



## **LOUDON UTILITIES**

**P.O. BOX 69**

**LOUDON, TENNESSEE 37774**

### **BOARD OF DIRECTORS OF LOUDON UTILITIES WORKSHOP**

**March 9, 2020**

**4:30 PM**

1. Recognition of Visitors
2. Purchasing Policy
3. January Financial Reports
4. Water Rate Equalization - Phase I - July 1, 2020
5. Personnel Policy - Requested Change
6. Surplus 1987 Chevrolet
7. Safety Report
8. Natural Gas Rate
9. Other



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LOUDON, TENNESSEE 37774

To: Chairman Campbell and Board Members

From: Ty Ross

Subject: March Workshop Items

Date: March 6, 2020

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

1. Recognition of Visitors.
2. Purchasing Policy. Our strategic plan calls for implementation of a purchasing policy. In furtherance of this we have enclosed a draft purchasing policy which we recommend for adoption and with implementation set for July 1, 2020.
3. January Financial Reports. Finance Director Nicole Curtis will present the January Financial Reports.
4. Water Rate Equalization - Phase I - July 1, 2020. Another focus of the strategic plan called for long-term infrastructure budgeting. From this, the Water Department identified projects in excess of \$20 Million to be initiated in the next five (5) years. Funding for these projects will require rate adjustments. It is the expectation of State regulators that all water rate classes contribute equally to the

cost of a utility's water production. In order to recommend the most fair and equitable rate adjustments, we contracted with industry experts to analyze system costs for each customer class. In order to equalize rates and contribution levels across classes, we recommend a series of rate adjustments consisting of three (3) increases over the course of three (3) years. The adjustments will bring all rate classes to a contribution level of eight-five percent (85%) at the end of the three (3) years. From there we will update our cost of service study, evaluate the resulting data, and recommend further adjustments as deemed necessary.

5. Personnel Policy - Requested Change. We request a revision to the Utility Personnel Policy to include removal of the requirement of employee residency within the Utility District. This is an archaic requirement that is frankly unenforceable as an across-the-board rule. After it is removed we will simply hire based on the applicant's ability to timely report for duty to the job applied for. In addition, we would ask that the nepotism restriction be removed. A highly qualified candidate should not be disqualified from service simply because a relative is employed here. We firmly believe that so long as simple common-sense measures are practiced we can preserve the integrity of our collective reputation and not punish bloodlines.
6. Surplus 1987 Chevrolet. This is the first vehicle to be surplused in the Congestion Mitigation and Air Quality Improvement Grant (CMAQ) program that was originally applied for in 2015.
7. Safety Report. There was one (1) reportable injury in February.
8. Natural Gas Rate. The cost of natural gas delivered to the City Gate for April 2020 is not yet available.
9. Other.