



LOUDON UTILITIES

P.O. BOX 69

LOUDON, TENNESSEE 37774

NOTICE OF ELECTRONIC MEETING ACCESS & INFORMATION

To ensure government operations continue to function openly and transparently during the COVID-19 emergency while taking measures to protect the health and safety of citizens and government officials, Governor Bill Lee issued Executive Order No. 16 on March 20, 2020 allowing governing bodies to conduct essential business by electronic means. A link to the Electronic Meeting Access & Information is available online at:

WWW.LOUDONUTILITIES.ORG

Join the Zoom Meeting using your computer, tablet, iPad, and/or smartphone:

<https://loudonutilities.zoom.us/j/95139395914?pwd=UHJGWThDTkU1TXM1Z3MxNG9Ia3h5QT09>

Meeting ID: 951 3939 5914

Password: 971819

One tap mobile

+19292056099,,95139395914# US (New York)

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Dial by your location

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Meeting ID: 951 3939 5914

All participants will be muted upon entry to the Zoom Room.

During the appropriate times, the moderator will unmute any participant who would like to speak.

If you have questions or requests for special accommodations, please contact us at 865-458-2091.



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A G E N D A

BOARD OF DIRECTORS OF LOUDON UTILITIES

TUESDAY

May 26, 2020

4:30 PM

1. Call to Order
2. Recognition of Visitors
3. Approval of Minutes
 - A. Regular Meeting – April 27, 2020
4. Financial Reports
5. Motion
 - A. Concurrence with Loudon City Council for Establishment of Benefit Committee
6. Items for Board Action
 - A. Approving a Contribution and Economic Development Agreement for the Expansion and Improvement of Public Works Facilities of the Water System
 - B. Providing for Water Rate Increases through January 1, 2023
 - C. Acknowledging the Tennessee Consolidated Retirement System Rate Effective July 1, 2020
 - D. Establishing Natural Gas Rates Effective June 2020
7. Other
 - A. Tennessee Valley Authority Fuel Cost Adjustment
8. Adjournment



LOUDON UTILITIES

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To: Chairman Campbell and Board Members

From: Ty Ross

Subject: May Agenda Items

Date: May 22, 2020

The following items appear on the agenda for the **Tuesday**, May 26, 2020 meeting of the Board of Directors of Loudon Utilities:

Motion.

- A. Concurrence with Loudon City Council for Establishment of Benefit Committee.
- After the positive feedback received in favor of the idea of the formation of benefit committee to explore and consider recommendations concerning our current benefit package and most importantly the assurance of adequate funding for a viable plan going forward, we have prepared a resolution for the City to pass both forming and empowering the committee. Recommended membership of the committee is as follows: Tim Dixon, Gene Farmer, Bill Geames, James Webb, Clay Townson, Aubrey Cagle, John Franklin, and Jim Thomason.



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Items for Board Action.

- A. Approving a Contribution and Economic Development Agreement for the Expansion and Improvement of Public Works Facilities of the Water System. In accordance with advice of LUB Attorney and the TN Comptroller's Office we have drafted an agreement to partially fund needed infrastructure projects for the Water Department with funds from the Gas Department. The key points to understand are these:
- The amount of funds approved for transfer cannot exceed \$10 million.
 - The money is approved only for projects for the water department. See enclosed list.
 - The money will be transferred through IDB on a construction draw basis and only after review and approval of LUB staff. I will keep you apprised of the construction progress on a monthly basis.
- B. Providing for Water Rate Increases through January 1, 2023. In addition to funds from the Gas Department the Water Department will be further supported by phased increases in water rates beginning first with under contributing rate classes as disclosed in our Cost of Service Study. A detailed schedule of which rates will move and when is enclosed herein.
- C. Acknowledging the Tennessee Consolidated Retirement System Rate Effective July 1, 2020. In early March we received TCRS recommendations from the State. That (now dated) recommended contribution level is 4.23% for the City (7.73% for Public Safety); and 3.57% for Loudon Utilities respectively. Because the COVID-19 pandemic took hold after this state recommendation was released and because the COVID-19 pandemic has negatively impacted the economy and most investment portfolios we can expect upward pressure on TCRS employer



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contribution rates in the future. Therefore, I am recommending that we maintain our existing contribution levels this fiscal year as follows:

- 9.78% for City (13.28% for Public Safety); and
- 4.57% for the Utilities

D. Establishing Natural Gas Rates Effective June 2020. The cost of natural gas delivered to the City Gate increased for the month of May 2020. Utilizing the formula for natural gas rates, this converts into a rate of \$0.98 per 100 cubic feet for gas billed after June 1, 2020.

Other.

A. Tennessee Valley Authority Fuel Cost Adjustment. The TVA FCA for June 2020 increased from \$0.01415 per kWh to \$0.01427 per kWh. The rate will result in a \$0.12 increase for each 1,000 kWh of residential customers use.

**REGULAR MEETING
LOUDON UTILITIES**

April 27, 2020

The Board of Directors of Loudon Utilities held its properly advertised regular meeting on April 27, 2020, at 4:30 p.m., in the public meeting space of the Loudon Municipal Building. Present was Chairman Don P. Campbell with Directors Gene Farmer, Tim Dixon, Carlie McEachern, Bart Watson, and Attorney Kris Frye present by videoconference. Others present were Manager Ty Ross, Mayor Jeff Harris, Nicole Curtis, Jaison Brown, and Secretary Meghan Hull. Also present were *WLNT* Chip Lynn (redskinradio) and *Loudon County NewsHerald* Parker Wright. Other videoconference attendees included John Davis, Gregg Hensley, Travis Williams, Jack Qualls, and Mark Harrell.

Chairman Campbell welcomed everyone and called the meeting to order.

Chairman Campbell said that he wished to address the recent storm activity in the Chattanooga area and how Manager Ross and LUB staff reacted. TVPPA contacted Ross and requested assistance in reconnecting customers from the storm devastation. Ross asked for electric employees willing to assist. Split shifts were in place due to the COVID-19 scheduling allowing Team A (*Chad Oody, Joe Don Mourfield, Tyler Wicker, & Adam Cook*) to work the emergency in Cleveland and Chattanooga through April 17th. Team B (*Rodney Smallen, Adam Watson, Chasen Curtis, Dalton Giles, & Nick Dixon*) went to Chattanooga on April 18th following working their normal Loudon schedule. The crews worked sixteen (16) hour days on the emergency response and received high praise from the utilities' staff. Dean Watson, Cleveland Utilities' Manager of Electric Operations, said the crew "displayed a true servant's heart" with their assistance in restoring the power. Campbell thanked the teams and their leaders for the sensitivity to the needs of our neighbors in time of trouble.

Chairman Campbell read a statement defining the meeting being held by videoconference and asked for a roll call of attendance of the Board Members. All were available.

Chairman Campbell asked if anyone wished to speak to the Board about anything not on the agenda. There was no response.

Chairman Campbell asked for approval of the minutes of the regular meeting held on March 23, 2020. **A motion was made by Director Watson, seconded by Director McEachern and unanimously passed that the minutes of the regular meeting held on March 23, 2020 be approved as written.**

Financial Reports were distributed for the workshop. Finance Director Curtis gave a presentation on the financial reports. **A motion was made by Director Dixon, seconded by Director McEachern and unanimously passed that the reports be received and placed on file.**

The first item for Board action was consider an agreement amendment with TVA concerning the resale of green power blocks. **A motion was made by Director Watson and seconded by Director Farmer that the following resolution be approved:**

RESOLUTION NO. 2020-17

**APPROVING AN AMENDMENT TO THE
GREEN POWER PROVIDERS PROGRAM AGREEMENT WITH THE
TENNESSEE VALLEY AUTHORITY (TVA)**

Upon a vote, the resolution was passed unanimously.

The next item for Board action was the continuation of participation in the green power switch program allowing the use of alternate power supply. **A motion was made by Director Dixon and seconded by Director McEachern that the following resolution be approved:**

RESOLUTION NO. 2020-18
APPROVING AN AGREEMENT WITH THE
TENNESSEE VALLEY AUTHORITY (TVA)
TO CONTINUE PARTICIPATION IN THE
GREEN POWER SWITCH PROGRAM

Upon a vote, the resolution was passed unanimously.

Next Board considered offering interruptible natural gas service for industrial customers. The program enables LUB to limit the demand from an industrial customer to better serve the residential customer base when weather dictates more natural gas usage for heat. **A motion was made by Director Farmer and seconded by Director Watson that the following resolution be approved:**

RESOLUTION NO. 2020-19
REAUTHORIZING THE CUSTOMER CLASSIFICATION
OF INTERRUPTIBLE NATURAL GAS CUSTOMERS

Upon a vote, the resolution was passed unanimously.

The last item for Board consideration was to set the natural gas rate. **A motion was made by Director Dixon and seconded by Director Farmer that the following resolution be approved:**

RESOLUTION NO. 2020-20
ESTABLISHING NATURAL GAS RATES
EFFECTIVE MAY 2020

Upon a vote, the resolution was passed unanimously.

Manager Ross stated that the Tennessee Valley Authority fuel cost adjustment had decreased from \$0.01430 per kWh to \$0.01415 per kWh. This results in a \$0.15 decrease for each 1,000 kWh of residential customer usage.

Chairman Campbell recessed the meeting for an Executive Session at 4:45 p.m. with attendees as follows: Campbell, Farmer, Dixon, McEachern, Watson, Ross, Curtis, Davis, and Attorney Frye.

4:46 PM - EXECUTIVE SESSION - 5:15 PM

Chairman Campbell reconvened the meeting at 5:16 p.m. with no action taken.

There being nothing further, Chairman Campbell adjourned the meeting at 5:17 p.m.

Secretary

Chairman

RESOLUTION NO. 2020-__

**APPROVING A CONTRIBUTION AND ECONOMIC DEVELOPMENT
AGREEMENT FOR THE EXPANSION AND IMPROVEMENT
OF PUBLIC WORKS FACILITIES OF THE WATER SYSTEM**

WHEREAS, The Loudon Utilities Water System is in need of significant infrastructure improvements to facilitate its expansion and improvements projects (hereinafter referred to as “the Water System Improvements”); and

WHEREAS, The Water System Improvements need funding through grants, loans, rate increases, and capital; and

WHEREAS, These Water System Improvements will promote economic and industrial development for years to come, including supporting economic recovery caused by the coronavirus pandemic; and

WHEREAS, Pursuant to T.C.A. § 7-34-115, the Board is authorized to devote revenues derived from the natural gas utility system to economic organizations such as the Industrial Development Board of the City of Loudon; and

WHEREAS, The natural gas utility system has significant reserves such that this allocation of past revenues (“the Contribution Amount”) will not affect the health of the system or impact current natural gas rates; and

WHEREAS, The Contribution Amount from the natural gas utility system will provide the necessary capital to commence the Water System Improvements; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Loudon Utilities as follows:

Section 1. The Agreement attached hereto shall be forwarded for the Industrial Development Board of the City of Loudon and the Loudon City Council for its acceptance.

Section 2. Contingent upon acceptance, the Industrial Development Board may only use the Contribution Amount to fund the Water System Improvements.

Section 3. Pursuant to the Agreement, any funds not expended for this purpose will be returned to Loudon Utilities.

Section 4. Upon approval by the Council and the Industrial Development Board, the Chairman is authorized to sign the Agreement and direct the transfer of the Contribution Amount incrementally as funds are needed.

Secretary

Chairman

Passed: _____

CONTRIBUTION AND ECONOMIC DEVELOPMENT AGREEMENT

THIS CONTRIBUTION AND ECONOMIC DEVELOPMENT AGREEMENT (this "Agreement") is dated of the ____ day of May, 2020, by and between the **LOUDON UTILITIES BOARD** ("LUB"), a board of public utilities of the **CITY OF LOUDON, TENNESSEE** (the "City"), and **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF LOUDON, TENNESSEE**, a public nonprofit corporation organized under Tenn. Code Ann. §§ 7-53-101, et. seq. (the "IDB").

RECITALS

WHEREAS, LUB controls, manages, and has jurisdiction over the natural gas distribution system (the "System") of the City; and

WHEREAS, pursuant to Section 7-34-115(a)(2) of the Tennessee Code Annotated, LUB is authorized to devote revenues derived from the operation of the System to funding economic and community organizations in accordance with a resolution adopted by the governing body of the City; and

WHEREAS, the City and LUB have determined that the IDB is an economic and community organization within the meaning of Section 7-34-115(a)(2), and the City and LUB desire to devote certain surplus revenues of the System to provide funding to the IDB in order to promote economic development pursuant to the terms of this Agreement; and

WHEREAS, the governing body of the City has approved by resolution this Agreement and the contribution by LUB to the IDB provided herein; and

WHEREAS, LUB is preparing to expand and improve its water treatment and distribution system (the "Plant") through a series of Water System Improvements as identified on the attached exhibit to provide for improved methods of disinfection, expanded capacity, improved reliability and sustainability (the "Projects"); and

WHEREAS, the City, LUB and the IDB have determined that the Projects will promote economic development and job growth in the City by assisting with the recruitment of industry and other employers; and

WHEREAS, the IDB is authorized to provide financial support to pollution control facilities, which include the control and abatement of water pollution and which also include water management facilities; and

WHEREAS, the IDB desires to apply certain surplus revenues of the System contributed to the IDB by LUB toward the costs of the Projects in accordance with the terms set forth herein, and the IDB has the statutory authority to donate any of its property in furtherance of its corporate purposes.

NOW, THEREFORE, in consideration of the terms, conditions and mutual agreements by and between the parties, as hereafter set forth in detail, the parties do hereby mutually agree as follows:

1. **Contribution to the IDB.** Subject to the terms and conditions of this Agreement, LUB hereby agrees to contribute to the IDB from excess revenues available from the operation of the System an amount not in excess of Ten Million Dollars (\$10,000,000) (the "Contribution Amount") to be applied by the IDB toward the costs of the Projects in the manner provided herein. LUB shall pay the Contribution Amount in a lump sum or in advances in such amounts and at such times as are determined by LUB. All payments of the Contribution Amount shall be paid by wire transfer to the Account identified below by wire transfer.

2. **Use of the Contribution Amount.** The Contribution Amount shall be applied by the IDB solely to pay costs of the Projects as requested by LUB. In the event the Contribution Amount exceeds costs of the Projects that LUB requests the IDB to pay, the excess shall be returned by the IDB to LUB upon the request of LUB.

3. **Payment of Projects Expenses.** Upon written request of LUB to the IDB to pay expenses relating to the Projects, together with supporting evidence of such expenses, such as an invoice or draw certificate, the IDB shall pay such expenses in the manner directed by LUB, which may include the reimbursement to LUB of the payment of the expense. The maximum total amount required to be paid for costs of the Projects pursuant to this Section shall not exceed the amount of the Contribution Amount contributed by LUB to the IDB as of the date of the request for such payment.

4. **Contribution Fund.** The IDB covenants and agrees to establish a separate account of the IDB with a financial institution with offices in the City to be known as the Water System Improvements Fund, to be kept separate and apart from all other funds of the IDB (the "Account"). All payments of the Contribution Amount shall be deposited in the Account, and the IDB shall not commingle any other funds in the Account. LUB shall pay all costs and expenses of establishing and maintaining the Account if any, and LUB, on behalf of the IDB, shall be authorized to direct any investment of the funds in the Account. The designated signatories on the Account shall be subject to the approval of LUB, and LUB may require that all disbursements be subject to the approval of a representative of the City or LUB.

5. **Termination.** This Agreement and all obligations hereunder shall terminate upon the disbursement of the entire Contribution Amount by the IDB.

6. **General Provisions.**

6.1 **Binding Agreement.** The parties intend for this Agreement to be a binding contract. The IDB recognizes that the City and LUB will rely on the IDB's agreement to apply the Contribution Amount as provided in this Agreement in undertaking the Projects.

6.2 **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the parties with respect to the transactions contemplated hereby, and there are no other terms, understandings, representations, or warranties, express or implied.

6.3 **Amendment.** No amendment, modification or termination of this Agreement shall be effective unless in writing and signed by the party intending to be bound thereby.

6.4 **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original.

6.5 **Time is of the Essence.** The parties hereto agree that time is of the essence for the performance of all obligations hereunder.

6.6 **Successors and Assigns.** This Agreement may not be assigned by any party hereto without the written consent of the other party. Subject to this limitation, this Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

6.7 **Section Headings.** The section headings inserted into this Agreement are for convenience only and are not intended to and shall not be construed to limit, enlarge or affect the scope or intent of this Agreement nor the meaning of any provision hereof.

6.8 Governing Law. The law of the State of Tennessee shall govern this Agreement.

6.9 Compliance with Applicable Law. Each party hereto is responsible for full compliance with all applicable federal, state, and local laws, rules and regulations that relate to the performance of its obligations hereunder.

6.10 Severability. The invalidity or unenforceability of any particular provision, or part of any provision, of this Agreement shall not affect the other provisions or parts hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions or parts were omitted.

[Signatures on Next Page]

[Signature Page for Contribution Agreement]

IN WITNESS WHEREOF this Contribution Agreement has been duly executed by the parties hereto as of the day and year first above written.

THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF LOUDON, TENNESSEE

By: _____
Chairman

ATTEST:

Secretary

LOUDON UTILITIES BOARD

By: _____
Chairman

ATTEST:

Secretary

CITY OF LOUDON, TENNESSEE

By: _____
Jeff Harris, Mayor

ATTEST:

Nicole Curtis, City Recorder

Gas Fund Contribution Exhibit

Scheduled Water System Improvements	Project Cost
24-in crossing TN River	3,200,000
Water Treatment Plant Expansion	13,460,000
New Tank Watts Cemetery	1,350,000
Replace Highland Ave Tank	950,000
Upgrade Roberson Springs Booster Stations	150,000
Replace 3-inch water main on Steekee	500,000
Replace 2-inch water main on Get Good Hollow Road	300,000
Line replacement in Blair Bend	950,000
Upgrade Vonore Pump Station	100,000
Total Water System Improvements	20,960,000

RESOLUTION NO. 2020-__

**PROVIDING FOR WATER RATE INCREASES
THROUGH JANUARY 1, 2023**

WHEREAS, The Loudon Utilities Water System needs significant infrastructure improvements, a detailed description of which is attached hereto as **Exhibit “A”** and incorporated herein by reference (hereinafter referred to as “the Water System Improvements”); and

WHEREAS, In support of the Water System Improvements, Loudon Utilities performed a cost of service study which assigned a total revenue requirement to each rate class so that each rate class may properly fund the costs attributable to its usage. An executive summary of the cost of service study is attached hereto as **Exhibit “B”** and incorporated herein by reference (hereinafter “the Cost of Service Study”); and

WHEREAS, It is the intent of Loudon Utilities to adopt a schedule of rate increases in keeping with the recommendations of the Cost of Service Study in order to fund the Water System Improvements.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Loudon Utilities as follows:

Section 1. The Chairman and Board of Directors of Loudon Utilities hereby approve the schedule of rate increases in the Water System as shown on **Exhibit “C”** and incorporated herein by reference (hereinafter referred to as “the Water Rate Increase Schedule”).

Secretary

Chairman

Passed: _____

Exhibit A

Scheduled Water System Improvements	Project Cost
24-in crossing TN River	3,200,000
Water Treatment Plant Expansion	13,460,000
New Tank Watts Cemetery	1,350,000
Replace Highland Ave Tank	950,000
Upgrade Roberson Springs Booster Stations	150,000
Replace 3-inch water main on Steekee	500,000
Replace 2-inch water main on Get Good Hollow Road	300,000
Line replacement in Blair Bend	950,000
Upgrade Vonore Pump Station	100,000
Water Hydraulic Model with accurate GIS data	60,000
Highland Avenue Water and Gas Replacement	950,000
R&R	5,200,000
GIS Mapping	50,000
Total Water System Improvements	27,220,000

Exhibit B - Cost of Service Allocation Summary

	Loudon	Res-Outside	Piney Res	Comm - In	Comm - Out	Piney Comm	Industrial	Tate & Lyle	TVPOA	Watts Bar	Total
2018 Consumption kgal	107,439	63,579	62,798	99,215	1,134	1,862	314,229	2,127,634	327,611	37,300	3,142,801
Annual Billings	26,444	14,604	15,992	5,037	264	325	568	12	12	12	63,270
Effective Rate kgal	\$ 6.23	\$ 7.78	\$ 7.92	\$ 3.89	\$ 8.69	\$ 6.71	\$ 3.25	\$ 1.67	\$ 1.21	\$ 1.50	
Current Rate Revenue	\$ 668,915	\$ 494,528	\$ 497,575	\$ 385,516	\$ 9,857	\$ 12,503	\$ 1,020,420	\$ 3,550,894	\$ 395,243	\$ 56,082	\$ 7,091,533
Rate	\$ 378,031	\$ 333,884	\$ 321,663	\$ 330,109	\$ 6,953	\$ 8,928	\$ 1,014,172				
Cust Charge	\$ 290,884	\$ 160,644	\$ 175,912	\$ 55,407	\$ 2,904	\$ 3,575	\$ 6,248				
Total Revenue Requirement	\$ 1,022,213	\$ 572,677	\$ 664,007	\$ 390,495	\$ 10,196	\$ 14,875	\$ 786,953	\$ 3,506,222	\$ 832,225	\$ 92,773	\$ 7,892,636
Current Recovery	65%	86%	75%	99%	97%	84%	130%	101%	48%	60%	90%
85% Recovery Target w/Phased Increases	\$ 868,881		\$ 564,406			\$ 12,644			\$ 707,391	\$ 78,857	

Exhibit C - Water Rate Increase Schedule

	Loudon	Res-Outside	Piney Res	Comm - In	Comm - Out	Piney Comm	Industrial	Tate & Lyle	TVPOA	Watts Bar	Total
July 1, 2020											
Customer Charge	11.00	11.00	11.00	11.00	11.00	11.00	*	**			
Rate Per 1000 gallons - up to 7,000 gallons	3.22	4.83	4.83	3.22	4.83	4.83	3.22	**	1.66	1.66	
Rate Per 1000 gallons - 7,001 gallons & over	4.83	7.25	7.25	3.22	4.83	4.83	3.22	**			
Rate Additional Revenue									\$ 149,365	\$ 5,836	\$ 155,201
Current Revenue + Adjustment	\$ 668,915	\$ 494,528	\$ 497,575	\$ 385,516	\$ 9,857	\$ 12,503	\$ 1,020,420	\$ 3,550,894	\$ 544,608	\$ 61,918	\$ 7,246,734
July 1, 2020 Level	65%	86%	75%	99%	97%	84%	130%	101%	65%	67%	92%
January 1, 2021											
Customer Charge	13.52	11.00	11.00	11.00	11.00	11.00	*	**			
Rate Per 1000 gallons - up to 7,000 gallons	3.22	4.83	4.83	3.22	4.83	4.83	3.22	**	1.83	1.83	
Rate Per 1000 gallons - 7,001 gallons & over	4.83	7.25	7.25	3.22	4.83	4.83	3.22	**			
Rate Additional Revenue	\$ 66,655								\$ 55,482	\$ 12,177	\$ 134,314
Current Revenue + Adjustment	\$ 735,570	\$ 494,528	\$ 497,575	\$ 385,516	\$ 9,857	\$ 12,503	\$ 1,020,420	\$ 3,550,894	\$ 600,090	\$ 68,259	\$ 7,375,212
January 1, 2021 Level	72%	86%	75%	99%	97%	84%	130%	101%	72%	74%	93%
January 1, 2022											
Rate Per 1000 gallons											
Customer Charge	16.04	11.00	13.09	11.00	11.00	11.00	*	**			
Rate Per 1000 gallons - up to 7,000 gallons	3.22	4.83	4.83	3.22	4.83	4.83	3.22	**	2.00	2.00	
Rate Per 1000 gallons - 7,001 gallons & over	4.83	7.25	7.25	3.22	4.83	4.83	3.22	**			
Rate Additional Revenue	\$ 66,655		\$ 33,415						\$ 55,482	\$ 18,518	\$ 174,070
Current Revenue + Adjustment	\$ 802,226	\$ 494,528	\$ 530,990	\$ 385,516	\$ 9,857	\$ 12,503	\$ 1,020,420	\$ 3,550,894	\$ 655,571	\$ 74,600	\$ 7,549,283
January 1, 2022 Level	79%	86%	80%	99%	97%	84%	130%	101%	79%	80%	96%
January 1, 2023											
Rate Per 1000 gallons											
Customer Charge	18.56	11.00	15.18	11.00	11.00	11.43	*	**			
Rate Per 1000 gallons - up to 7,000 gallons	3.22	4.83	4.83	3.22	4.83	4.83	3.22	**	2.17	2.17	
Rate Per 1000 gallons - 7,001 gallons & over	4.83	7.25	7.25	3.22	4.83	4.83	3.22	**			
Rate Additional Revenue	\$ 66,655		\$ 33,415			\$ 141			\$ 55,482	\$ 24,859	\$ 180,552
Current Revenue + Adjustment	\$ 868,881	\$ 494,528	\$ 564,406	\$ 385,516	\$ 9,857	\$ 12,644	\$ 1,020,420	\$ 3,550,894	\$ 711,053	\$ 80,941	\$ 7,699,140
January 1, 2023 Level	85%	86%	85%	99%	97%	85%	130%	101%	85%	87%	98%

* Industrial Customer Charge determined by meter size

** Tate & Lyle Revenue calculated using existing agreement

RESOLUTION NO. 2020-__

**ACKNOWLEDGING THE
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM RATE
EFFECTIVE JULY 1, 2020**

WHEREAS, Tennessee Consolidated Retirement System (TCRS) adjusts the retirement contribution rate each July 1st; and

WHEREAS, TCRS has provided the Loudon Utility Board's Actuarially Determined Contribution (ADC) rate effective July 1, 2020 of 3.57% for utility employees; and

WHEREAS, TCRS encourages employers to pay a higher rate to protect against upward pressure on rates in the future; and

WHEREAS, It is recommended to continue the additional 1% to the ADC rates.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Loudon Utilities as follows:

Section 1. The Board of Directors of Loudon Utilities hereby acknowledges the TCRS rate will be 4.57% for utility employees effective July 1, 2020.

Section 2. The Manager is authorized and directed to execute appropriate documents with TCRS to implement a rate of 4.57% for utility employees effective July 1, 2020.

Secretary

Chairman

Passed: _____

RESOLUTION NO. 2020-__

**ESTABLISHING NATURAL GAS RATES
EFFECTIVE JUNE 2020**

WHEREAS, Loudon Utilities purchases natural gas at the first of the month index price; and

WHEREAS, It is therefore necessary to change the natural gas rate each month based on the price of gas that is being purchased for resale; and

WHEREAS, The Utility Manager has recommended the price for the sale of gas for customers other than interruptible and process load customers be set at \$0.98 per 100 cubic feet for all meters read after June 1, 2020.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Loudon Utilities as follows:

Section 1. The natural gas rate for meters for customers other than interruptible and process load customers read on or after June 1, 2020 shall be \$0.98 per 100 cubic feet.

Secretary

Chairman

Passed: _____

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	2.0512	1.9524	1.5700	1.7300
Pipeline Charges	0.2755	0.1082	0.1305	0.2110	0.0585	0.0628	0.0644	0.0651
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	2.1547	2.0602	1.6794	1.8401
BTU & System Loss (8%)	0.0000	0.2155	0.2068	0.1869	0.1724	0.1648	0.1344	0.1472
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	5.6541	5.5520	5.1408	5.3143
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	\$10.1286	\$10.0265	\$9.6153	\$9.7888
Rate per 100 Cubic Feet	\$1.10	\$1.07	\$1.06	\$1.03	\$1.01	\$1.00	\$0.96	\$0.98

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

Tennessee Valley Authority

Fuel Cost Adjustment

Effective: from October 1, 2006

FCA	TERM	FCA	Base Fuel Amount	New FCA Amount	Residential Increase per 1,000 kWh	Cumulative Increase
Jan	2016	(0.103)	1.994	1.891	-0.36	-1.03
Feb	2016	(0.319)	1.994	1.675	-2.16	-3.19
Mar	2016	(0.258)	1.994	1.736	0.61	-2.58
Apr	2016	(0.277)	1.994	1.717	-0.19	-2.77
May	2016	(0.362)	1.994	1.632	-0.85	-3.62
Jun	2016	(0.157)	1.994	1.837	2.05	-1.57
Jul	2016	0.202	1.994	2.196	3.59	2.02
Aug	2016	0.187	1.994	2.181	-0.15	1.87
Sep	2016	0.186	1.994	2.180	-0.01	1.86
Oct	2016	0.172	1.994	2.166	-0.14	1.72
Nov	2016	0.166	1.994	2.160	-0.06	1.66
Dec	2016	0.263	1.994	2.257	0.97	2.63
Jan	2017	0.149	1.994	2.143	-1.14	1.49
Feb	2017	0.048	1.994	2.042	-1.01	0.48
Mar	2017	(0.067)	1.994	1.927	-1.15	-0.67
Apr	2017	(0.039)	1.994	1.955	0.28	-0.39
May	2017	0.019	1.994	2.013	0.58	0.19
Jun	2017	0.028	1.994	2.022	0.09	0.28
Jul	2017	0.217	1.994	2.211	1.89	2.17
Aug	2017	(0.001)	1.994	1.993	-2.18	-0.01
Sep	2017	(0.282)	1.994	1.712	-2.81	-2.82
Oct	2017	(0.287)	1.994	1.707	-0.05	-2.87
Nov	2017	(0.130)	1.994	1.864	1.57	-1.30
Dec	2017	(0.131)	1.994	1.863	-0.01	-1.31
Jan	2018	(0.182)	1.994	1.812	-0.51	-1.82
Feb	2018	(0.150)	1.994	1.844	0.32	-1.50
Mar	2018	0.024	1.994	2.018	1.74	0.24
Apr	2018	(0.006)	1.994	1.988	-0.30	-0.06
May	2018	(0.073)	1.994	1.921	-0.67	-0.73
Jun	2018	(0.113)	1.994	1.881	-0.40	-1.13
Jul	2018	(0.102)	1.994	1.892	0.11	-1.02
Aug	2018	(0.101)	1.994	1.893	0.01	-1.01
Sep	2018	(0.326)	1.994	1.668	-2.25	-3.26
Oct	2018	(0.158)	1.994	1.836	1.68	-1.58
Nov	2018	(0.074)	1.994	1.920	0.84	-0.74
Dec	2018	(0.050)	1.994	1.944	0.24	-0.50
Jan	2019	0.034	1.994	2.028	0.84	0.34
Feb	2019	(0.085)	1.994	1.909	-1.19	-0.85
Mar	2019	(0.203)	1.994	1.791	-1.18	-2.03
Apr	2019	(0.314)	1.994	1.680	-1.11	-3.14
May	2019	(0.336)	1.994	1.658	-0.22	-3.36
Jun	2019	(0.247)	1.994	1.747	0.89	-2.47
Jul	2019	(0.140)	1.994	1.854	1.07	-1.40
Aug	2019	(0.321)	1.994	1.673	-1.81	-3.21
Sep	2019	(0.491)	1.994	1.503	-1.70	-4.91
Oct	2019	(0.466)	1.994	1.528	0.25	-4.66
Nov	2019	(0.236)	1.994	1.758	2.30	-2.36
Dec	2019	(0.247)	1.994	1.747	-0.11	-2.47
Jan	2020	(0.162)	1.994	1.832	0.85	-1.62
Feb	2020	(0.357)	1.994	1.637	-1.95	-3.57
Mar	2020	(0.367)	1.994	1.627	-0.10	-3.67
Apr	2020	(0.564)	1.994	1.430	-1.97	-5.64
May	2020	(0.579)	1.994	1.415	-0.15	-5.79
Jun	2020	(0.567)	1.994	1.427	0.12	-5.67
Jul	2020					
Aug	2020					
Sep	2020					
Oct	2020					
Nov	2020					
Dec	2020					

* Beginning April 1st 2011 TVA removed all fuel costs from the base rates and will include all fuel costs in the Fuel Cost Adjustment in the future