



LOUDON UTILITIES

P.O. BOX 69

LOUDON, TENNESSEE 37774

AGENDA

LOUDON UTILITY BOARD WORKSHOP

November 9, 2020

4:30 PM

1. Recognition of Visitors
2. Financial Update – September 2020
3. Water and Sewer Debt Refunding
4. Water Line Repair and Replacement Program
5. Broadband Feasibility Update
6. CTI Engineering Services Agreement – Water Projects
7. FYE2021 Vehicle Replacement Program Total Costs
8. Surplus CMAQ Trucks & Gas Dump Trucks
9. Operations Center Projects
 - i. Roof Replacement (in process)
 - ii. Interior Updates (prepare for bid)
 - iii. Storage and Parking (the exterior needs)
10. Cafeteria Section 125
11. Safety Report
12. Natural Gas Rate
13. Other



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To: Chairman Campbell and Board Members

From: Ty Ross

Subject: November Workshop Items

Date: November 6, 2020

The following items appear on the agenda for the November 9, 2020 workshop meeting of the Board of Directors of Loudon Utilities:

1. Recognition of Visitors:
2. Financial Update: Finance Director Nicole Curtis will present the revenue and expenditure reports.
3. Water and Sewer Debt Refunding: Current market conditions provide the opportunity to refinance water and sewer debt at lower interest rates. After vetting multiple loan sources, the most dollar saving option will be presented and discussed for future action.
4. Gas, Water, Waste Water Team Operations: Plans for repair, replacement, and expansion of gas, water, and wastewater services are ongoing. Our current pilot project is the coordination of the line relocations necessitated by the Queener Road Project. A status update on this particular project will be provided at your meeting. As a matter of information, the contract awarded for replacement of a water main at Grove Place has been executed and delivered to the contractor along with a notice to proceed.

5. Broadband: As a matter of information, please know we expect a presentation from Jackson Thornton at your December workshop.
6. CTI Engineering Services Agreement – Water Projects: Projects called for in the new agreement with TVPOA are moving forward with the planning, engineering, and property acquisition phases. These include the new tank and 12-inch water main at and along Watt Cemetery Road as well as the new Vonore Road pump station to be located near the Poplar Springs Tanks. In facilitation thereof, we will present an engineering task order with CTI Engineers, Inc. to design, bid and oversee all of the above at a cost of approximately 6% of the projected cost which will be added to the total cost and accounted for in the new TVPOA rate.
7. FYE2021 Vehicle Replacement Program Total Costs: Regarding the Ford Government Vehicle Trade-in Program the intent here is to disclose the list of Vehicles utilized under the program by various utility departments. The total cost to the utility for this year's trades is included in a spreadsheet contained in this workshop packet.
8. Surplus CMAQ Trucks & Gas Dump Trucks: We will present a list of vehicles that are to be declared surplus and auctioned on GovDeals.com. These vehicles are in connection with the replacement vehicles acquired via the CMAQ grant as well as the two new trucks recently acquired by the Gas Dept.
9. Operations Center Projects:
 - A. Roof Replacement (in process)
 - B. Interior Updates (prepare for bid)
 - C. Storage and Parking (the exterior needs)
10. Cafeteria Section 125: The resolution will reauthorize the Section 125 Cafeteria Plan for another year as required annually by the IRS.
11. Safety Report: There was one (1) reportable injury in the month of October.
12. Natural Gas Rate: The cost of natural gas delivered to the City Gate for November 2020 was \$2.7651 per dkt. This converts into the rate of \$1.18 per 100 cubic feet of gas billed after December 1, 2020.

City of Loudon / Loudon Utilities
Vehicle Replacement Program Budget FYE2021

| Purchase date | Dept. | Unit # | VIN. 2019 | VIN 2020 | FY2020 Specs | FY2021 Specs (if different) | FYE2021 Budgeted Costs |
|---------------|-------|--------|-----------|-------------------|-------------------|---|---------------------------|
| 8/27/2020 | Elec | 1374 | | 1FTER4EH8LLA54294 | Fusion | Ranger | 6,400.00 |
| 10/12/2020 | Elec | 57 | | 1FDRF3GT5LEE08228 | F350 | | - |
| 7/16/2020 | Elec | 56 | | 1FT8X3BT7LED68531 | F350 | | - |
| 11/30/2015 | Elec | 1689 | 30721 | | 4x4 F150-no trade | | - |
| 8/9/2019 | Elec | 99 | 24770 | | 4x4 F150 | | - |
| 3/17/2020 | Elec | 59 | | 1FTFX1E53LFB37516 | 4x4 STXF150 | XL SERIES | - |
| 2/15/2019 | Elec | 68 | 22657 | | Escape | | - |
| 7/16/2019 | Elec | 58 | 24779 | | 4x4 F150 | | - |
| 7/29/2019 | Elec | 64 | 24773 | | 4X4 F150 | | - |
| 3/31/2020 | Elec | 17 | | 1FTEX1EB8LKE09860 | 4x4 F150 | | - |
| 8/13/2019 | Elec | | 24769 | | 4X4 F150 | | - |
| 8/22/2019 | Elec | | 88670 | | 4X4 F150 | | 800.00 |
| 1/12/2019 | Elec | | 53992 | | F150 | V8 / 4 Door | 4,000.00 |
| 8/6/2019 | Elec | 1685 | 24765 | | 4x4 F150 | F450 Dually, incl. in Elect Capital Budget | 25,000.00 |
| 8/17/2019 | Gas | 9028 | 51936 | | 4x4 F150 | | |
| 8/25/2020 | Gas | 9031 | | 1FMCU0F6XLUA67050 | Escape | Escape | 5,880.00 |
| 8/26/2020 | Gas | 1373 | | 1FMCU0F66LUB14722 | Fusion | Escape | 6,480.00 |
| 8/13/2019 | Gas | 1687 | 24766 | | 4x4 F150 | | - |
| 7/16/2019 | Gas | 9029 | 24767 | | 4x4 F150 | Power windows | 750.00 |
| 7/29/2019 | Gas | 1688 | 24768 | | 4x4 F150 | | 400.00 |
| 8/6/2019 | Gas | 9030 | 24780 | | 4x4 F150 | Power windows | 750.00 |
| 8/6/2019 | Gas | 1684 | 24764 | | 4x4 F150 | | - |
| 2/2/2018 | Gas | 1375 | 71337 | | Explorer-no trade | | - |
| 1/14/2020 | Gas | 1686 | 16410 | | 4x4 F150 | | - |
| 7/20/2020 | Gas | 9069 | | 1FT8W3BT1LED68527 | 4x4 F350 | | - |
| 7/20/2020 | Gas | 9070 | | 1FT8W3BT5LED68529 | 4x4 F350 | | - |
| 9/24/2019 | Sewer | 8066 | 24778 | | F150 ex.cab | | |
| 8/6/2019 | Sewer | 8065 | 24776 | | 4x4 F150 | | 400.00 |
| 7/30/2019 | Sewer | 1203 | 24772 | | 4x4 F150 | | - |
| 7/21/2020 | Sewer | 8067 | | 1FT8W3BTXLED68526 | F350 | | 400.00 |
| 7/30/2019 | Water | 7060 | 24777 | | 4x4 F150 | | 800.00 |
| 7/20/2020 | Water | 7061 | | 1FT8W3BT3LED68528 | 4x4 F350 | | - |
| 8/13/2019 | Water | 1103 | 24771 | | 4x4 F150 | | - |
| 7/20/2020 | Water | | | 1FT8W3BT1LED68530 | 4x4 F350 | | - |
| 3/25/2020 | WTP | 1102 | | 1FTEX1EB1LKE09859 | 4x4 Ex. Cab | | - |

| | | |
|-------------|----|-------------|
| Total Gas | 12 | \$14,260.00 |
| Total Sewer | 4 | \$800.00 |
| Total Elec | 14 | \$36,200.00 |
| Total Water | 4 | \$800.00 |
| Total WTP | 1 | \$0.00 |
| Total WWTP | 0 | \$0.00 |

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 | 1.9900 | 2.8500 |
| Pipeline Charges | 0.2755 | 0.0651 | 0.0629 | 0.0567 | 0.0671 | 0.0860 | 0.0721 | -0.0849 |
| 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 | 2.1071 | 2.8101 |
| BTU & System Loss (8%) | 0.0000 | 0.1472 | 0.1406 | 0.1217 | 0.1530 | 0.2105 | 0.1686 | 0.2248 |
| 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 | 6.6027 | 7.3619 |
| 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 | \$11.0772 | \$11.8364 |
| Rate per 100 Cubic Feet | \$1.10 | \$0.98 | \$0.97 | \$1.04 | \$1.09 | \$1.16 | \$1.11 | \$1.18 |

*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*



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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>

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Password: LoudonTN

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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.