



Department of Energy

Oak Ridge Operations Office
P.O. Box 2001
Oak Ridge, Tennessee 37831—

January 6, 2006

Mr. David Bradshaw, Mayor
City of Oak Ridge
Post Office Box 1
Oak Ridge, Tennessee 37831

Mr. Lawrence Young, President
Community Reuse Organization of East Tennessee
107 Lea Way
Oak Ridge, Tennessee 37830

Gentlemen:

MEMORANDUM OF AGREEMENT ON THE TRANSITION OF THE WATER TREATMENT PLANT, AND THE WATER, WASTEWATER AND FIRE PROTECTION SYSTEMS AT THE EAST TENNESSEE TECHNOLOGY PARK

Enclosed please find a signed original of the subject Memorandum of Agreement (MOA) between the Department of Energy, the Community Reuse Organization of East Tennessee, and the City of Oak Ridge. The signing of this MOA is a significant step in the Reindustrialization of the East Tennessee Technology Park (ETTP), and the Department would like to thank you for your cooperation and for your staff's hard work in putting this agreement in place.

The next step in the transition process is to prepare a project schedule and to identify those tasks that need to be addressed in the near term to support transfer of the subject utility systems. I will contact your staff soon to arrange a series of meetings to proceed with these activities.

I look forward to working with you and your staffs in the coming year. If you have any questions regarding transition of the ETTP utility systems or the MOA please contact me at (865) 576-0334.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. Cange".

Susan M. Cange, Team Leader
Reindustrialization and Technical
Assistance Team

Enclosure

cc's on page 2

Mr. David Bradshaw
Mr. Lawrence Young

-2-

January 6, 2006

cc w/enclosure:

Robert Brown, ORO, M-3
Larry Clark, ORO, NS-50
Dan Wilken, ORO, AD-40
Cindy Hunter, ORO, AD-42
Steve McCracken, ORO, EM-90
Donna Perez, ORO, EM-93
Jennifer Fowler, ORO, CC-10
Nancy Carnes, ORO, CC-10
Mary Copeland, ORO, CC-10
Jim O'Connor, City of Oak Ridge
Gary Cinder, City of Oak Ridge
Ken Krushenski, City of Oak Ridge
Bill Biloski, Bechtel Jacobs Company
Henry Huffinan, Operations Management International

Memorandum of Agreement
Between the United States Department of Energy,
The Community Reuse Organization of East Tennessee,
And the City of Oak Ridge, Tennessee on the Transition of
The East Tennessee Technology Park Water Treatment Plant
And Water, Wastewater, and Fire Protection Systems

The parties to this agreement are the United States Department of Energy ("DOE"), the Community Reuse Organization of East Tennessee ("CROET"), and the City of Oak Ridge, Tennessee ("the City").

BACKGROUND

The DOE, CROET, and the City have historically worked together in good faith to find mutually acceptable solutions to common issues or concerns. The parties have begun discussions and identified proposed actions which will assist in meeting the objectives of reutilizing certain DOE owned facilities located at, or near the East Tennessee Technology Park (ETTP) also referred to as the Heritage Center; constructing new CROET-sponsored city infrastructure; constructing new City-owned facilities; and expanding existing City-owned infrastructure for the purposes of providing adequate potable water, firewater, and wastewater treatment services to DOE and other customers in the west end area of Oak Ridge.

PURPOSE

The purpose of this Memorandum of Agreement (MOA) is to document the intent of all three parties with respect to the transition of the ETTP Water Treatment Plant and the water, wastewater and Firewater protection systems.

AGREEMENTS AND UNDERSTANDINGS

1. Transfer of Ownership of Specific DOE-Owned Facilities

DOE intends to transfer the following DOE-owned facilities, and underlying realty, to the City:

- ETTP Water Treatment Plant consisting of Building K-1515 plus ancillary buildings.
- Raw water intake facility identified as structures K-1513 and K-1513-F.
- Two water storage tanks identified as structures K-1529 and K-1530.
- The potable water distribution lines, the wastewater collection lines, and the firewater system lines will be transferred to the City as personal property along with all required appurtenances necessary to operate said systems.

It is understood that a metes and boundaries survey will be required on all parcels that are to be transferred and on all easements that are to be granted to the City. It is agreed that CROET and the City will share the cost of these surveys on an equal basis. It is estimated that the surveys will cost approximately \$27,000.

It is further agreed that the DOE Oak Ridge Office will continue working with the Environmental Protection Agency and the Tennessee Department of Environment and Conservation to identify areas at ETTP where restrictions for accessing subsurface soils below 10 feet are not needed. The City's current expectation is that these restrictions will not be in place for the facilities identified in Section 1 of this MOA.

Transfer of the facilities identified in Section 1 of this MOA will be in accordance with 10 *Code of Federal Regulations* Part 770 (referred to as 10 CFR 770). In accordance with this regulation, the City will submit a proposal to DOE requesting transfer of the facilities and will request indemnification. After receiving said proposal, DOE agrees to seek the necessary approvals under 10 CFR 770, and the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) to transfer the property.

2. Easements for Potable and Wastewater Lines on DOE Property

Easements, in a form acceptable to all parties, will be granted to the City by DOE in order to allow the existing water, wastewater, and firewater lines to remain as is. Additional easements, and/or utility corridors, will be granted by DOE as necessary for any additional lines constructed in the future.

3. Construction of Facilities by the City

The City agrees to extend and connect the current potable water line from its current western most point to the existing CROET potable water line located at Horizon Center.

The City agrees to "size" the Rarity Ridge Sewage Treatment Plant to accommodate the requirements of Heritage and Horizon Centers.

4. Contributions for Expansion of Existing Infrastructure and Construction of New Infrastructure

CROET intends to provide funds in the amount of \$500,000 to the City to aid in the extension of the City's potable water line from its western most point to the existing CROET potable water line at Horizon Center. CROET plans to provide the funds upon the City's execution of a contract for construction of the waterline.

CROET intends to construct a lift station and a wastewater line from the existing ETTP wastewater treatment plant, north to Building K-31 then west crossing under the Clinch River connecting to the new City of Oak Ridge Wastewater Treatment Plant at Rarity Ridge. CROET will be responsible for obtaining all necessary easements and approvals from all entities, prior to construction.

The City intends to provide assistance to CROET in gaining easements from Rarity Ridge to facilitate the installation of the wastewater line. Upon completion of construction, CROET plans to transfer ownership of the lift station, wastewater line, and appurtenances to the City.

The City intends to provide \$200,000 to partially defray the cost of the wastewater line project to the Rarity Ridge Wastewater Treatment Plant. The City plans to provide the funds upon CROET's execution of the wastewater line construction contract.

5. Provision of Services by the City

The City intends to provide potable water, firewater, and wastewater treatment services to CROET and all tenants at ETTP, Horizon Center, and other locations in the west end of Oak Ridge at the pressure and flow that is pursuant to City and State code requirements.

DOE, CROET and all tenants will be classified as retail customers and as such billing rates will be subject to all normal municipal rules and regulations established by the City.

All parties acknowledge that certain wastewater discharges may require pretreatment services and if so, the utility customer/tenant will be responsible for those services as will be determined by the City's Pretreatment Program. Where multiple tenants are located on one sewer discharge line and one or more of these tenants meet the requirements of pretreatment, the building owner will be responsible unless the tenant meeting the pretreatment requirements has a separate water meter and sewer discharge. The building owner will also be responsible where they are the discharger meeting the requirements of pretreatment.

The City anticipates costs to operate and maintain the facilities to be consistent with other municipal utility operations. Any extraordinary costs outside normal utility operations, as may be necessary by State or Federal requirements, would qualify for negotiated cost recovery from DOE, CROET, and/or third party building owners or tenants. The City will be notified in advance of any new requirements to provide adequate time for technical evaluations, development of cost estimates, and determination of any applicable cost sharing.

6. Continuation of Maintenance, Ongoing Projects, and Upgrades

DOE and CROET intend to continue any ongoing water, wastewater, and firewater systems projects and to proceed with any additional projects that have previously been approved, scheduled, and funded prior to the transfer of the Water Plant and the water, wastewater, and firewater systems. A listing of these projects will be provided to the City prior to transfer.

DOE and CROET plan to continue providing currently established routine maintenance activities on the water, wastewater, and firewater systems until transfer of the systems are complete, provided funds are available.

DOE and CROET also agree to notify the City of any identified operational problems with the water, wastewater, and firewater systems prior to transfer. Following installation of water meters and reconfiguration of the firewater system CROET and the City will jointly conduct a water survey to determine the amount of unaccountable water. CROET and the City will work together to resolve any issues that arise after the study is complete.

CROET will consult with the City during the design of and prior to initiation of any construction related to new activities, or any major restructuring of existing water, wastewater, and firewater systems that occur between the signing of this MOA and the transfer of the facilities to ensure compliance with rules, regulations, and municipal practices.

7. Demarcation Points

Potable Water Lines

- The City will be responsible for water lines up to and including the service meter and meter box.
- Service meters will be installed by CROET at a convenient location between the building and the street, where possible.
- Backflow prevention devices and meters will be installed by CROET consistent with City regulations and practices.

Wastewater Lines

- The City will be responsible for all main wastewater lines, manholes, and lift stations.
- All lateral lines will be the responsibility of the owner, tenant, or if the parcels serviced by the lateral lines are not yet transferred or leased to third parties, then by CROET.

8. Provision of Electric Power

DOE agrees to continue to provide electric power to all facilities transferred to the City and/or constructed by the City. The City will be charged full cost for the power. This provision will stay in effect until the City takes over the electrical distribution system at ETPP (see Section 11, Other Projects).

9. Schedule

Potable water

DOE intends to transfer the Water Plant and the water distribution lines, wastewater collection lines, and firewater system lines no later than March 31, 2008.

The City intends to extend the existing City water line to the Horizon Center in conjunction with the State of Tennessee's Highway 58 road widening project, or by March 31, 2008. Following transfer of the Water Treatment Plant, the City will ensure that ETTP will continue to have water service during this transition period.

Wastewater

CROET intends to have the newly-constructed lift station and wastewater line complete and operational to the City's Rarity Ridge Wastewater Treatment Plant by March 31, 2007. The City agrees to having wastewater treatment services available at the Rarity Ridge Wastewater Treatment Plant no later than March 31, 2007.

Water, Wastewater, and Firewater Lines

It is DOE's intention that all lines will be transferred and easements granted in order to support the dates identified above.

10. Drawings

DOE will assure that all drawings, blueprints, maps, etc. that are pertinent to the operation and transfer of the potable water, firewater, and wastewater systems will be attached as an addendum to this agreement. These drawings are meant to convey the scope of the infrastructure to be transferred and are preliminary in nature but reflect the intention of the parties.

DOE will also assure that upon transfer of all buildings, facilities, and appurtenances, a final set of "record drawings" will be provided and will become part of the official transfer documentation.

11. Other Projects

It is recognized that DOE and the City are developing a MOA to address the transition of responsibility/ownership from DOE to the City for the provision of electric power to the Heritage Center. It is anticipated that this MOA will be signed in the January, 2006 timeframe, and that the transition will be complete by September, 2008.

It is further recognized that DOE, Bechtel Jacobs Company, LLC, and the City are in discussions concerning the transfer of the ETTP Fire Station (building K-1652) and related equipment to the City, and the provision of specific fire protection and emergency services by the City to ETTP and other areas of the west end of Oak Ridge. It is anticipated that transfer of the building and equipment will occur by the end of calendar year 2006.

Additionally, DOE, CROET, and the City are proceeding with the understanding that the City intends to accept responsibility for major roadways at the entrance to and within the boundaries of the Heritage Center. The roadways are identified on an attached map. DOE plans to transfer the roads by March 31, 2008.

12. Approvals

It is understood by the parties hereto that all contracts, agreements, documents, dedications, and acceptances required under this MOA to bind the City shall be subject to the approval of the Oak Ridge City Council and such other city boards and commissions as are required by Tennessee State Law.

It is understood by the parties hereto that all contracts, agreements, and obligations contemplated or required under this MOA to bind CROET shall be subject to the approval of the CROET Board of Directors.

It is understood by the parties hereto that DOE's intention to transfer by quitclaim deed, property specified in this MOA must meet the requirements of 10 CFR 770 and CERCLA, and as such transfers must be approved by the Secretary of Energy as well as the U.S. Environmental Protection Agency and the Tennessee Department of Environment and Conservation. Therefore, these agreements are subject to these approvals.

EFFECTIVE DATE

This agreement will be effective on the last date signed by all respective parties.

MODIFICATIONS

This agreement may be modified with the mutual consent of all parties.

TERMINATION

This agreement may be terminated by any one of the three parties by providing a written notice to the other parties at least 90 days prior to its effect, or at any time with the mutual consent of all parties.

SIGNATURES

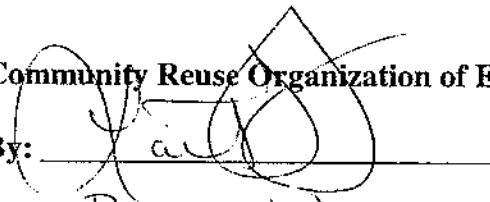
United States Department of Energy

By: 

Title: Manager, Oak Ridge Office

Date: 12/22/05

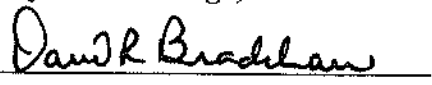
Community Reuse Organization of East Tennessee

By: 

Title: President & CEO

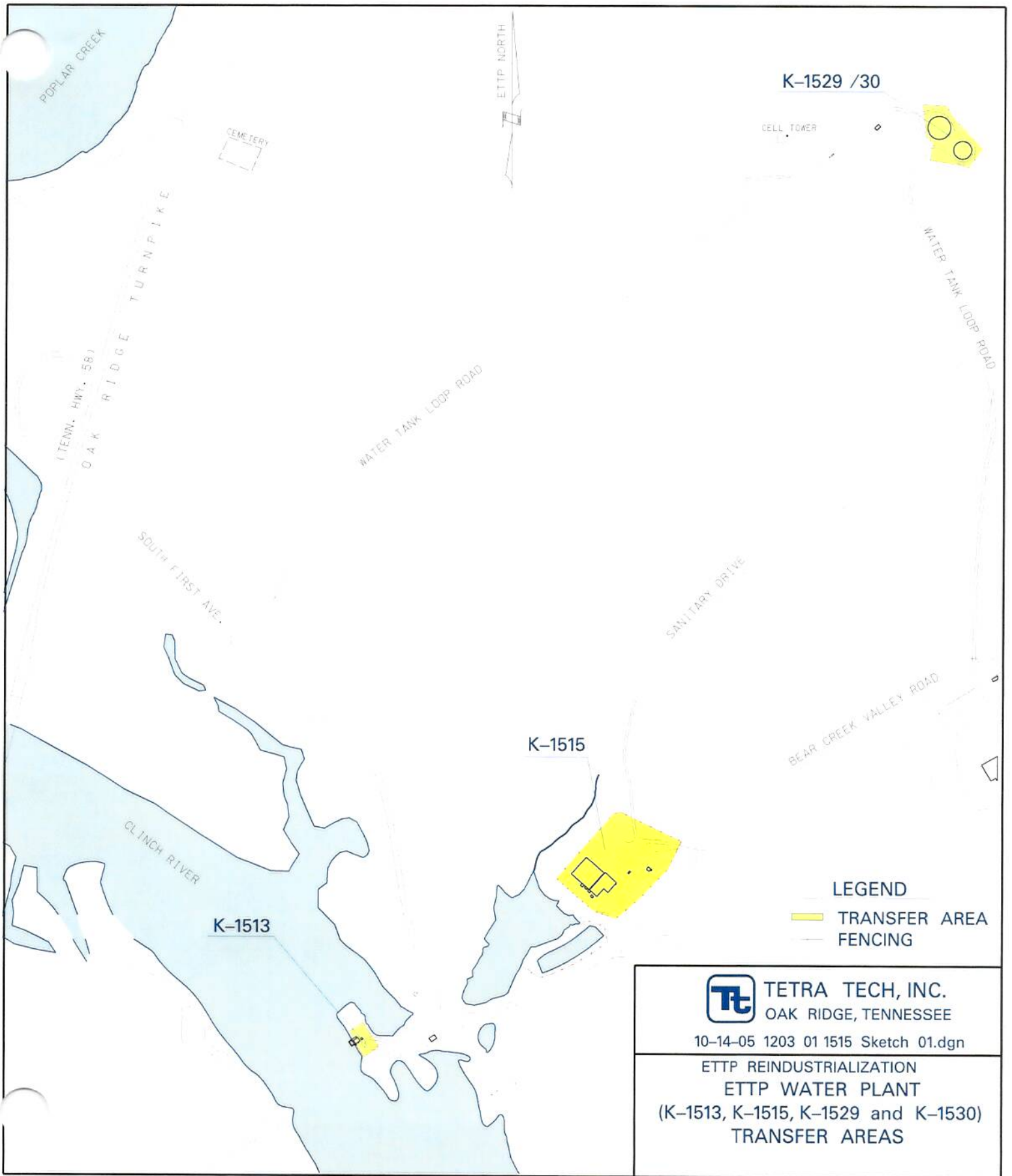
Date: 12/19/05

The City of Oak Ridge, Tennessee

By: 

Title: Mayor

Date: 12-12-2005



K-1529 /30

CELL TOWER

CEMETERY

ETTP NORTH

POPLAR CREEK

(TENN. HWY. 58)
OAK RIDGE TURNPIKE

WATER TANK LOOP ROAD

WATER TANK LOOP ROAD

SOUTH FIRST AVE.

SANITARY DRIVE

BEAR CREEK VALLEY ROAD

K-1515

CLINCH RIVER

K-1513

LEGEND

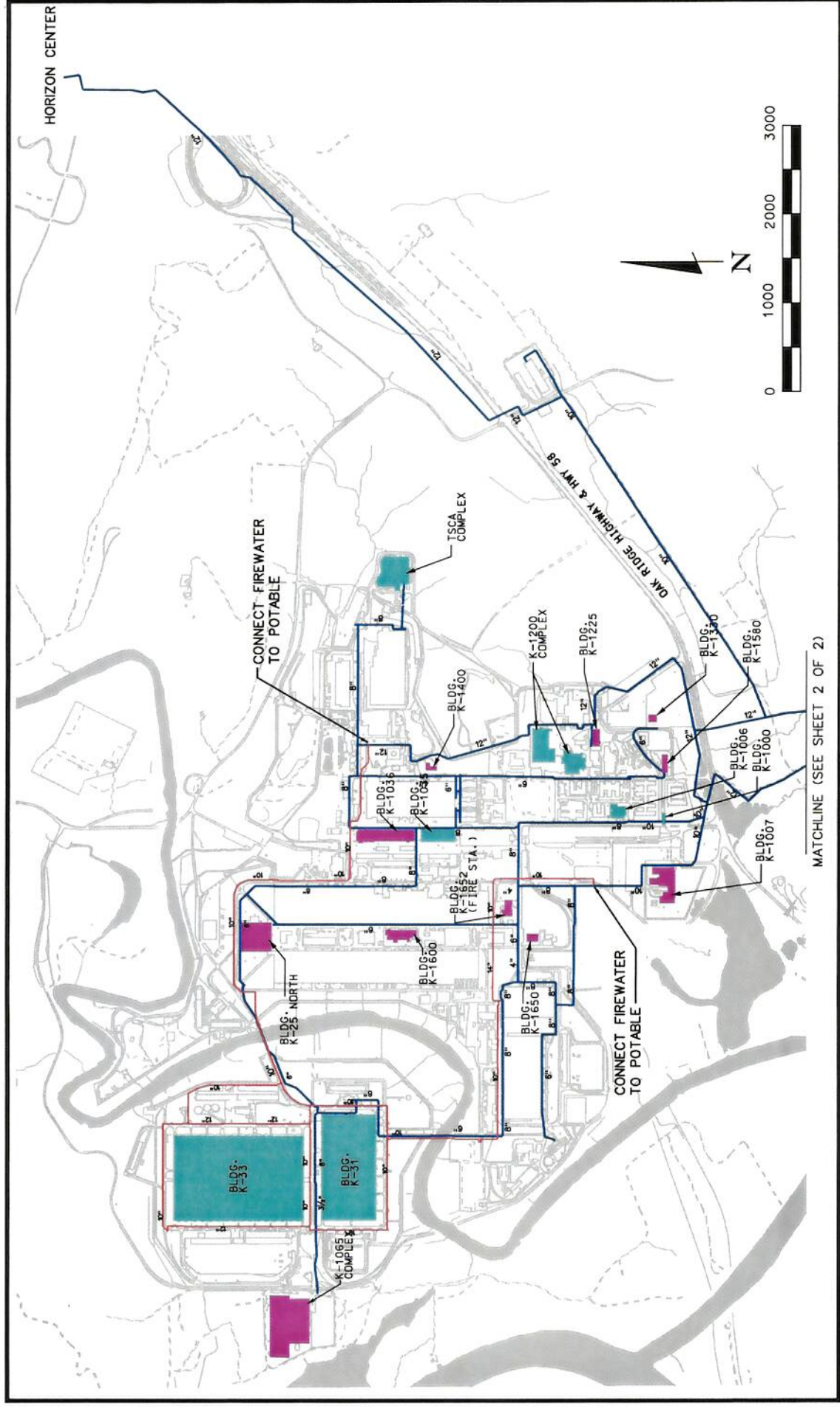
- TRANSFER AREA
- FENCING



TETRA TECH, INC.
OAK RIDGE, TENNESSEE

10-14-05 1203 01 1515 Sketch 01.dgn

ETTP REINDUSTRIALIZATION
ETTP WATER PLANT
(K-1513, K-1515, K-1529 and K-1530)
TRANSFER AREAS



SANITARY WATER & FIRE WATER LINES TO BE TRANSFERRED
SHEET 1 OF 2

- SANITARY WATER LINE TO BE TRANSFERRED
- FIRE WATER LINES TO BE TRANSFERRED
- ETTP BUILDING MAY STAY
- ETTP BUILDING WILL STAY

- SANITARY WATER LINE TO BE TRANSFERRED
- FIRE WATER LINES TO BE TRANSFERRED



MATCHLINE (SEE SHEET 2 OF 2)

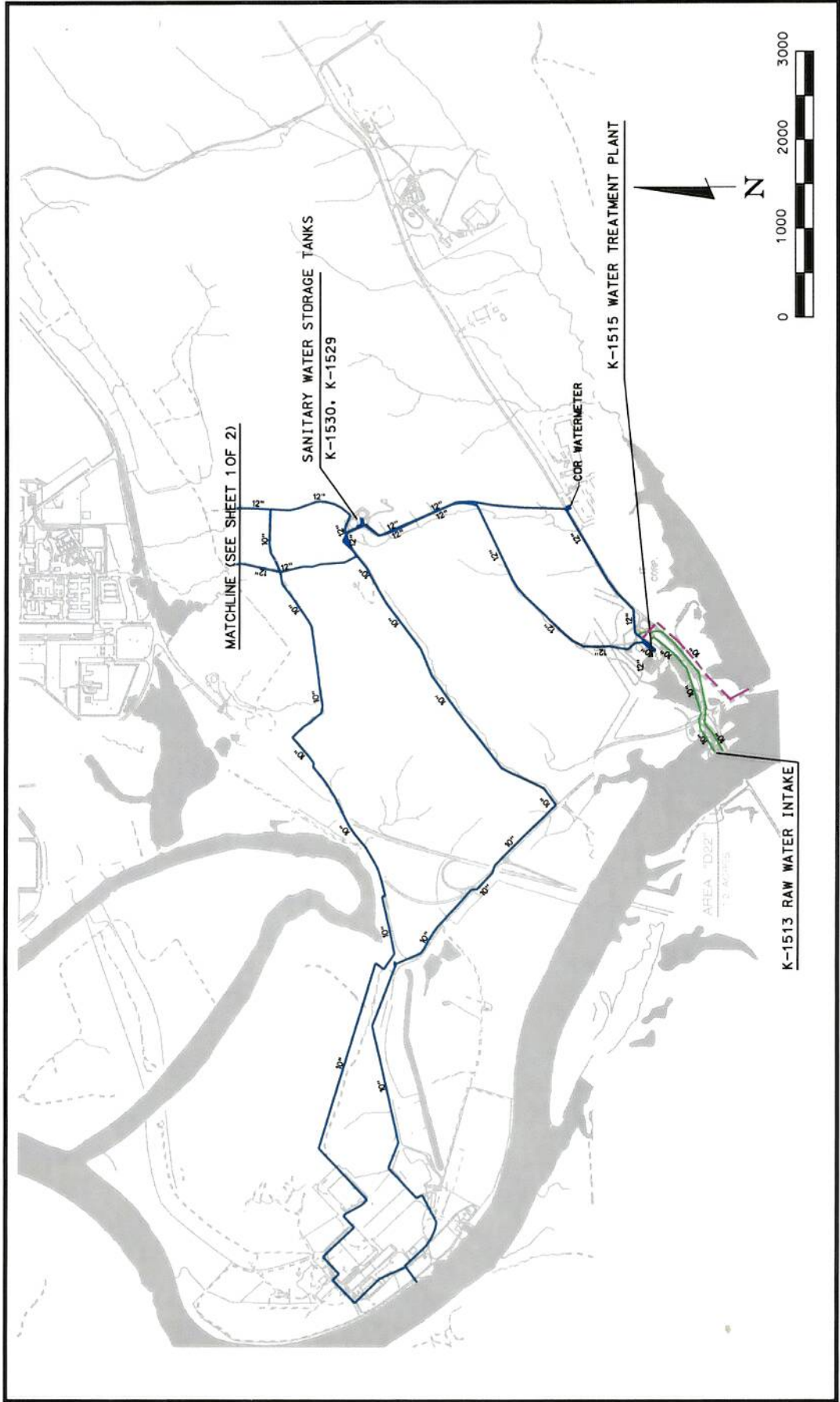
LEGEND

DATE	DESCRIPTION

BWSC
 BARBE WASSONER SUMNER & CANNON, INC.
 LANDSCAPE ARCHITECTS AND SURVEYORS
 117005
 1813128
 8000777
 0000006060001049800
 BWSOU | Color .pln

11/7/2005
 1813128
 8000777
 0000006060001049800
 BWSOU | Color .pln

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SANITARY WATER &
 FIRE WATER LINES
 TO BE TRANSFERRED
 SHEET 2 OF 2

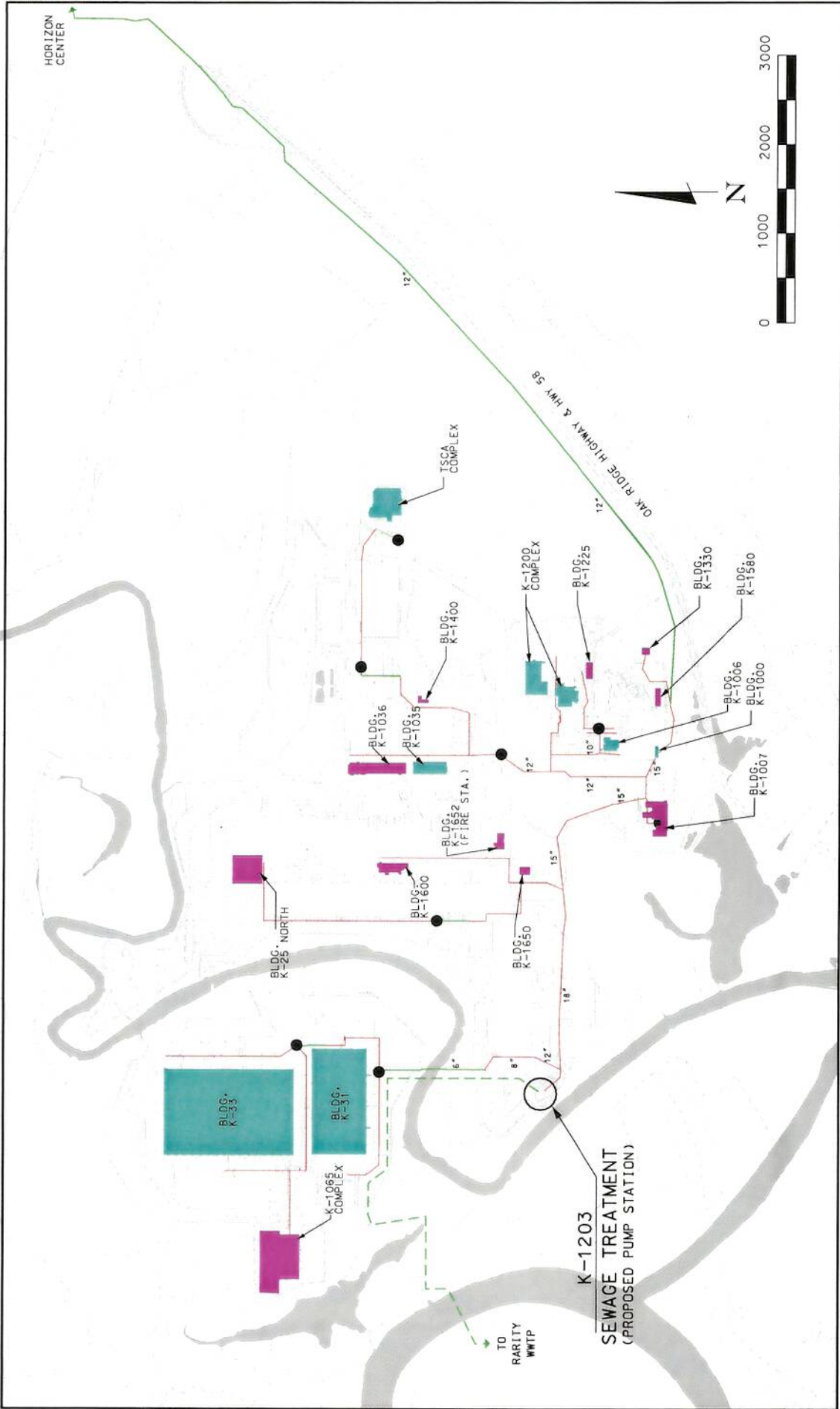
--- BACKWASH WATER LINE TO
 BE TRANSFERRED

LEGEND
 --- RAW WATER LINE TO
 BE TRANSFERRED
 --- SANITARY WATER LINE TO BE
 TRANSFERRED
 --- FIRE WATER LINES TO BE
 TRANSFERRED

NO.	DATE	DESCRIPTION

BWSC
 ENGINEERS ARCHITECTS PLANNERS
 LANDSCAPE ARCHITECTS AND SURVEYORS
 117/2025
 1412918
 840054X 048500
 800707
 800/111017.00

7: REVISIONS/REVISIONS/10/05/2011/11/17/2025.dwg



HORIZON CENTER



LEGEND

- SANITARY SEWER GRAVITY LINES TO BE TRANSFERRED
- SANITARY SEWER FORCE MAINS TO BE TRANSFERRED
- PROP. FORCE MAIN TO RARITY
- LIFT STATIONS
- ETPP BUILDING MAY STAY
- ETPP BUILDING WILL STAY

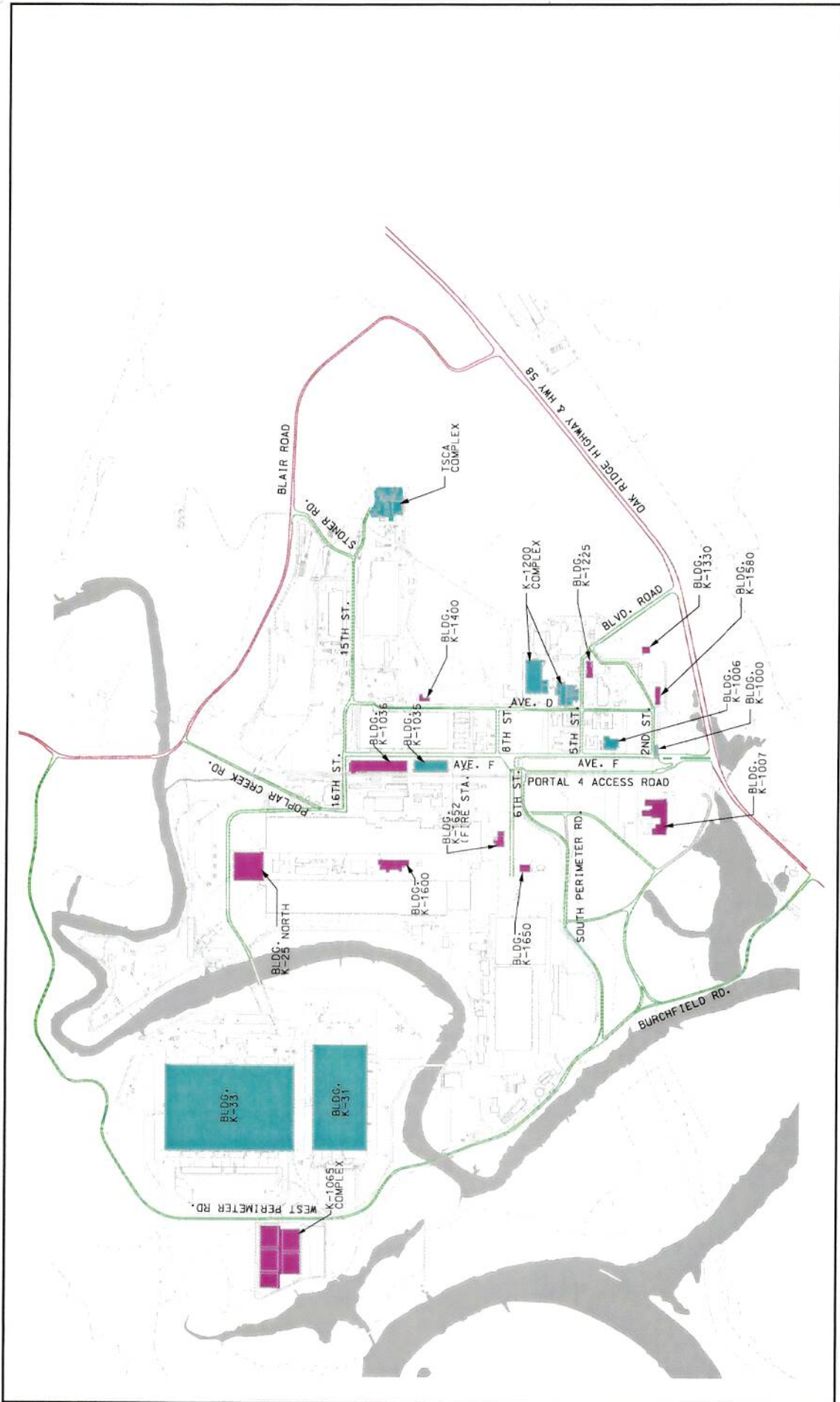
LEGEND

- SANITARY SEWER GRAVITY LINES TO BE TRANSFERRED
- SANITARY SEWER FORCE MAINS TO BE TRANSFERRED
- PROP. FORCE MAIN TO RARITY
- LIFT STATIONS
- ETPP BUILDING MAY STAY
- ETPP BUILDING WILL STAY

REV.	DATE	DESCRIPTION
001	11-14-08	ISSUANCE

BWSC
 ENGINEERS ARCHITECTS PLANNERS
 LANDSCAPE ARCHITECTS AND SURVEYORS
 4005 W. HICKORY ST. SUITE 100
 DENVER, CO 80202

BARD
 WARRNER
 SUMNER &
 CANNON, INC.
 ENGINEERS ARCHITECTS PLANNERS
 LANDSCAPE ARCHITECTS AND SURVEYORS
 1100 W. ALAMO AVE. SUITE 100
 DENVER, CO 80202



EXISTING ROADS TO BE TRANSFERRED

ETTP BUILDING MAY STAY
ETTP BUILDING WILL STAY

EXISTING ROADWAYS TO BE TRANSFERRED
STATE HIGHWAYS

LEGEND

NO.	DATE	DESCRIPTION
001	11-4-05	CDR MODIFICATIONS

BWSC
 ENGINEERS ARCHITECTS LANDSCAPE ARCHITECTS INTERIORS
 1000 WEST PERIMETER ROAD, SUITE 1000, FORT WORTH, TEXAS 76102
 (817) 336-1700

BARGE WAGBORN SUNNER & CANNON, INC.
 PLANNERS
 1000 WEST PERIMETER ROAD, SUITE 1000, FORT WORTH, TEXAS 76102
 (817) 336-1700