and to this Lease Agreement, the Project Fund, the Equipment, all additions, attachments, accessions, substitutions and replacements thereto, the Basic Rent due or to become due, and any and all proceeds thereof, including without limitation, the proceeds of insurance thereon. The City agrees to execute and deliver all documents, instruments and financing statements necessary or appropriate to perfect or maintain the security interest granted hereby. Lessor is authorized to file financing statements without the City's signature or to execute and file such financing statements without the City's signature on the City's behalf as specified by the Tennessee Uniform Commercial Code to perfect or maintain Lessor's security interest granted hereby. At the request of Lessor, the City will keep and maintain a conspicuous marking or tag on the Equipment indicating that a security interest is held therein by Lessor.

Section 4.9. Personal Property.

The Equipment is, and shall at all times be and remain, personal property notwithstanding that the Equipment or any part thereof may now be, or hereafter become, in any manner affixed or attached to, or imbedded in, or permanently resting upon, real property or any building thereon or any fixtures, or attached in any manner to what is permanent by any means of cement, plaster, nails, bolts, screws or otherwise. Upon request of Lessor, the City shall obtain, as to any place where the Equipment is located, a waiver from the landlord and mortgagee thereof with respect to any rights they may have in and to the Equipment or the rights of levy or seizure thereon.

Section 4.10. Taxes and Other Charges.

The City shall comply with and, subject to Section 4.3, pay the cost of all repairs, replacements and renewals, the cost of insurance, all utility and other charges and all taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment. If the City fails to pay such costs, charges or taxes when due, Lessor, after giving the City notice and a reasonable opportunity to cure, shall have the right, but shall not be obligated, to pay the same. If Lessor pays any such costs, charges or taxes for which the City is responsible or liable under this Lease Agreement, Lessor shall be entitled to be reimbursed promptly therefor by the City in accordance with the provisions of Section 7.6 hereof.

Section 4.11. Liens on Equipment.

Except for Permitted Encumbrances, the City shall not create, incur or grant any mortgage, pledge, security interest, lien or encumbrance on or with respect to the Equipment and shall not dispose of any interest in the Equipment unless it obtains the prior written consent of Lessor which consent shall not be unreasonably withheld.

Section 4.12. Installation of City's Own Equipment.

The City may from time to time, in its discretion and at its own expense, install other equipment related to the Equipment. All equipment so installed by the City shall remain the property of the City in which neither Lessor shall not have any interest and may be modified or removed at any time while the City is not in default under this Lease Agreement.

Section 4.13. Subleasing of Equipment.

The City shall not sublease the Equipment, or any portion thereof, to any entity other than the State of Tennessee, a city, a county or a town, or any agency thereof, without (a) the prior written consent of Lessor, which consent shall not unreasonably be withheld, and (b) an opinion of nationally recognized bond counsel that such sublease or other availability would not adversely affect the exclusion of the interest components of Basic Rent from gross income for Federal income tax purposes. Any sublease by the City of the Equipment, or any portion thereof, shall not act to waive, diminish, abate or reduce the Basic Rent and the Additional Rent due hereunder.

Section 4.14. Abatement of Rental Payments.

There will be no abatement or reduction of rental payments by the City for any reason, including but not limited to, any defense, recoupment, set off, counterclaim, or any claim (real or imaginary) arising out of or related to any defects, damages, malfunctions, breakdown or infirmities of the Equipment. The City assumes and shall bear the entire risk of loss and damage to the Equipment from any cause whatsoever, it being the intention of the parties that the rental payments shall be made in all events, subject to Section 4.3, unless the obligation to make rental payments is terminated as otherwise provided herein.

Section 4.15. Risk of Loss.

The City shall bear all risk of loss to the Equipment, and in the event of loss or damage thereto, the City shall at its option either (a) repair or replace the Equipment as provided in Sections 6.1(a) and 6.2(b) or (b) subject to Section 4.3, purchase the Equipment by prepaying the remaining principal components of Basic Rent as provided in Sections 6.1(a) and 6.2(b).

Section 4.16. Financial Reporting.

The City agrees to provide to Lessor copies of audited financial statements of the City within 180 days after the end of each Fiscal Year.

Section 4.17. Location of Equipment.

Except as Lessor may otherwise agree, the City agrees to locate the Equipment only on real or personal property either owned by the City or in which the City has obtained in writing, and recorded if applicable, a possessory interest through the end of the Lease Term.

ARTICLE V

PROJECT FUND

Section 5.1. Creation; Investment of Project Fund.

There is hereby established the City of Kingsport, Tennessee Water Meter System Project Fund to be held by _____ as Escrow Agent. Moneys shall at all times be invested in accordance with the provisions of Tennessee Statutes Section 6-56-106 or any subsequent provisions of law applicable to such investments. Such investments shall be registered in the name of the City. All earnings or losses on moneys in the Project Fund shall be credited or debited to such fund. The Escrow Agent shall be permitted to invest through its own or related bond department. The Escrow Agent shall not be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to investment or reinvestment of all or a portion of the Project Fund. The Escrow Agent shall hold the moneys in the Project Fund in trust to be used only to pay the Cost of the Project or to the prepayment of Basic Rent hereunder.

Section 5.2. Cost of the Project.

The Cost of the Project shall include the cost of all labor, materials, machinery and equipment, the cost of all property, rights, franchises and permits acquired, financing charges, interest prior to and during construction and for up to one year after completion of construction, start-up costs and operating capital, the cost of plans, specifications, surveys, estimates of costs, the cost of engineering, legal, financial and other professional services, including financial advisory services, expenses necessary or incident to determining the feasibility or practicability of any such acquisition, construction or reconstruction, recording fees, settlement costs, printing costs, fees and charges of Lessor, administrative expenses and such other expenses as may be necessary or incidental to the financing of the Project. Any obligation or expense incurred by the City in connection with any of the foregoing items of Cost may be regarded as a part of such Cost and reimbursed to the City out of the proceeds in the Project Fund.

The Escrow Agent shall use moneys in the Project Fund to pay the Cost of the Project. Unless the Project Fund is earlier terminated in accordance with the provisions hereof, the Escrow Agent shall not disburse any moneys from the Project Fund unless it shall first have been presented with an invoice signed by an Authorized Representative of the City and the Lessor stating (1) the name of the person, firm or corporation to whom such payment is made, (2) the amount to be paid, and (3) the purpose in reasonable detail for which such payment is to be made.

Section 5.3. Termination of Project Fund and Disposition of Balance in Project Fund.

The Project Fund shall be terminated at the earlier of: (a) the final distribution of principal of the amounts in the Project Fund or (b) written notice given by Lessor of default by the City under this Lease Agreement is received by the City. Upon termination of the Project Fund upon an event of default, pursuant to subsection (b), moneys in the Project Fund shall be applied to payments of Basic Rent due hereunder. Any moneys remaining in the Project Fund upon termination pursuant to subsection (a) shall be transferred, subject to the provisions of Section 5.5, first to Lessor as a credit of Basic Rent due or to become due hereunder and then to the City and applied in such manner as, in the opinion of nationally recognized bond counsel, will not adversely affect the exclusion of the interest components of Basic Rent from gross income for Federal income tax purposes.

The Escrow Agent shall provide to the City a statement describing the moneys held in the Project Fund, including the income earned therefrom and any withdrawals of money from the Project Fund, at such time as the City may reasonably request.

ARTICLE VI

DAMAGE, DESTRUCTION OR CONDEMNATION

Section 6.1. Damage or Destruction.

If the Equipment or any portion thereof is damaged or destroyed by fire or other casualty during the Lease Term and the City, then the City, upon the following conditions and within 90 days after the date such damage or destruction occurs, shall elect one of the following two options by giving notice of such election to the Lessor, and use such Net Proceeds in accordance with the option so elected:

(a) Option A – Repair, Reconstruction and Restoration. The City may elect to repair, reconstruct and restore the Equipment. Upon election of this Option A, the City shall proceed to cause the Equipment to be repaired, reconstructed and restored to substantially the same condition as had existed prior to the event causing such damage or destruction, with such alterations and additions as the City may determine to be necessary or desirable and as will not impair the capacity or character of the Equipment for the purposes for which it had been or was intended to be used prior to such damage or destruction. So long as the City is not in default under this Lease Agreement, the City may apply so much as may be necessary of such Net Proceeds to payment of the cost of such repair, reconstruction and restoration, either on completion thereof or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such repair, reconstruction and restoration, the City shall pay, subject to Section 4.3, within 90 days of receipt of such Net Proceeds, so much of the cost thereof as may be in excess of such Net Proceeds. The City shall not be entitled by reason of the payment of such excess cost to any (A) interest in the Equipment that it did not possess prior to such payment, (B) reimbursement from Lessor, or (C) abatement or diminution of Basic Rent or Additional Rent.

(b) Option B – Prepayment of Basic Rent. The City may elect to have such Net Proceeds applied to the prepayment of all or any portion of the Basic Rent due hereunder.

Section 6.2. Loss of Title.

(a) In the case of loss of all or any part of the Equipment because of loss of title thereto, or the commencement of any proceedings or negotiations which might result in such a loss, the party upon whom notice of such taking is served or with whom such proceedings or negotiations are commenced or who learns of a loss of title shall give prompt notice to the other. Each such notice shall describe generally the nature and extent of such loss, proceedings or negotiations. All obligations of the City under this Lease Agreement (except obligations to pay Basic Rent when due) shall terminate as to the Equipment or portion thereof as to which there is a loss of title when such loss of title is finally adjudicated or when title thereto vests in the party condemning or taking the same, as the case may be (hereinafter referred to as the “termination date”).

(b) In the event of any such loss of title, the City, upon the following conditions and within 90 days after the termination date therefor, shall deposit all Net Proceeds in a special account within the Project Fund and elect one of the following two options by giving notice of such election to Lessor:

(1) Option A – Replacement. The City may elect to have the Net Proceeds as to such loss of title used to replace the portion of the Equipment as to which there has been a loss of title to substantially its condition prior to such loss of title. Upon election of this Option A, the City shall apply such Net Proceeds to replace such Equipment. So long as the City is not in default under this Lease Agreement, the City may apply so much as may be necessary of the Net Proceeds received by it on account of such loss of title to payment of such replacement of the Equipment, either on completion thereof or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such replacement, the City shall pay, subject to Section 4.3, within 90 days of receipt of such Net Proceeds, so much of the cost thereof as may be in excess of such Net Proceeds. The City shall not be entitled by reason of the payment of such excess cost to any (A) interest in the Equipment that it did not possess prior to such payment, (B) reimbursement from Lessor, or (C) abatement or diminution of the Basic Rent or Additional Rent.

(2) Option B – Prepayment of Basic Rent. The City may elect to have such Net Proceeds applied to the prepayment of all or any portion of the Basic Rent due hereunder.

(c) Lessor shall cooperate fully with the City in any contest over title with respect to the Equipment or any portion thereof and shall, to the extent it may lawfully do so, permit the City to litigate in any such proceeding in the name and behalf of Lessor. In no event shall Lessor voluntarily settle, or consent to the settlement of, any proceedings as to title with respect to the Equipment or any portion thereof without the consent of the City.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default.

(a) Subject to the provisions of Section 7.1(c), the following events shall be “events of default” under this Lease Agreement, and the terms “event of default” or “default” shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

(1) Failure of the City (A) to pay the full amount of Basic Rent within 10 days of the date established under Section 4.2 or (B) to make any payment of Additional Rent required by Section 4.2 when due; or

(2) Failure of the City to observe and perform any covenant, condition or agreement on its part to be observed or performed other than payments under Section 4.2, which failure shall continue for a period of 30 days after notice is given unless the City has notified the Lessor within such 30 day period that (a) the City intends to cure such failure within 60 days of receipt of notice of such failure and the City fails to cure within such 60 day period or (b) such failure is curable but cannot with due diligence be cured within such 60 day period and the City, with the consent of the Lessor which consent shall not be unreasonably withheld, fails to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence.

(3) Any representation or warranty of the City in Section 2.2 of this Agreement proves to have been false in any material respect at the time of entry into this Agreement.

(b) The provisions of the foregoing subparagraph (a)(2) are subject to the limitation that if by reason of force majeure the City is unable in whole or in part to perform any of its covenants, conditions or agreements hereunder other than those set forth in Sections 4.2, 4.3, 4.4, 4.5, 4.7, 4.10, 4.11, 4.13 and 4.14, the City shall not be deemed in default during the continuance of such inability. The term “force majeure” as used herein shall include without limitation acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the State of Tennessee or any political subdivision thereof or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; restraint of government and people; or civil disturbances. The City shall remedy with all reasonable dispatch the cause or causes preventing the City from carrying out its covenants, conditions and agreements, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City, and the City shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of any opposing party when such course is in the judgment of the City not in its best interests.

(c) Notwithstanding anything contained in this Section to the contrary, (1) failure by the City to pay when due any payment required to be made under this Lease Agreement or

(2) failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Lease Agreement, either of which results from failure of the City to appropriate moneys for such purposes, as described in Section 4.3, shall not constitute an event of default. Upon any such failure to appropriate, the provisions of Article VIII shall be applicable.

Section 7.2. Remedies.

Whenever any event of default shall have happened and is continuing, Lessor may take any one or more of the following remedial steps, without further demand or notice: (a) declare immediately due and payable the entire unpaid principal balance of Basic Rent due and thereafter to become due through and including _____, ____; (b) take possession of all or any portion of the Equipment, with or without terminating this Lease Agreement, exclude the City from possession, and sell, lease or sublease Lessor's interest in all or any portion of the Equipment for the account of the City, holding the City liable, subject to the provisions of Section 4.3, for all Basic Rent and Additional Rent due up to the effective date of such sale, lease or sublease and for the difference between the rent and other amounts paid by the purchaser, lessee or sublessee pursuant to such sale, lease or sublease and the rents, and the Basic Rent and other amounts payable by the City hereunder; or (c) take whatever action at law or in equity may appear necessary or desirable to collect the Basic Rent and the Additional Rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the City under this Lease Agreement. In a manner consistent with Section 7.7 herein, in any of such cases, all rights and interests created or then existing in favor of the City as against Lessor hereunder shall cease and terminate, and the right to the possession of the Equipment and all other rights acquired by the City hereunder shall revert to and revest in Lessor without any act of Lessor to be performed and without any right of the City of return, reclamation or compensation for moneys paid under this Lease Agreement as absolutely, fully and perfectly as if this Lease Agreement and such payments had never been made; and in case of such default all payments theretofore made on this Lease Agreement are to be retained by and belong to Lessor as the agreed and reasonable rent of the Equipment up to the time of such default. Any amounts received by Lessor pursuant to the foregoing provisions shall be applied first to costs, then to any unpaid interest and then to repayment of principal, and upon payment in full of all amounts due such excess shall be deposited in the Project Fund and credited to the next Payment of Basic Rent to the extent Basic Rent has not been paid in full. This provision shall survive termination of this Lease Agreement.

Section 7.3. Reinstatement after Event of Default.

Provided that the Lessor (or its assignee) has not (a) exercised a remedy granted under Section 7.2 to (i) accelerate the payment of the unpaid balance of Basic Rent or (ii) sell, lease or sub-lease the Lessor's interest in all or any portion of the Equipment, or (b) in connection with the exercise of any such remedy notified the City in writing of the Lessor's intent to sell, lease or sub-lease the Lessor's interest in all or any portion of the Equipment, the City shall have the right upon notice (which notice shall specify the following overdue amounts to be paid and, unless within a reasonable period of time following receipt of such notice Lessor notifies City that such amounts are not sufficient, shall presumed to be correct) to the Lessor to pay all overdue Basic Rent, together with any interest thereon, and any Additional Rent then due and unpaid, and have

the default deemed waived without further action by Lessor. Upon such payment and waiver, this Lease Agreement shall be fully reinstated, all Basic Rent payments thereafter will be due and payable in accordance with Exhibit A, and the City shall be restored to the use, occupancy and possession of the Equipment.

Section 7.4. No Remedy Exclusive.

No remedy conferred by this Lease Agreement upon or reserved to Lessor is intended to be exclusive of any other available remedy or remedies, but every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof or acquiescence therein, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 7.5. No Additional Waiver Implied by One Waiver.

Failure by Lessor at any time to require performance by the City of any provision hereof shall in no way affect Lessor's right hereunder to enforce the same, nor shall any waiver by Lessor of any breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself.

Section 7.6. Attorneys' Fees and Other Expenses.

Subject to Section 4.3, the City shall on demand pay to Lessor the reasonable fees of attorneys and other reasonable expenses incurred by it in the collection of appropriated, but unpaid, Basic Rent or Additional Rent, or the enforcement of any other obligation of the City, or its agents, upon an Event of Default.

Section 7.7. Return of Equipment.

If the Lessor terminates this Lease Agreement under Article VII or Article VIII, Lessor may, in its sole discretion, require the City, by written notice, but at the City's sole expense subject to Section 4.3 herein, to, within a reasonable period of time as reasonably determined by Lessor, (i) perform testing of any Equipment hardware and place such Equipment (subject only to any applicable software licensing limitations) in the condition required by Section 4.5 herein, (ii) remove or uninstall such Equipment and package such Equipment in a reasonable manner satisfactory and acceptable to the Lessor; provided, however, that this clause (ii) shall have no application as to any Equipment, the removal of which would require damaging any City property, real or personal, or any technological infrastructure comprising a portion of the Equipment, such as wiring and networking components, which has been customized and cannot be easily removed; provided, further, however, that if any action required to be taken by the City under this clause (ii) may result in any damage to the Equipment (as reasonably determined by the City upon consultation with the Lessor) the City shall have no liability for any such damage, and (iii) return such Equipment to a location specified by Lessor with freight and insurance to be paid by City subject to Section 4.3 herein; provided, however, that only Equipment that has not been installed, modified or customized for the City's use to such a degree rendering it useless for

anyone other than the City shall be subject to this Section. This Section 7.7 shall be subject to the applicable provisions of Article VII and Article VIII of this Lease Agreement.

ARTICLE VIII

TERMINATION OF LEASE

Section 8.1. Right To Terminate for Nonappropriation.

If by June 30 of any year, the City Council has failed to appropriate moneys sufficient for the payment of Basic Rent and estimated Additional Rent for the following Fiscal Year, the City Manager shall give notice to Lessor, of such failure to appropriate within 5 business days thereafter, and if no such appropriation has been made by the following July 15 of such year, the City and Lessor each shall have the right to terminate this Lease Agreement by giving notice of the exercise of its rights pursuant to this Section to the other party. In addition, on or after such time, Lessor may terminate this Lease Agreement and exclude the City from possession of the Equipment in accordance with Section 8.2.

Section 8.2. Rights upon Termination.

Upon termination of this Lease Agreement pursuant to Section 8.1, Lessor, upon reasonable advance notice of not less than 10 days' of its intent to repossess, may, in a manner consistent with Section 7.7 herein, repossess the Equipment and sell, lease or sublease Lessor's interest in all or a portion of the Equipment; provided that Lessor shall not be entitled to repossess the Equipment or deliver possession of the Equipment to any other lessee or sublessee earlier than the effective date of the termination specified in Section 8.1 or notice delivered pursuant to this Section 8.2.

Section 8.3. Reinstatement after Termination.

Provided that the Lessor (or its assignee) has not terminated this Lease Agreement under Section 8.2 and (a) repossessed and sold, leased or sub-leased Lessor's interest in all or any portion of the Equipment, or (b) notified the City in writing of the Lessor's intent to repossess and sell, lease or sub-lease the Lessor's interest in all or any portion of the Equipment, the City shall have the right upon written notice (which notice shall specify the following overdue amounts to be paid and, unless within a reasonable period of time following receipt of such notice Lessor notifies City that such amounts are not sufficient, shall presumed to be correct) to the Lessor to pay all overdue Basic Rent, together with any interest thereon, and any Additional Rent then due and unpaid, and have the default deemed waived without further action by Lessor. Upon such payment and waiver, this Lease Agreement shall be fully reinstated, all Basic Rent payments thereafter will be due and payable in accordance with Exhibit A, and the City shall be restored to the use, occupancy and possession of the Equipment.

Section 8.4. Option to Terminate in Certain Events Upon Prepayment of all Basic Rent.

Upon prepayment in full of all Basic Rent and Additional Rent in accordance with Sections 6.1(b) or 6.2(b)(2), this Lease Agreement shall be terminated and title to the Equipment shall become permanently vested with the City. To exercise such option the City shall within 60 days after the event authorizing its exercise give notice to Lessor and specify a date not more than 90 days thereafter for the termination of this Lease Agreement.

ARTICLE IX

COVENANTS; AMENDMENTS

Section 9.1. Use of Proceeds and Preservation of Tax-Exempt Status.

The City shall not take or omit to take any action the taking or omission of which will cause the interest component of the Basic Rent payments to be includable in gross income of Lessor for Federal income tax purposes or will cause this Lease Agreement to be an “arbitrage bond” within the meaning of Section 148 of the Code.

Section 9.2. Private Activity Covenants.

The City covenants not to permit the proceeds derived from the Lease Agreement to be used in any manner that would result in (a) 10% or more of such proceeds or the facilities financed with such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, provided that no more than 5% of such proceeds may be used in a trade or business unrelated to the City’s use of the Project, (b) 5% or more of such proceeds being used with respect to any “output facility” (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the City receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest component of the Basic Rent payments from being includable in the gross income for Federal income tax purposes under existing law, the City need not comply with such covenants.

Section 9.3. Amendments.

This Lease Agreement may not be amended except in writing agreed to by the parties.

ARTICLE X

MISCELLANEOUS

Section 10.1. Notices.

Unless otherwise provided herein, all demands, notices, approvals, consents, requests, opinions and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person, sent by facsimile (receipt confirmed) with a copy mailed first-class mail, or mailed by first class registered or certified mail, postage prepaid, addressed as follows (a) if to the City, at _____ and (b) if to Lessor, _____. The City and the Lessor may, by notice given hereunder, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

Section 10.2. Severability.

If any provision of this Lease Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 10.3. Successors and Assigns.

This Lease Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 10.4. Counterparts.

This Lease Agreement may be executed in any number of counterparts, each of which shall be an original, all of which together shall constitute but one and the same instrument; except that to the extent, if any, that this Lease Agreement shall constitute personal property under the Tennessee Uniform Commercial Code, no security interest in this Lease Agreement may be created or perfected through the transfer or possession of any counterpart of this Lease Agreement other than its original counterpart.

Section 10.5. Entire Agreement.

This Lease Agreement expresses the entire understanding and all agreements between the parties.

Section 10.6. Governing Law.

This Lease Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be duly executed and effective as of the date written above by their duly authorized representatives.

**ALL AMERICAN INVESTMENT GROUP, LLC,
as Lessor,**

By _____

Its _____

**CITY OF KINGSPORT, TENNESSEE,
as Lessee,**

By _____

EQUIPMENT DESCRIPTION

This Equipment shall consist of materials as listed below:

CERTIFICATE OF ACCEPTANCE

Ladies and Gentlemen:

In accordance with the terms of the Equipment Lease/Purchase Agreement dated as of February 1, 2008 (the "Agreement"), between All American Investment Group, LLC (the "Lessor") and the City of Kingsport, Tennessee (the "Lessee"), the undersigned Authorized Representative of the City hereby certifies and represents to, and agrees with the Lessor as follows:

1. All of the Equipment (as defined in the Agreement), which is generally described as follows, has been delivered at the location specified below and has been accepted as of the date indicated below:

<u>Description of Leased Property</u>	<u>Location</u>	<u>Date Accepted</u>
---------------------------------------	-----------------	----------------------

2. The Lessee has conducted such inspection and/or testing of the above described portion of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts such Equipment for all purposes.

CITY OF KINGSPORT, TENNESSEE,
as Lessee,

By _____

Date _____

	Payment Date	Payment Amount	Interest Amount	Principal Amount	Purchase Option Price*
1	7/15/2009	212,200.00	471,274.61	259,074.61-	9,976,756.28
2	10/15/2009	212,200.00	118,840.77	93,359.23	9,881,529.87
3	1/15/2010	212,200.00	117,706.46	94,493.54	9,785,146.46
4	4/15/2010	212,200.00	116,558.36	95,641.64	9,687,591.98
5	7/15/2010	190,305.00	115,396.32	74,908.68	9,611,185.13
6	10/15/2010	190,305.00	114,486.18	75,818.82	9,533,849.93
7	1/15/2011	190,305.00	113,564.98	76,740.02	9,455,575.11
8	4/15/2011	190,305.00	112,632.59	77,672.41	9,376,349.26
9	7/15/2011	184,765.00	111,688.87	73,076.13	9,301,811.60
10	10/15/2011	184,765.00	110,800.99	73,964.01	9,226,368.31
11	1/15/2012	184,765.00	109,902.33	74,862.67	9,150,008.39
12	4/15/2012	184,765.00	108,992.75	75,772.25	9,072,720.69
13	7/15/2012	209,115.00	108,072.11	101,042.89	8,969,656.95
14	10/15/2012	209,115.00	106,844.44	102,270.56	8,865,340.98
15	1/15/2013	209,115.00	105,601.86	103,513.14	8,759,757.57
16	4/15/2013	209,115.00	104,344.17	104,770.83	8,652,891.33
17	7/15/2013	212,310.00	103,071.20	109,238.80	8,541,467.75
18	10/15/2013	212,310.00	101,743.95	110,566.05	8,428,690.38
19	1/15/2014	212,310.00	100,400.58	111,909.42	8,314,542.77
20	4/15/2014	212,310.00	99,040.88	113,269.12	8,199,008.27
21	7/15/2014	215,600.00	97,664.66	117,935.34	8,078,714.22
22	10/15/2014	215,600.00	96,231.74	119,368.26	7,956,958.60
23	1/15/2015	215,600.00	94,781.42	120,818.58	7,833,723.64
24	4/15/2015	215,600.00	93,313.47	122,286.53	7,708,991.38
25	7/15/2015	218,850.00	91,827.69	127,022.31	7,579,428.63
26	10/15/2015	218,850.00	90,284.37	128,565.63	7,448,291.69
27	1/15/2016	218,850.00	88,722.30	130,127.70	7,315,561.43
28	4/15/2016	218,850.00	87,141.25	131,708.75	7,181,218.51
29	7/15/2016	222,480.00	85,540.98	136,939.02	7,041,540.71
30	10/15/2016	222,480.00	83,877.18	138,602.82	6,900,165.83
31	1/15/2017	222,480.00	82,193.15	140,286.85	6,757,073.24
32	4/15/2017	222,480.00	80,488.67	141,991.33	6,612,242.09
33	7/15/2017	223,390.10	78,763.47	144,626.63	6,464,722.92
34	10/15/2017	223,390.10	77,006.26	146,383.84	6,315,411.41
35	1/15/2018	223,390.10	75,227.69	148,162.41	6,164,285.75
36	4/15/2018	223,390.10	73,427.52	149,962.58	6,011,323.92
37	7/15/2018	223,390.10	71,605.48	151,784.62	5,856,503.60
38	10/15/2018	223,390.10	69,761.29	153,628.81	5,699,802.22
39	1/15/2019	223,390.10	67,894.70	155,495.40	5,541,196.91
40	4/15/2019	223,390.10	66,005.43	157,384.67	5,380,664.55
41	7/15/2019	223,390.10	64,093.21	159,296.89	5,218,181.72
42	10/15/2019	223,390.10	62,157.75	161,232.35	5,053,724.72
43	1/15/2020	223,390.10	60,198.78	163,191.32	4,887,269.58
44	4/15/2020	223,390.10	58,216.00	165,174.10	4,718,791.99
45	7/15/2020	223,390.10	56,209.14	167,180.96	4,548,267.41
46	10/15/2020	223,390.10	54,177.89	169,212.21	4,375,670.96
47	1/15/2021	223,390.10	52,121.96	171,268.14	4,200,977.46
48	4/15/2021	223,390.10	50,041.05	173,349.05	4,024,161.43
49	7/15/2021	223,390.10	47,934.86	175,455.24	3,845,197.08
50	10/15/2021	223,390.10	45,803.08	177,587.02	3,664,058.32
51	1/15/2022	223,390.10	43,645.40	179,744.70	3,480,718.73
52	4/15/2022	223,390.10	41,461.50	181,928.60	3,295,151.55

53	7/15/2022	223,390.10	39,251.07	184,139.03	3,107,329.74
54	10/15/2022	223,390.10	37,013.78	186,376.32	2,917,225.90
55	1/15/2023	223,390.10	34,749.31	188,640.79	2,724,812.29
56	4/15/2023	223,390.10	32,457.32	190,932.78	2,530,060.86
57	7/15/2023	223,390.10	30,137.49	193,252.61	2,332,943.19
58	10/15/2023	223,390.10	27,789.47	195,600.63	2,133,430.55
59	1/15/2024	223,390.10	25,412.92	197,977.18	1,931,493.83
60	4/15/2024	223,390.10	23,007.50	200,382.60	1,727,103.58
61	7/15/2024	223,390.10	20,572.85	202,817.25	1,520,229.98
62	10/15/2024	223,390.10	18,108.62	205,281.48	1,310,842.87
63	1/15/2025	223,390.10	15,614.45	207,775.65	1,098,911.71
64	4/15/2025	223,390.10	13,089.98	210,300.12	884,405.59
65	7/15/2025	223,390.10	10,534.83	212,855.27	667,293.21
66	10/15/2025	223,390.10	7,948.64	215,441.46	447,542.92
67	1/15/2026	223,390.10	5,331.03	218,059.07	225,122.67
68	4/15/2026	223,390.10	2,681.60	220,708.50	0.00
Grand Totals		14,704,543.60	5,182,484.60	9,522,059.00	



AGENDA ACTION FORM

Consideration of a Resolution Authorizing KEDB to Grant an Option until December 31, 2008 and Negotiate towards the Purchase of a Portion of the Newest Section of the Quebecor / Kingsport Press Site Adjoining Sullivan and Clinchfield Streets.

To: Board of Mayor and Aldermen
From: John G. Campbell, City Manager

Agenda Form No.: AF-232-2008
Work Session: July 14, 2008
First Reading: July 15, 2008

Final Adoption: July 15, 2008
Staff Work: Billingsley, Fleming
Presentation: Campbell, Phillips

BMA Strategic Plan 2005-2006
(CV=Core Value, KSF=Key Success Factor, KSO = Key Strategic Objective)

Recommendation:
Approve the resolution

Executive Summary:

KEDB has been approached by a prospect interested in purchasing up to 200,000 square feet of the newest section of the Quebecor building adjoining Sullivan/Clinchfield Streets. The prospect would like to have an option to explore the possibility of acquiring a portion of the building through December 31, 2008. The total project investment could cost more than \$16 million and involve all 3 floors of the existing building.

Attachments:

- 1. Resolution
- 2. Map

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSPORT, TENNESSEE (KEDB) TO GRANT AN OPTION UNTIL DECEMBER 31, 2008 AND NEGOTIATE TOWARD THE PURCHASE OF A PORTION OF THE NEWEST SECTION OF THE QUEBECOR / KINGSPORT PRESS SITE ADJOINING SULLIVAN AND CLINCHFIELD STREETS AND AUTHORIZING THE MAYOR TO EXECUTE ALL APPLICABLE DOCUMENTS

WHEREAS, the Industrial Development Board of the City of Kingsport, Tennessee (KEDB) has been approached by a prospect interested in purchasing up to 200,000 square feet of the newest section of the Quebecor building adjoining Sullivan and Clinchfield Streets; and

WHEREAS, the prospect would like to have an option to explore the possibility of acquiring a portion of the building through December 31, 2008; and

WHEREAS, the total project investment could be more than \$16,000,000 and involve all three (3) floors of the existing building.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Industrial Development Board of the City of Kingsport, Tennessee (KEDB) is authorized to grant an option until December 31, 2008 and negotiate toward the purchase of a portion of the newest section of the Quebecor / Kingsport Press site adjoining Sullivan and Clinchfield Streets.

SECTION II. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Chapter 10 of the Charter of the City of Kingsport, an option agreement, and all applicable documents, with the Industrial Development Board of the City of Kingsport, Tennessee (KEDB) for the property as set out in Section I above if needed.

SECTION III. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 15th day of July, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



Legend
City Line
Address
Building Footprint
Boundary
Street
Water
Point of Interest
Color
Point/Line/Color/Shape/Type
City Line



Quebecor - Project Friday

1 in. = 194.8 feet



AGENDA ACTION FORM

Consideration of a Resolution to Authorize the Mayor to Execute a Contract for a Guaranteed Maximum Price with J.A. Street & Associates for the Early Construction Phase of the Higher Education Center.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF-230-2008
 Work Session: July 14, 2008
 First Reading: July 15, 2008

Final Adoption: July 15, 2008
 Staff Work By: D. Mason/S. Crawford
 Presentation By: Fleming/Campbell

Recommendation: Approve the resolution.

Executive Summary:

The BMA previously approved the execution of a temporary contract to begin the construction process for the Higher Education Center, particularly the early structural steel package. (AF 216-2008) In addition to the early structural steel package, the project schedule dictates that the site work component of the project be commenced as well. The Guaranteed Maximum Pricing for the site work was not available at the time of the previous resolution and has now been determined.

The attached resolution authorizes the Mayor to execute a Guaranteed Maximum Price contract that encompasses the previously authorized structural steel package and the site work package. The guaranteed maximum price for the total project has not yet been established.

Once the guaranteed maximum price for the project in its entirety is established, a Change Order to this contract will be brought to the Board for approval.

Attachments:

1. Resolution
2. Agreement for a Guaranteed Maximum Price

Funding for this project has been identified under Project No. GP0726 – Higher Education Center

Funding source appropriate and funds are available: _____

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT FOR A GUARANTEED MAXIMUM PRICE WITH J.A. STREET & ASSOCIATES FOR THE EARLY CONSTRUCTION PHASE OF THE HIGHER EDUCATION CENTER.

WHEREAS, the City awarded a contract to J.A. Street & Associates on a guaranteed maximum price basis for the construction of the Kingsport Higher Education Center, subject to final approval of the Board of Mayor and Aldermen; and

WHEREAS, a contract must be executed to begin the early construction phase of the project;

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN as follows:

SECTION I. That the mayor, or in his absence, incapacity, or failure to act, the vice-mayor, is authorized to execute, in a form approved by the city attorney and subject to the requirements of Article X, Chapter 10 of the Charter of the City of Kingsport, a Guaranteed Maximum Price contract with J.A. Street & Associates for the Early Construction Phase of the Higher Education Center.

SECTION II. That this resolution shall take effect immediately upon its adoption, the public welfare requiring it.

ADOPTED this the 15th day of July, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

PRO FORMA MASTER CONTRACT (MC)
MC ATTACHMENT 2
PRO FORMA CONSTRUCTION SERVICES
AGREEMENT FOR A GUARANTEED MAXIMUM
PRICE (CSA-GMP)

FOR

Higher Education Facility

City of Kingsport
Kingsport, Tennessee

CONSTRUCTION SERVICES AGREEMENT

BETWEEN OWNER and
CONSTRUCTION MANAGER/GENERAL CONTRACTOR (CM/GC)

WHERE THE BASIS IS A
GUARANTEED MAXIMUM PRICE

AGREEMENT

Made as of the _____ Day of _____ in the year of _____.

BETWEEN THE OWNER:

The City of Kingsport
225 West Center Street
Kingsport, Tennessee 37660

AND THE CONSTRUCTION MANAGER/GENERAL CONTRACTOR, HEREIN AFTER "CM/GC":

J.A. Street & Associates, Inc.
P.O. Box 725
Blountville, TN 37617

THE PROJECT:

Higher Education Facility
Kingsport, Tennessee 37660

THE DESIGNER:

McCarty Holsaple McCarty, Inc.
550 W. Main Street, Suite 300
Knoxville, Tennessee 37902

THE OWNER AND THE CM/GC AGREE AS SET FORTH BELOW.

ARTICLE 1, THE WORK AND THE CONTRACT DOCUMENTS

- 1.1 The CM/GC shall perform all the Work required by the Contract Documents for the Project.
- 1.2 The Contract Documents include the Master Contract and the individual contract elements of the Contract Documents identified below in Paragraph 1.4. These form the Contract and together constitute the entire agreement between the Owner and the CM/GC, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. An enumeration of the Contract Documents appears in Paragraph 1.4.
- 1.3 Terms used in this Agreement which are defined in the Conditions of the Contract shall have the meanings designated in those Conditions.
- 1.4 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:

- a. The Master Contract for the Project between the Owner and CM/GC dated *April 28, 2008*.
- b. This Agreement.
- c. Attachment 1 to this Agreement, Scope of Construction Phase Services.
- d. The Project Manual for the Project which includes, but is not limited to, the Conditions of the Contract (the General Conditions, the Supplementary, and other Conditions), the Building Prevailing Wage Rates, and the Specifications.
- e. The Design Development Drawings for the Project dated May 5, 2008.
- f. The portions of the following Addenda as apply to the above documents:
N/A

ARTICLE 2, TIME OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

- 2.1** The Work to be performed under this Contract shall be commenced on the date stipulated in the Owner's Notice to Proceed issued to the CM/GC; and, subject to authorized adjustments, Substantial Completion shall be achieved for the work and each Phase thereof in accordance with the number of calendar days Contract Time allotted each, from and including the Commencement of each, wholly and severally for the Work of each Phase.

It is understood and agreed that the full scope of work shall be sufficiently complete to allow the Owner full and free use of the entire facility and surrounding areas, beginning on August 1, 2009.

- 2.2** Liquidated Damages, as set forth in the General and Supplementary Conditions, are

Liquidated Damages in the amount of \$1,000.00 / calendar day shall be paid by the CM/GC for failure to achieve substantial completion on the date established from the description listed above.

ARTICLE 3, CONTRACT SUM

- 3.1** The Owner shall pay the CM/GC in current funds for the performance of the Work an amount not to exceed the Guaranteed Maximum Price, also referred to as the "Contract Sum", of,

One million, ninety-three thousand, eight hundred and fifty-six dollars and no cents (\$1,093,856.00) subject to additions and deductions by Modifications as provided in the Contract Documents.

- 3.2** The Guaranteed Maximum Price (GMP) is determined as follows:

Subcontracts:

Early Steel Package

Structural Steel:	\$439,993.00
Bar Joists:	\$177,012.00
Stairs:	\$75,320.00
Monumental Stairs:	\$32,800.00
Ornamental Railing:	\$103,760.00
Miscellaneous Metals:	\$2,716.00
Reinforcement Steel:	\$13,640.00

Site Work Package

Site Work: \$164,535.00

Storm Drainage: \$54,280.00

Water Utilities: \$23,500.00

Sanitary Sewer: \$6,300.00

Guaranteed Maximum Price \$1,093,856.00

3.3 Unit Prices will be used as specified. N/A

3.4 It is understood by both the City and J. A. Street & Associates that the work included in this agreement only constitutes a portion of the total project, and the above-noted subcontract amounts will become a part of the final Guaranteed Maximum Price for the total project to be determined at a later date.

This Agreement entered into as of the day and year first written above as witnessed:

**BY CONSTRUCTION
MANAGER/GENERAL
CONTRACTOR:**

J.A. STREET ASSOCIATES, INC.

Signature:

Name
Title

AND BY OWNER:

THE CITY OF KINGSPORT

**SIGNATURE:
NAME/TITLE**

APPROVED AS TO FORM

City Attorney

ATTESTED

City Recorder

END OF AGREEMENT



AGENDA ACTION FORM

Consideration of a Resolution to Authorize the Mayor to Sign all Documents Necessary to Apply and Receive a State of Tennessee Economic and Community Development FastTrack Infrastructure Development Program Grant and Ratify a 'Request to Incur Costs Documentation' s Signed by the Mayor.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF-231-2008
 Work Session: July 14, 2008
 First Reading: July 15, 2008
 Final Adoption: July 15, 2008

Staff Work By: Morris Baker/ David Mason/
 Jeff Fleming
 Presentation By: Jeff Fleming

Recommendation: Approve the resolution.

Executive Summary:

The State of Tennessee Department of Economic and Community Development (ECD) has available a *Fasttrack Infrastructure Development Program* grant for infrastructure improvements where there is a commitment by certain private sector businesses to locate or expand in the state and to create or retain jobs for Tennesseans.

The City of Kingsport is applying for up to \$750,000 in these funds for the Higher Education Center to assist with the site preparation work.

The estimated cost of the project is \$1,225,000 with proposed funding of up to \$750,000 from the *Fast Track Infrastructure Development Program* and the remaining \$475,000 provided by the City of Kingsport.

The 'request to incur costs documentation' was submitted to allow ECD to lock in a date for eligible costs to be reimbursed to the city in the event the grant application is approved at a later date.

Attachments:

1. Resolution
2. Request to Incur Costs form submitted

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE A STATE OF TENNESSEE ECONOMIC AND COMMUNITY DEVELOPMENT FAST TRACK INFRASTRUCTURE DEVELOPMENT PROGRAM GRANT AND RATIFYING EXECUTION OF A REQUEST TO INCUR COSTS DOCUMENTATION

WHEREAS, this resolution authorizes an application for grant funds to the Fast Track Infrastructure Development Program (FIDP) of the Tennessee Department of Economic and Community Development. The FIDP program was formerly known as the Tennessee Industrial Infrastructure Program (TIIP). The program will be used for site infrastructure assistance for the Kingsport Higher Education Center; and

WHEREAS, the project will provide the site infrastructure assistance for the Kingsport Higher Education Center, ultimately benefiting Biscuits Leclerc, LTD by providing the company with well trained employees to meet their hiring needs; and

WHEREAS, Fast Track Infrastructure Development Program (FIDP) funds can be used to provide the necessary improvements; and

WHEREAS, the estimated cost of the project is \$1,225,000 with proposed funding of \$750,000 from the Fast Track Infrastructure Development Program and \$475,000 provided by the city; and

WHEREAS, a request to incur costs documentation executed by the Mayor was previously submitted to allow ECD to lock in a date for eligible costs to be reimbursed to the city in the event the grant application is approved at a later date.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney, all documents necessary and proper to apply for and receive Fast Track Infrastructure Development Program (FIDP) of the Tennessee Department of Economic and Community Development grant funds with proposed funding of \$750,000 from the Fast Track Infrastructure Development Program and \$475,000 provided by the city to provide the site infrastructure assistance for the Kingsport Higher Education Center.

SECTION II. That the request to incur costs documentation, executed by Mayor

Dennis R. Phillips, submitted to allow ECD to lock in a date for eligible costs to be reimbursed to the city in the event the grant application is approved at a later date is ratified.

SECTION III. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 15th day of July, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

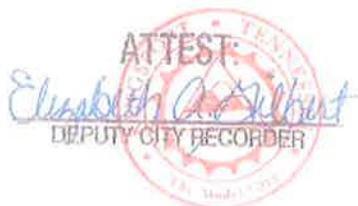
APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

**CERTIFICATIONS SUPPORTING REQUEST TO INCUR COSTS
PRIOR TO CONTRACT EXECUTION
UNDER THE FASTTRACK INFRASTRUCTURE DEVELOPMENT PROGRAM**

1. The jurisdiction of City of Kingsport requests permission to incur costs for contract activities for the Biscuits Leclerc LTD project prior to the award of a state contract under the FastTrack Infrastructure Development Program (FIDP). The estimated costs for the project for which a FIDP grant will be requested are \$750,000.
2. I acknowledge that all FIDP grant activities must be conducted under the provisions of the Municipal or County Purchasing Act of 1983, that I am aware of the requirements of this Act, and that I understand that violation of any of the provisions of this Act will render the FIDP application ineligible for approval.
3. I acknowledge that state wage rates will have to be requested and included in the plans and specifications. The plans and specifications must be approved by ECD prior to advertising. Ample time must be given for these reviews.
4. I acknowledge that significant delays may occur in the application review and approval process and in the preparation and execution of the state contract which is the granting instrument, and I certify that the City of Kingsport has sufficient funds available, or will secure such funds from non-state sources, to pay all costs that may be incurred prior to the execution of the contract. I further certify that Kingsport will not submit invoices to the state for payment until the FIDP contract has been executed.
5. I acknowledge that this permission to incur costs will expire 60 days after its effective date unless a complete FIDP application has been received in the Program Management Section of the Tennessee Department of Economic and Community Development.
6. I acknowledge that approval of permission to incur costs prior to grant award is not to be construed as approval of the grant, that this permission merely makes it possible for a grant to be approved at a later date, and that it is possible the grant will never be awarded or may be awarded for a lesser amount than requested.

The above cited acknowledgements and certifications are made this 10th day of July, 2008 by Dennis R. Phillips in my official capacity as Mayor of the City of Kingsport.



Dennis R. Phillips
(signature)



AGENDA ACTION FORM

Consideration of a Resolution Authorizing the Mayor to Approve a Lease Agreement Between the City of Kingsport and the American Legion for the Use of Space at the Civic Auditorium.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Agenda Form No.: 233-2008
 Work Session: July 14, 2008
 First Reading: July 15, 2008

Final Adoption: July 15, 2008
 Staff Work: McCartt/Frazier
 Presentation: McCartt

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO = Key Strategic Objective)

Recommendation: Approve the Resolution

Executive Summary:

The City of Kingsport has been assisting the American Legion for several months to find either a permanent or temporary home for their organization since they will no longer be able to utilize their present location on Legion Drive after July 25, 2008. In order to provide a temporary home for the American Legion the City of Kingsport has offered the use of the West Room in the Civic Auditorium at a rate of \$91.00 per month for a term of twelve months with the option of monthly renewal's thereafter if both parties are in agreement. The West Room has very limited use when compared to other rooms available at the Civic Auditorium. Under the agreement the American Legion will be required to observe the operating hours for the building and will be responsible for the installation and ongoing charges for any supporting equipment needed to operate the Veterans Affairs office and the American Legion. This agreement will become effective August 1, 2008.

Attachments:

1. Resolution

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A
LEASE AGREEMENT BETWEEN THE CITY OF KINGSPORT
AND THE AMERICAN LEGION FOR CERTAIN SPACE KNOWN
AS THE WEST ROOM LOCATED IN THE CIVIC AUDITORIUM

WHEREAS, the City of Kingsport desires to enter into a lease agreement with American Legion for use by the American Legion of certain space known as the West Room located in the city's Civic Auditorium; and

WHEREAS, the term of the lease is for a twelve (12) month period beginning August 1, 2008 at a cost of ninety-one dollars (\$91) per month; and

WHEREAS, under the terms of the agreement the American Legion will observe the operating hours for the building and will be responsible for the installation and ongoing changes for any supporting equipment needed to operate the Veterans Affairs Office and the American Legion.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That the Mayor, or in his absence, incapacity, or failure to act, the Vice Mayor, is authorized to execute, in a form approved by the City Attorney and subject to the requirements of Article X, Chapter 10 of the Charter of the City of Kingsport, a lease agreement between the City of Kingsport and the American Legion for use by the American Legion of certain space known as the West Room located in the Civic Auditorium for a twelve (12) month period beginning August 1, 2008 at a cost of ninety-one dollars (\$91) per month.

SECTION II. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 15th day of July, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY



AGENDA ACTION FORM

Consideration of a Resolution Authorizing Staff to Enter into Deliberations with Representatives of the Greater Kingsport YMCA to Outline Components of a Contract Proposal for the Management of the Kingsport Aquatic Facilities.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager 

Action Form No.: AF-229-2008
 Work Session: July 14, 2008
 First Reading: July 15, 2008
 Final Adoption: July 15, 2008
 Staff Work By: Chris McCart, Tom Bowman
 Presentation By: Tom Bowman

BMA Strategic Plan 2005-2006
 (CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)
CV # 6: Partnerships
KSF #5: Quality of Life
KSO #

Recommendation: Approve the Resolution

Executive Summary:

A City Staff Committee recently conducted a *Request for Qualifications* process to select a candidate organization with which to negotiate and develop a proposed contractual agreement for the operation and management of Kingsport's aquatic facilities. A number of wellness/recreational organizations responded and were considered. It was gratifying to be able to see first hand the bank of talent we have in this industry in our community. As a result of this process and after due consideration the committee unanimously voted to select the Greater Kingsport YMCA as the organization best qualified to work with the City in this endeavor. The YMCA's national prominence, proven experience in aquatic programming and facility management, and their broad based support system were valuable considerations leading to their selection. If deliberations between the City and YMCA representatives are successful, staff will be requesting board action on an actual contractual agreement between these two entities at a later date.

Attachments:

1. Resolution
2. Supplemental Information

Funding source appropriate and funds are available: _____

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

A RESOLUTION APPROVING NEGOTIATION WITH REPRESENTATIVES OF THE GREATER KINGSPORT YMCA PURSUANT TO MANAGEMENT OF THE CITY'S PROPOSED AQUATIC FACILITIES

WHEREAS, on June 26, 2008 a city staff committee met with respondents to the city's request for qualifications for management of the city's proposed aquatic facilities; and

WHEREAS, whereupon review of written declarations of qualifications and subsequent interviews with each respondent it is the recommendation of the committee that it is in the best interest and advantage to the city to enter into negotiation with the Greater Kingsport YMCA pursuant to management of the proposed aquatic facilities.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That negotiation with representatives of the Greater Kingsport YMCA pursuant to management of the city's proposed aquatic facilities is approved.

SECTION II. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 15th day of July, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

Memorandum
7 July 2008

To: John Campbell, City Manager
Sandy Crawford, Procurement Manager

From: Tom Bowman, Director of Leisure Services

Subject: Request for Qualifications/Aquatic Facility Management

On 26 June 2008 a team made up of John Campbell *City Manager*, Chris McCartt, *Assistant to the City Manager*, Kitty Frazier *Parks and Recreation Manager*, Sandy Crawford *Procurement Manager*, and Tom Bowman *Director of Leisure Services* met to interview respondents to the City's request for qualifications for management of the City's proposed aquatic facilities. Written responses had been received and reviewed by committee members prior to interviews.

Three organizations responded to the Request for Qualifications.

1. The Great Body Company—Represented by Stan Johnson ,
Owner/Operator
2. The Greater Kingsport YMCA—Represented by Charles Glass, Executive
Director
3. Gold Star Fitness Centers—Represented by Stan Pace, Owner/Operator.
Although Mr. Pace had not been able to submit a formalized declaration of
qualifications because of timing issues, it was felt that his prominence in the
industry and community warranted special consideration. As a result we
invited Mr. Pace to participate in the interview process.

All three respondents were subsequently interviewed. As anticipated the interview committee was impressed by the obvious expertise and capability of the three interviewees and the organizations they represent. It was however our responsibility to select only one organization with which to begin deliberations.

After consideration of written declarations of qualifications and subsequent interviews of the three organizations it was the unanimous decision of the committee that we recommend that the City initiate negotiations with representatives of the Greater Kingsport YMCA with a goal of contracting their services as the managing entity for the City's proposed aquatic facilities. It was the committee's determination that the long history of effective aquatic facility experience possessed by the National YMCA organization, in addition to the extensive support system they make available to the Greater Kingsport YMCA, places them and their local representatives in the most favorable position to assume the desired role.

Even though the Greater Kingsport YMCA emerged as our first choice in this selection process we hope that we will be successful in developing group usage agreements with the Great Body Company, and Gold Star Fitness Centers. They are the type of quality businesses that will help make our endeavors successful.



AGENDA ACTION FORM

Consideration of a Resolution Authorizing Staff to Enter into Deliberations with Representatives of the Greater Kingsport YMCA to Outline Components of a Contract Proposal for the Management of the Kingsport Aquatic Facilities.

To: Board of Mayor and Aldermen
From: John G. Campbell, City Manager

Action Form No.: AF-229-2008
Work Session: July 14, 2008
First Reading: July 15, 2008

Final Adoption: July 15, 2008
Staff Work By: Chris McCartt, Tom Bowman
Presentation By: Tom Bowman

BMA Strategic Plan 2005-2006
(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)
CV # 6: Partnerships
KSF #5: Quality of Life
KSO #

Recommendation: Approve the Resolution

Executive Summary:

A City Staff Committee recently conducted a *Request for Qualifications* process to select a candidate organization with which to negotiate and develop a proposed contractual agreement for the operation and management of Kingsport's aquatic facilities. A number of wellness/recreational organizations responded and were considered. It was gratifying to be able to see first hand the bank of talent we have in this industry in our community. As a result of this process and after due consideration the committee unanimously voted to select the Greater Kingsport YMCA as the organization best qualified to work with the City in this endeavor. The YMCA's national prominence, proven experience in aquatic programming and facility management, and their broad based support system were valuable considerations leading to their selection. If deliberations between the City and YMCA representatives are successful, staff will be requesting board action on an actual contractual agreement between these two entities at a later date.

Attachments:

- 1. Resolution
- 2. Supplemental Information

Funding source appropriate and funds are available: _____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Phillips	—	—	—

RESOLUTION NO. _____

**A RESOLUTION APPROVING NEGOTIATION WITH
REPRESENTATIVES OF THE GREATER KINGSPORT YMCA
PURSUANT TO MANAGEMENT OF THE CITY'S PROPOSED
AQUATIC FACILITIES**

WHEREAS, on June 26, 2008 a city staff committee met with respondents to the city's request for qualifications for management of the city's proposed aquatic facilities; and

WHEREAS, whereupon review of written declarations of qualifications and subsequent interviews with each respondent it is the recommendation of the committee that it is in the best interest and advantage to the city to enter into negotiation with the Greater Kingsport YMCA pursuant to management of the proposed aquatic facilities.

Now therefore,

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN AS FOLLOWS:

SECTION I. That negotiation with representatives of the Greater Kingsport YMCA pursuant to management of the city's proposed aquatic facilities is approved.

SECTION II. That this resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED this the 15th day of July, 2008.

DENNIS R. PHILLIPS, MAYOR

ATTEST:

JAMES H. DEMMING, CITY RECORDER

APPROVED AS TO FORM:

J. MICHAEL BILLINGSLEY, CITY ATTORNEY

Memorandum

7 July 2008

**To: John Campbell, City Manager
Sandy Crawford, Procurement Manager**

From: Tom Bowman, Director of Leisure Services

Subject: Request for Qualifications/Aquatic Facility Management

On 26 June 2008 a team made up of John Campbell *City Manager*, Chris McCartt, *Assistant to the City Manager*, Kitty Frazier *Parks and Recreation Manager*, Sandy Crawford *Procurement Manager*, and Tom Bowman *Director of Leisure Services* met to interview respondents to the City's request for qualifications for management of the City's proposed aquatic facilities. Written responses had been received and reviewed by committee members prior to interviews.

Three organizations responded to the Request for Qualifications.

1. The Great Body Company—Represented by Stan Johnson, Owner/Operator
2. The Greater Kingsport YMCA—Represented by Charles Glass, Executive Director
3. Gold Star Fitness Centers—Represented by Stan Pace, Owner/Operator. Although Mr. Pace had not been able to submit a formalized declaration of qualifications because of timing issues, it was felt that his prominence in the industry and community warranted special consideration. As a result we invited Mr. Pace to participate in the interview process.

All three respondents were subsequently interviewed. As anticipated the interview committee was impressed by the obvious expertise and capability of the three interviewees and the organizations they represent. It was however our responsibility to select only one organization with which to begin deliberations.

After consideration of written declarations of qualifications and subsequent interviews of the three organizations it was the unanimous decision of the committee that we recommend that the City initiate negotiations with representatives of the Greater Kingsport YMCA with a goal of contracting their services as the managing entity for the City's proposed aquatic facilities. It was the committee's determination that the long history of effective aquatic facility experience possessed by the National YMCA organization, in addition to the extensive support system they make available to the Greater Kingsport YMCA, places them and their local representatives in the most favorable position to assume the desired role.

Even though the Greater Kingsport YMCA emerged as our first choice in this selection process we hope that we will be successful in developing group usage agreements with the Great Body Company, and Gold Star Fitness Centers. They are the type of quality businesses that will help make our endeavors successful.



AGENDA ACTION FORM

Consideration of an Appointment and Reappointment to the Parks and Recreation Advisory Committee.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager *John G. Campbell*

Agenda Form No.: AF-221-2008
 Work Session: July 14, 2008
 First Reading: July 15, 2008

Final Adoption: July 15, 2008
 Staff Work: Kitty Frazier
 Presentation: Tom Bowman/Kitty Frazier

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO = Key Strategic Objective)

- CV #1 - Value Citizens
- KSF #7 - Superior Quality of Life
- KST # - N/A

Recommendation:

Approve the re-appointment of Pete Lodal and the new appointment of John Gregory to the Parks and Recreation Advisory Committee. Terms for both appointments will start July 1, 2008 and will expire on June 30, 2011.

Executive Summary:

The Parks and Recreation Advisory Committee are essential for the delivery of quality community recreation programs and facilities. The committee currently has two membership vacancies which require appointments.

Attachments:

1. Pete Lodal's Biography
2. John Gregory's Biography

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—

Peter N. Lodal

Peter Lodal is a Technical Fellow and group leader of the Plant Protection Technical Services group at Eastman Chemical's Tennessee Operations site in Kingsport, TN. He has been with Eastman in various positions for more than 30 years, 17 in process engineering, and the past 13+ in process safety and loss prevention. He is Eastman Chemical Company's representative to the Center for Chemical Process Safety (CCPS) Technical Steering Committee, and is a member of the CCPS Planning committee. Pete chairs the Process Safety Committee for the American Chemistry Council (ACC), and also serves on the International Editorial Board for the *Journal of Loss Prevention in the Process Industries*.

Pete is a Fellow of the American Institute of Chemical Engineers (AIChE), and is active as a past Director of both his local AIChE section (East Tennessee), and of AIChE's Safety and Health division. He holds BS and MS degrees in Chemical Engineering from Purdue University, and is a registered Professional Engineer in the state of Tennessee.

Pete is active in the community as an Elder at Waverly Road Presbyterian Church, where he is the Director of the Waverly Road Food Pantry. He has worked with the Kingsport Parks and Recreation Department as a volunteer T-Ball/baseball coach, and has served as a member of the Parks and Recreation Advisory Board since 1999. Pete also volunteers with the Dobyys-Bennett Track Team, running the discus for Coach Bob Bingham at D-B home meets.

Pete and Susan, his wife of more than 30 years, have three children; Erik (27) a math teacher at Sullivan South, Nicholas (24), a police officer in Irvine, KY and Genevieve (24), a planner with GVF Transportation in King of Prussia, PA. Susan is currently the President of the Kingsport Board of Education, serving her second elected term on the board.

John Gregory

John was born and raised in Kingsport, having graduated from Dobyms-Bennett High School in 1971. John's father, L.P. Gregory, served as Mayor of Kingsport from 1959-1961. Currently, John is vice president of Citizens Bank in Kingsport. He previously has worked for Rentenbach and Wright Construction, First Tennessee Bank and National Life of Vermont. After John and his family moved back to Kingsport in 1984, he was a basketball coach in the Parks and Recreation Boys' Basketball league for several years. He also participated in the Barracuda Swim program. John is a 23 year member and past president of the Kingsport Kiwanis Club. John is past president of the Arts Council of Greater Kingsport. He has also served on the boards of United Way, Girls Incorporated, DKA and Slam Dunk Club. He participates annually in the musical program "Showtime" during Fun Fest as well as the Intercity Ballet production of "Nutcracker" during the Christmas season. John is a member of Colonial Heights Christian Church.



AGENDA ACTION FORM

Consideration of an Ordinance to Continue the Interlocal Agreement with the Town of Mount Carmel for Land-Use Planning Services and Amend the General Fund Development Services Budget for FY09.

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager *[Signature]*

Action Form No.: AF-198-2008
 Work Session: June 30, 2008
 First Reading/(Public Hearing Held): July 1, 2008
 Final Adoption: July 15, 2008

Staff Work By: Chris McCart/Jack Qualls
 Presentation By: Chris McCart/Jack Qualls

BMA Strategic Plan 2007-2008

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)
CV # 6: Partnerships – We value regional partnerships.
KSF # 4, 6: Stewardship of Public Funds; Reliable and Dependable Infrastructure
KSO #:

Recommendation:
 Approve ordinance.

Executive Summary:

The Town of Mount Carmel has formally requested that the City of Kingsport continue the Interlocal Government agreement in order to provide land-use planning services for the Town. The Kingsport Metropolitan Planning Organization, which provides regional transportation planning, will provide this service to the Town at an annual cost of \$6800. The MPO will charge staff time to the \$6800. Under this agreement, staff will provide the basic services needed to support the Town’s Planning Commission such as: attending regular meetings, review and comment on all agenda items, pre-construction meetings for subdivisions, and comprehensive plan review. This work will be conducted with the highest level of professionalism keeping the Towns interest as the number one priority. The ordinance will appropriate funds received from the Town of Mount Carmel for these services.

- Attachments:**
1. ~~Resolution~~
 2. Ordinance

Funding source appropriate and funds are available: Yes

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance Appropriating Matching Funds for the Madd Branch Phase II Watershed Plan Implementation Project

TO: Board of Mayor and Aldermen
 FROM: John G. Campbell, City Manager

Agenda Form No.: AF 203-2008
 Work Session: June 30, 2008
 First Reading(Public Hearing Held): July 1, 2008

Final Adoption: July 15, 2008
 Staff Work: Dan Wankel
 Presentation: Dan Wankel

Recommendation:

Approve the ordinance.

Executive Summary:

This ordinance provides for the 40 percent matching funds for the second phase of the Madd Branch Project as part of the Tennessee Department of Agriculture’s 319 Watershed Implementation Grant Program. Phase I resulted in the development of a watershed plan designed to identify and offer solutions to offset the detrimental effects urban stormwater runoff is having on the stream. Phase II took those items from the plan determined to be most feasible and effective toward removing the stream from the State’s list of impaired waters. These items include restoration of eroded streambanks, educational initiatives (clean ups, inlet labeling, environmental signage, multi-media campaign, retrofit of stormwater treatment devices and stakeholder involvement) and stream buffer enhancement.

A contract has been prepared providing for a cash match of \$36,000 to fund the implementation of the watershed plan created in Phase I of the Project. An Ordinance is presented to facilitate the funding of the match.

Attachments:

- 1. Ordinance

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance to Condemn in Fee Property for the Site of the Future Fire Station #7

To: Board of Mayor and Aldermen
From: John G. Campbell, City Manager

Action Form No.: AF-205-2008
Work Session: June 30, 2008
First Reading(Public Hearing Held): July 1, 2008

Final Adoption: July 15, 2008
Staff Work By: R. Trent, S. Payne, C. Dye
Presentation By: M. Billingsley

Recommendation: Approve the Ordinance.

Executive Summary:

The Fire Department has requested property to be purchased in fee for the site of the future Fire Station #7 that will serve the Rock Springs/Sullivan Gardens area. This location will also serve as a police sub-station and possible storage for the Public Works Department. The attached ordinance authorizes and directs the City Attorney to initiate condemnation proceedings to acquire the property in fee that cannot be voluntarily acquired for the Fire Station #7.

Attachments:

- 1. Ordinance
- 2. Location Map

Funding source appropriate and funds are available: _____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance to Amend the General Project-Special Revenue Fund Budget by Appropriating Funds Received From the U.S. Chamber of Commerce – Economic Development Administration for the Kingsport Center for Higher Education.

To: Board of Mayor and Aldermen
From: John G. Campbell, City Manager

Action Form No.: AF 199-2008
Work Session: June 30, 2008
First Reading(Public Hearing Held): July 1, 2008
Final Adoption: July 15, 2008
Staff Work By: Smith/Baker
Presentation By: Smith

Recommendation:

Approve the ordinance.

Executive Summary:

The City of Kingsport received a U.S. Department of Commerce Economic Development Administration Grant in the amount of \$1,500,000 to assist with construction of the Kingsport Center for Higher Education. Of the total amount, \$677,450 is from EDA's Global Climate Mitigation Fund for the costs attributable to the LEED certification for the building.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available: _____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance to Appropriate Funds for the City's Portion of the Project with Sullivan County for the Bloomingdale Trunkline Extension Project

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Agenda Form No.: AF 206-2008
 Work Session: June 30, 2008
 First Reading/(Public Hearing Held): July 1, 2008

Final Adoption: July 15, 2008
 Staff Work: R. McReynolds, J. Smith,
 M. Hickman
 Presentation: R. McReynolds

BMA Strategic Plan 2005-2006
 (CV=Core Value, KSF=Key Success Factor, KSO = Key Strategic Objective)

Recommendation: Approve ordinance.

Executive Summary:

Bloomingdale Trunkline Extension includes portions from Idle Hour Road to Brooklawn Drive. This phase will serve 80 homes with the potential of serving 332 homes in the future. A survey conducted by Sullivan County of sixty homes in this area found that more than half of the residential septic tanks are failing. To remedy this problem, the County has received a Community Development Block Grant from the State of Tennessee for \$300,000 to help fund this project and to assist lower and middle income families who qualify to tie on to the sewer system. This project consists of approximately 9,240 linear feet of 10 inch PVC sewer pipe, and 1,620 linear feet of 8 inch sewer pipe. With the County as a beneficiary of the CDBG Grant, this project was bid by Sullivan County on April 29, 2008 with the total cost for the installation of the trunkline and collector lines are \$1,914,621.00. The City of Kingsport's Engineering Department will administer and inspect this project.

Under the latest City-County Sewer Agreement, The City of Kingsport pays for the installation of sewer collector lines under 10 inches. The City's cost for this portion of the project is **\$436,000.00.**

Attachments:

1. Resolution
2. Ordinance
3. Location Map

	<u>Y</u>	<u>N</u>	<u>O</u>
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance to Amend the General Fund, General Project Fund, Debt Service Fund, Eastman Annex Fund, Water Fund, Water Fund Project, and Visitor Enhancement Fund Budgets

To: Board of Mayor and Aldermen
From: John Campbell, City Manager

Action Form No.: AF200-2008
Work Session: June 30, 2008
First Reading/(Public Hearing Held): July 1, 2008
Final Adoption: July 15, 2008
Staff Work By: Smith
Presentation By: Smith/Campbell

BMA Strategic Plan 2005-2006

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #:
KSF #
KSO #

Recommendation:

Approve the ordinance.

Executive Summary:

This ordinance is a year end clean up ordinance for various projects.

The Motel-Room Occupancy Tax budget is being amended due to the rate increase. The FY08 budget was approved before the new increase was passed. The Visitor's Enhancement Program receives 25% of the Occupancy tax increase and the Kingsport Convention and Visitor's Bureau receives 62.5%. This budget ordinance will appropriate the increased estimated revenue.

Each year the Fire Department receives funds from Sullivan County. This year they received \$161,400 to purchase equipment. These funds will be transferred to a project. Funds will also be transferred from the General Fund to the City Hall Renovation project and to the Building Facilities Maintenance project to complete scheduled renovations.

The Water Fund is being amended to transfer funds set aside for upgrading meter reading devices to a project to purchase the devices in the next fiscal year.

Attachments:

- 1. Ordinance

Funding source appropriate and funds are available: _____

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—



AGENDA ACTION FORM

Consideration of an Ordinance Authorizing a Contract Amendment Between the City of Kingsport and the Tennessee Department of Transportation for Installation of a Traffic Signal and Associated Geometric Improvements at the Intersection of State Route 93 (N John B Dennis Highway) and Pavilion Drive

To: Board of Mayor and Aldermen
 From: John G. Campbell, City Manager

Action Form No.: AF-181-2008
 Work Session: June 30, 2008
 First Reading/(Public Hearing Held): July 1, 2008

Final Adoption: July 15, 2008
 Staff Work By: Chris Campbell, Bill Albright
 Presentation By: Chris Campbell

BMA Strategic Plan 2007-2008

(CV=Core Value, KSF=Key Success Factor, KSO=Key Strategic Objective)

CV #6: Partnerships – We value regional partnerships and work with national and state organizations

KSF #6: Reliable, Dependable Infrastructure – to provide a sustainable transportation system

KSO #8: Provide a well-maintained and expanding infrastructure that promotes safety

Recommendation:

Approve budget ordinance

Executive Summary:

Kingsport currently has a contract with the Tennessee Department of Transportation to install a multi-phase traffic signal at the intersection of SR 93 (N John B Dennis Hwy) and Pavilion Dr. A traffic study conducted last year determined that this intersection meets engineering warrants for such a signal. Since the original contract was signed, additional geometric improvements have been added to the project that will greatly enhance the intersection's function and safety. In addition to the traffic signal, the project calls for the addition of a left and right turn lane for southbound SR 93, improved right turn lane from Pavilion Dr, and advanced signal ahead signs for both south and northbound lanes of SR 93 (see attached location map). These additional geometric improvements require an amendment to the original contract and a 10% local match (Signal 100% Federal; Geometric Improvements 80% Federal, 10% State, 10% Local). The local match is estimated to be \$40,000. The Kingsport MPO Executive Board approved this project and amended the Transportation Improvement Plan (TIP) to reflect the amendment.

Attachments:

1. ~~Resolution~~
2. Ordinance
3. Contract Amendment
4. Location Map

Funding source appropriate and funds are available: Yes

	Y	N	O
Joh	—	—	—
Mallicote	—	—	—
Marsh	—	—	—
Munsey	—	—	—
Shull	—	—	—
Shupe	—	—	—
Phillips	—	—	—