



Blount County Government

TO: Blount County Commissioners

FROM: Brian Baldwin, Finance Director

RE: Knox Chapman Utility District Asset Transfer

DATE: August 1, 2026

In October 2021, the Blount County Commission approved Resolution 21-10-014 granting the request to pursue a preliminary plan for the use of the American Rescue Plan Act of 2021 (ARPA) funds allotted to Blount County. In a special called meeting of the Blount County Commission on January 27, 2022, the specific utility projects for South Blount, Knox Chapman and Tuckaleechee utility districts as well as the City of Friendsville were presented for review and discussion. On February 17, 2022, the Blount County Commission approved Resolution 22-02-001 appropriating ARPA and Tennessee Department of Environment and Conservation (TDEC) funds for the completion of utility projects in Blount County. On April 21, 2022, the Blount County Commission voted to enter into Interlocal Agreements with each utility and the City of Friendsville to facilitate project implementation.

The Interlocal Agreements approved by Commission were to ensure that all applicable federal, state and local guidelines were followed and defined the relationship between Blount County and the entities, including asset ownership during construction. As defined by the Agreement, all materials became assets of Blount County for the duration of the projects and upon project completion, the assets would be dedicated back to the entities.

Blount County funded in part a project that replaced existing watermain in northwest Blount County and provided an interconnect to Tuckaleechee Utility District. The project undertaken by KCUD has been completed. Blount County as directed by the Interlocal Agreement has determined that all goals and objectives have been met and that all work has been satisfactorily completed.

The matter of the Knox County Utility District ARPA utility project is now back before the Blount County Commission requesting approval to dedicate the assets constructed in the three projects back to the utility for continued operation and maintenance.