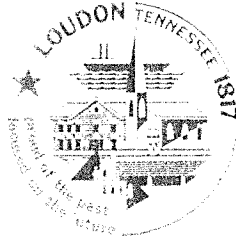


LOUDON UTILITIES
P.O. BOX 69
LOUDON, TENNESSEE 37774

A G E N D A

**BOARD OF DIRECTORS OF
LOUDON UTILITIES WORKSHOP
January 13, 2020
4:30 PM**

1. Recognition of Visitors
2. Medical Insurance Renewal
3. Hutch Property Update
4. Highland Avenue Change Order
5. Bulk Gas Purchase Agreement
6. Tree Trimming & Mowing Bids Update
7. Electric Department Capital Budget Change Request
8. Safety Report
9. Natural Gas Rates
10. Other



LOUDON UTILITIES
P.O. BOX 69
LOUDON, TENNESSEE 37774

To: Chairman Campbell and Utility Board Members
From: Ty Ross
Subject: January Workshop Items
Date: January 10, 2020

The following items appear on the agenda for the January 13, 2020 Workshop meeting of the Board of Directors of Loudon Utilities:

1. Recognition of Visitors.
2. Medical Insurance Renewal. Robert Peace with Trinity Advisors will share information about the upcoming Employee Medical Insurance Renewal.
3. Hutch Property Update. Jack Qualls will provide an update on the status of project. There is a change order in your packet that moves end of project from Jan. 10th to Feb. 10th. This is allowed for the demo of the Grove Street house beside the water treatment as well as a final punch list of items at Hutch. There is no additional dollars associated with the change order other than what you previously approved (\$15,000) for the Grove St. demo.
4. Highland Avenue Change Order. Additional change orders for the Highland Avenue gas and water line replacement were discussed at the November meeting. As the project comes to completion, the change orders are ready for final approval.

5. Bulk Gas Purchase Agreement. This agreement is similar to the MEAC agreements of past where LUB enters into a bulk purchase agreement at a discount price. The agreement would purchase enough gas to service a new industrial client and pass along 50% of the discount to the industrial client.
6. Tree Trimming & Mowing Bids Update. These bids have been properly advertised and on track for a January 31 bid opening
7. Electric Department Capital Budget Change Request. Electric Department Engineering and Operations staff have requested reallocation of capital budget funds. This request is to replace a hydraulic trailer that has had frequent breakdowns, thus interrupting operations. A replacement trailer was located at a cost of \$32,000. We propose using funds from the current \$45,000 69kV vacuum switch to replace the trailer. Due to constraints with TVA, the vacuum switch will not be needed until late 2020.
8. Safety Report. There was one (1) reportable injury in November and none in December.
9. Natural Gas Rates. The cost of natural gas delivered to the City Gate for December 2019 was \$2.5405 per dkt. This converts into the rate of \$1.06 per 100 cubic feet of gas billed after January 1, 2020.
The cost of natural gas delivered to the City Gate for January 2020 was \$2.2910 per dkt. This converts into the rate of \$1.03 per 100 cubic feet of gas billed after February 1, 2020.

Request for Change Order #1

TO: Loudon Utilities Board PO Box 69 Loudon, TN 37774	Project: Hutch Property Demolition Location: Hackberry St Loudon, TN
FROM: Complete Demolition Services Inc. PO Box 176 Carrollton, GA 30112	

We hereby submit our proposal for the outlined scope of work below:

RESIDENCE ON GROVE STREET-DEMOLISH AND DISPOSE OF ALL DEBRIS

Additional Days Required- 30

Previous Contract Completion Date- January 10, 2020

Revised Contract Completion Date- February 10, 2020

Previous Contract Value: \$551,000

Revised Contract Value: \$566,000

TOTAL FOR CHANGE ORDER (Add)

\$15,000.00

Date Issued: 1/8/2020

Submitted by: James Morehead

Owner: Loudon Utilities Board

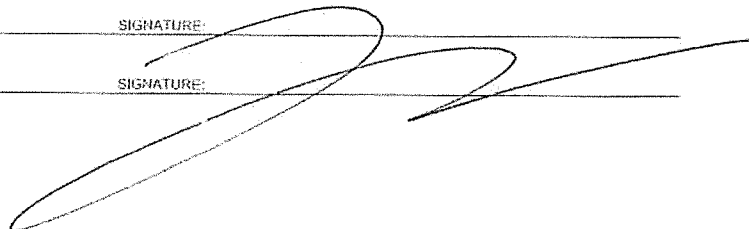
DATE OF ACCEPTANCE:

SIGNATURE:

Complete Demolition Services

DATE OF ACCEPTANCE: January 6, 2020

SIGNATURE:



CHANGE ORDER # 2

Date: November 7, 2019

PROJECT: Highland Ave. Water and Gas Replacement
OWNER: Loudon Utilities
CONTRACTOR: Adams & Sons, Inc.
WKD#: 20190055.00.KV

The following changes and/or additions are hereby made to the Contract Documents as follows:
Contract time and quantities added to original contract.

Total Change Order # 2 : \$ 21,900.00

Change to Contract Time: Add 10 days

Justification for Change Order:

Additional quantities added to project at the request of Loudon Utilities, due to discovery of existing main connected to Highland Avenue that runs behind houses on Webster Court.

These additional units resulted in additional contract time and cost.

Description	Quantity	Unit	Unit Price	Total	Additional Days
2-inch Gas Main Extension - Webster Court	440	LF	\$ 28.00	\$ 12,320.00	4
Gas Riser Connections	4	EA	\$ 95.00	\$ 380.00	2
Gas Service Changeovers - 3/4" Residential	4	EA	\$1,600.00	\$ 6,400.00	2
Gas Service Pipe (in excess of 50 feet) 3/4"	100	LF	\$ 28.00	\$ 2,800.00	2
			TOTAL	\$ 21,900.00	10

Change to Contract Price:

Original Contract Price \$ 1,091,755.00
Change Order #1 \$ 83,844.00
Change Order #2 \$ 21,900.00

New Contract Price, including this Change Order will be \$ 1,197,499.00

Accepted by: Owner

Ty Ross, General Manger

Date

Requested by: Contractor

Gregory R Reed VP
Name, Title

12-23-19
Date

Recommended by: W.K. Dickson & Co., Inc.

RB
Ryan Blake, Project Manager

12-23-19
Date

CHANGE ORDER # 3 (Final Adjusting)

Date: December 18, 2019

PROJECT: Highland Ave. Water and Gas Replacement
OWNER: Loudon Utilities
CONTRACTOR: Adams & Sons, Inc.
WKD#: 20190055.00.KV

The following changes and/or additions are hereby made to the Contract Documents as follows:
Contract quantities adjusted to match final installed quantities.

Total Change Order # 3 : \$ 35,094.15

Change to Contract Time: 0 days

Justification for Change Order:
Additional quantities added to project at the request of Loudon Utilities.

Description	Quantity	Unit	Unit Price	Total	Additional Days
****See Attached Sheets****					

Change to Contract Price:

Original Contract Price	\$ <u>1,091,755.00</u>
Change Order #1	\$ <u>83,844.00</u>
Change Order #2	\$ <u>21,900.00</u>
Change Order #3	\$ <u>35,094.15</u>
New Contract Price, including this Change Orders will be	\$ <u>1,232,593.15</u>

Accepted by: Owner

Ty Ross, General Manger

Date

Requested by: Contractor

Gregory R Beal JP

Name, Title

12-23-19

Date

Recommended by: W.K. Dickson & Co., Inc.

RB

Ryan Blake, Project Manager

12-23-19

Date

Highland Avenue Water and Gas Replacement
 Loudon Utilities Board
 WKD: LUB 20160055.00.KY

Item No.	Item Description	TOTAL APPROVED (including change orders)		BASE BID Unit	Quantities	Final Qty. for Job	Final Cost Total	Change From Previous Approved Amounts (including change orders)	
		Unit	Qty.					QTY (*)	COST (*)
WATER									
1	DIP Water Main	LF	2040	LF	2,040	1013.5	\$88,721.50	1076.50	\$ (93,655.90)
1a	12-inch	LF	2040	LF	2,040	1013.5	\$88,721.50	1076.50	\$ (93,655.90)
2	DIP Water Main (Restrained Joint)	LF	315	LF	315	303	\$20,475.00	78.00	\$ 5,850.00
2a	6-inch	LF	60	LF	60	93	\$7,626.00	33.00	\$ 2,706.00
2b	8-inch	LF	60	LF	60	37	\$3,293.00	(23.00)	\$ (2,187.00)
2c	10-inch	LF	60	LF	60	908.5	\$19,456.00	1066.50	\$ 95,164.50
2d	12-inch	LF	940	LF	940	6.28	\$45,060.00	(1.22)	\$ (12,639.20)
3	Ductile Iron Fittings	TNS	7.5	TNS	7.5	6	\$31,000.00	0.00	\$ 0.00
4	Flre Hydrant Assembly	EA	6	EA	6	44	\$28,640.00	2.00	\$ 1,800.00
5	Water Service Changers	EA	42	EA	42	1032	\$25,756.00	197.00	\$ 4,531.00
5a	Short and Long Side	EA	42	EA	42	15	\$18,000.00	6.00	\$ 7,200.00
5b	Service Connection Copper Pipe (Water)	LF	835	LF	835	7	\$11,200.00	3.00	\$ 4,800.00
6	Valves (Water)	EA	4	EA	9	0	\$0.00	(1.00)	\$ (3,500.00)
6a	6-inch	EA	4	EA	2	1	\$2,500.00	0.00	\$ 0.00
6b	8-inch	EA	4	EA	1	1	\$1,000.00	0.00	\$ 0.00
6c	8-inch Tapping Sleeve and Valve	EA	1	EA	1	1	\$1,000.00	0.00	\$ 0.00
6d	10-inch	EA	1	EA	1	1	\$1,000.00	0.00	\$ 0.00
6e	12-inch	EA	3	EA	3	1	\$1,000.00	0.00	\$ 0.00
7	Connection to Existing (Water)	EA	5	EA	5	4	\$5,800.00	(1.00)	\$ (2,200.00)
7a	2-inch	EA	4	EA	4	3	\$2,000.00	(1.00)	\$ (2,600.00)
7b	6-inch	EA	4	EA	2	6	\$17,400.00	2.00	\$ 5,970.00
7c	8-inch	EA	1	EA	1	0	\$0.00	(1.00)	\$ (3,200.00)
7d	10-inch	EA	1	EA	1	0	\$0.00	(1.00)	\$ (3,200.00)
8	Abandon Existing Water Main	EA	5	EA	5	4	\$1,200.00	(1.00)	\$ (300.00)
8a	2-inch cut, c/p/Plug and block	EA	4	EA	4	3	\$1,050.00	(1.00)	\$ (350.00)
8b	6-inch cut, c/p/Plug and block	EA	2	EA	2	4	\$2,000.00	2.00	\$ 1,000.00
8c	8-inch cut, c/p/Plug and block	EA	1	EA	1	0	\$0.00	(1.00)	\$ (750.00)
8d	10-inch cut, c/p/Plug and block	EA	1	EA	1	115	\$46,000.00	35.00	\$ 14,000.00
9	24-inch Steel Chasing Bore and Jack (Railroad)	LF	80	LF	80	317	\$10,251.00	(48.00)	\$ 36,655.80
10	Clean-up, Testing, and Disinfection	LF	3.485	LF	3.485		\$400,880.80		\$ 0.00
WATER SUBTOTAL:								\$540,880.80	\$ 0.00

Item No.	Item Description	TOTAL APPROVED (including change orders)		BASE BID		Final Qty. for Job	Final Cost Total	Change From Previously Approved Amounts (including change orders)	
		Unit	Qty.	Unit	Quantities			QTY (w/)	COST (w/)
11	MDPE Gas Main								
11a	0.75-inch	LF	80	LF	80	0	\$0.00	80.00	\$ (2,680.00)
11b	2-inch	LF	150	LF	105	12b	\$39,928.00	77.00	\$ (21,540.00)
11c	3-inch	LF	100	LF	100	0	\$0.00	(100.00)	\$ (3,000.00)
11d	4-inch	LF	3,000	LF	2,950	365	\$17,246.00	365.00	\$ 11,689.00
12	Polyethylene Gas Valves								
12a	2-inch	EA	8	EA	8	9	\$11,700.00	1.00	\$ 1,300.00
12b	3-inch	EA	3	EA	3	0	\$0.00	(3.00)	\$ (4,500.00)
12c	4-inch	EA	7	EA	7	9	\$7,100.00	2.00	\$ 3,800.00
13	Connection to Existing Gas								
13a	0.75-inch	EA	1	EA	1	0	\$0.00	(1.00)	\$ (2,800.00)
13b	2-inch Steel	EA	5	EA	5	8	\$30,400.00	3.00	\$ 11,400.00
13c	2-inch Plastic	EA	1	EA	1	1	\$2,100.00	0.00	\$ 0.00
13d	3-inch Steel	EA	3	EA	3	2	\$9,000.00	(1.00)	\$ (4,500.00)
14	12-inch Steel Casting Bore and Jack (Ballhead)	LF	80	LF	80	115	\$4,500.00	35.00	\$ 10,500.00
15	Gas Service Changeovers								
15a	0.75-inch Residential	EA	41	EA	26	14	\$70,400.00	3.00	\$ 4,800.00
15b	1-inch Commercial	EA	1	EA	1	6	\$12,400.00	5.00	\$ 10,500.00
16	Gas Service Pipe (in excess of 50-feet)								
16a	0.75-inch Residential	LF	400	LF	300	33	\$924.00	(367.00)	\$ (10,275.00)
16b	1-inch	LF	50	LF	50	0	\$0.00	(50.00)	\$ (1,400.00)
16c	0.75-inch Residential (Trenchless)	LF	300	LF	300	1169	\$39,716.00	869.00	\$ 29,546.00
16d	1-inch (Trenchless)	LF	50	LF	50	309	\$10,500.00	259.00	\$ 8,800.00
17	Anchorless Gas Risers								
17a	1-inch	EA	26	EA	26	40	\$16,000.00	14.00	\$ 5,600.00
17b	Gas Riser Connection	EA	42	EA	0	40	\$3,600.00	(2.00)	\$ (700.00)
17c	3-inch Stoppel	EA	2	EA	0	2	\$18,000.00	0.00	\$ 0.00
18	Condemn Existing Gas Infrastructure	LS	1	LS	1	1	\$15,000.00	0.00	\$ 0.00
19	Test Stations	EA	10	EA	10	3	\$0.00	(10.00)	\$ (15,000.00)
20	Cleanup and Testing	LF	150	LF	150	5091	\$20,364.00	1566.00	\$ 6,344.00
							\$49,348.00		\$58,378.00

Item No.	Item Description	TOTAL APPROVED (including change orders)			BASE BID			Final Qty. for job	Final Cost Total	Change From Previously Approved Amounts (including change orders)
		Unit	Qty.	Quantities	Unit	Quantities	QTY (+/-)			
MISCELLANEOUS										
21	Removing and Replacing Pavement	SY	2500	SY	2,500		293.89	\$22,041.75	(2206.11)	\$(185,458.25)
21a	Asphalt Pavement Repair (Inch)	SY	40	SY	40		72	\$7,200.00	32.00	\$ 3,200.00
21b	Asphalt Pavement Repair (Base and Surface Course)	SY	100	SY	100		16.5	\$1,650.00	(43.50)	\$(6,300.00)
21c	Concrete Driveway	SY	50	SY	50		171	\$6,840.00	121.00	\$ 4,840.00
21d	Concrete Curb	SY	0	SY	1		1927.21	\$175,632.60	1927.21	\$15,692.60
21e	Asphalt Pavement Repair (4" Binder)	EA	1	EA	1		0	\$0.00	(1.00)	\$(2,500.00)
22	Temporary Capping of Utility Poles	EA	1	EA	1		0	\$0.00	(1.00)	\$(2,500.00)
23	Rock Excavation	EA	1	EA	1		0	\$0.00	(1.00)	\$(2,500.00)
23a	Base Cost	CY	20	CY	20		0	\$0.00	(20.00)	\$(1,000.00)
23b	Premium Cost	CY	20	CY	20		0	\$0.00	(20.00)	\$(1,000.00)
CASH ALLOWANCES										
24	Blading Monitoring		1	Allowance			0	\$0.00	(1.00)	\$(2,500.00)
25	Soils and Concrete Testing		1	Allowance			0	\$0.00	(1.00)	\$(5,000.00)
ADDITIONAL WORK, IF ORDERED BY THE ENGINEER										
26	Trench Stabilization	CY	20	CY	20		0	\$0.00	(20.00)	\$(800.00)
27	New Sewer Service - Highland Ave.	EA	1				1	\$5,000.00	0.00	\$ -
FINAL PROJECT TOTAL									\$155,364.35	-\$61,935.65
MISCELLANEOUS SUBTOTAL									\$1,232,593.15	\$35,094.15

Original Contract Amount \$1,091,755.00
Final Contract Amount \$1,232,593.15
Percentage of Increase 12.90%

GAS RATE COMPUTATIONS

	<i>Base Month (Sept 2003)</i>	<i>Rate Effective 12/1/19</i>	<i>Rate Effective 1/1/20</i>	<i>Rate Effective 2/1/20</i>	<i>Rate Effective 3/1/20</i>	<i>Rate Effective 4/1/20</i>	<i>Rate Effective 5/1/20</i>	<i>Rate Effective 6/1/20</i>
Gas Supply Cost	4.9950	2.5400	2.4100	2.0800				
Pipeline Charges	0.2755	0.1082	0.1305	0.2110				
Supply Management	<u>0.0350</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>
Subtotal	5.3055	2.6932	2.5855	2.3360				
BTU & System Loss (8%)	0.0000	0.2155	0.2068	0.1869				
Demand Unit Charge	1.2200	2.7370	2.7370	2.7370	2.7370	2.7370	2.7370	2.7370
Storage Charges	<u>0.0000</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>
Cost of Gas	6.5255	6.2357	6.1193	5.8499				
System Operations	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>
Cost per MCF	\$11.000	\$10.7102	\$10.5938	\$10.3244				
Rate per 100 Cubic Feet	\$1.10	\$1.07	\$1.06	\$1.03				

*NOTE: BTU & System Losses added June 2004 – BTU Factor (7%) System Losses (1%)
Storage Charges added June 2004 and increased May 2008*

GAS RATE COMPUTATIONS

	<i>Base Month (Sept 2003)</i>	<i>Rate Effective 6/1/19</i>	<i>Rate Effective 7/1/19</i>	<i>Rate Effective 8/1/19</i>	<i>Rate Effective 9/1/19</i>	<i>Rate Effective 10/1/19</i>	<i>Rate Effective 11/1/19</i>	<i>Rate Effective 12/1/19</i>
Gas Supply Cost	4.9950	2.5000	2.5600	2.2000	2.0600	2.1900	2.3800	2.5400
Pipeline Charges	0.2755	0.0929	0.0947	0.0844	0.0804	0.0841	0.0896	0.1082
Supply Management	<u>0.0350</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>	<u>0.0450</u>
Subtotal	5.3055	2.6379	2.6997	2.3294	2.1854	2.3191	2.5146	2.6932
BTU & System Loss (8%)	0.0000	0.2110	0.2160	0.1864	0.1748	0.1855	0.2012	0.2155
Demand Unit Charge	1.2200	2.7370	2.7370	2.7370	2.7370	2.7370	2.7370	2.7370
Storage Charges	<u>0.0000</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>	<u>0.5900</u>
Cost of Gas	6.5255	6.1759	6.2427	5.8428	5.6872	5.8316	6.0428	6.2357
System Operations	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>	<u>4.4745</u>
Cost per MCF	\$11.000	\$10.6504	\$10.7172	\$10.3173	\$10.1617	\$10.3061	\$10.5173	\$10.7102
Rate per 100 Cubic Feet	\$1.10	\$1.07	\$1.07	\$1.03	\$1.02	\$1.03	\$1.05	\$1.07

*NOTE: BTU & System Losses added June 2004 – BTU Factor (7%) System Losses (1%)
Storage Charges added June 2004 and increased May 2008*