



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 our computer, tablet, iPad, and/or smartphone:

<https://loudonutilities.zoom.us/j/6429958536?pwd=WVRYQzEyaXc1c0lrUUhjWkVTYWZjdz09>

Meeting ID: 642 995 8536

Password: LoudonTN

One tap mobile

+13017158592,,6429958536# US (Germantown)

+13126266799,,6429958536# US (Chicago)

Dial by our location

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

+1 929 205 6099 US (New York)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

Meeting ID: 642 995 8536

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.



LOUDON UTILITIES

P.O. BOX 69

LOUDON, TENNESSEE 37774

AGENDA

LOUDON UTILITY BOARD WORKSHOP

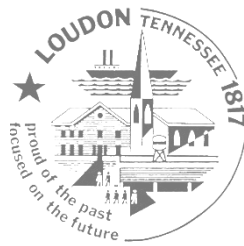
September 14, 2020

4:30 PM

OPERATIONS CENTER

2302 Maremont Parkway

1. Recognition of Visitors – Mitch Miller
2. TVPOA Contract Update
3. TVA Flexibility Agreement
4. Financial Update – July 2020
5. Safety Report
6. Natural Gas Rate
7. Operations Center Projects (presentation followed by tour)
 - A. Roof Replacement (bid and ready to proceed)
 - B. Interior Updates (a plan to present)
 - C. Storage and Parking (the exterior needs)
8. Other



LOUDON UTILITIES

P.O. BOX 69

LOUDON, TENNESSEE 37774

To: Chairman Campbell and Board Members

From: Ty Ross

Subject: September Workshop Items

Date: September 11, 2020

The following items appear on the agenda for the September 14, 2020 workshop meeting of the Board of Directors of Loudon Utilities being **held at the Operations Center**:

1. Recognition of Visitors – Mitch Miller – Mr. Miller has requested an audience with this board to share his views on potential economic development advantages to high speed internet. He currently resides in Decatur, Georgia but grew up in Loudon and even once interned at Loudon Utilities while attending Loudon High School.
2. TVPOA Contract Update – After further talks we have what we believe to be a final version of the proposed replacement agreement with TVPOA for the supply of wholesale water.

Key provisions include the following:

- Document is a production and supply agreement. We make water and they buy water.
- The amount of water we pledge to produce for their distribution is 3.2 million gallons per day.
- The Exhibit A improvements allow us to produce and sell that volume and TVPOA pays for Exhibit A improvements.

- The price is stepped up to equal contribution of City residential customers.
 - This exits the old agreement. The new agreement brings in an additional \$1.3 million before old agreement would have expired.
 - The agreement enables us to change the rate at least every 5 years and runs through 2040.
3. *TVA Flexibility Agreement* – The agreement with TVA would allow for the future purchase of renewable energy (e.g., solar generated power) from an electric power generator that is not TVA. This would enable LUB to supplement electricity LUB currently purchases from TVA with electricity from a nearby solar producer. This will only be pursued in the future if it is in our rate payer’s best financial interest and can also take into consideration those in the commercial or manufacturing sectors that seek to broaden their access to renewable energy.
 4. *Financial Update – July 2020* – Finance Department Director Nicole Curtis will present the July revenue and expenditure reports.
 5. *Safety Report* – There was one (1) recordable injury for the month of August.
 6. *Natural Gas Rate* – The cost of natural gas delivered to the City Gate for September 2020 was \$2.5860 per dkt. This converts into the rate of \$1.16 per 100 cubic feet of gas billed after October 1, 2020.
 7. *Operations Center Projects*: (presentation followed by walking tour)
 - A. Roof Replacement (bid and ready to proceed)
 - B. Interior Updates (a plan to present)
 - C. Storage and Parking (the exterior needs)

GAS RATE COMPUTATIONS

	<i>Base Month (Sept 2003)</i>	<i>Rate Effective 6/1/20</i>	<i>Rate Effective 7/1/20</i>	<i>Rate Effective 8/1/20</i>	<i>Rate Effective 9/1/20</i>	<i>Rate Effective 10/1/20</i>	<i>Rate Effective 11/1/20</i>	<i>Rate Effective 12/1/20</i>
Gas Supply Cost	4.9950	1.7300	1.6500	1.4200	1.8000	2.5000		
Pipeline Charges	0.2755	0.0651	0.0629	0.0567	0.0671	0.0860		
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	1.8401	1.7579	1.5217	1.9121	2.6310		
BTU & System Loss (8%)	0.0000	0.1472	0.1406	0.1217	0.1530	0.2105		
Demand Unit Charge	1.2200	2.7370	2.7370	2.7370	2.7370	2.7370	2.7370	2.7370
ETNG Rate Action 8/2020				1.0000	1.0000	1.0000	1.0000	1.0000
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	5.3143	5.2255	5.9704	6.3921	7.1685		
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	\$9.7888	\$9.7000	\$10.4449	\$10.8666	\$11.6430		
Rate per 100 Cubic Feet	\$1.10	\$0.98	\$0.97	\$1.04	\$1.09	\$1.16		

*NOTE: BTU & System Losses added June 2004 – BTU Factor (7%) System Losses (1%)
Storage Charges added June 2004 and increased May 2008
ETNG Rate Action added August 2020*