



LOUDON UTILITIES

P.O. BOX 69

LOUDON, TENNESSEE 37774

A G E N D A

BOARD OF DIRECTORS OF LOUDON UTILITIES

January 25, 2021

4:30 PM

1. Call to Order
2. Recognition of Visitors
 - A. Recognition of Employee Work Anniversaries
3. Approval of Minutes
 - A. Regular Meeting – November 23, 2020
4. Financial Reports
5. Items for Board Action
 - A. Fireworks Sponsorship
 - B. Authorizing Agreement with CTI Engineers, Inc. for Professional Services per Task Order No. 3
 - C. Establishing Natural Gas Rates Effective January and February 2021
6. Other
 - A. Tennessee Valley Authority Fuel Cost Adjustment
7. Adjournment



LOUDON UTILITIES

P.O. BOX 69
LOUDON, TENNESSEE 37774

To: Chairman Campbell and Board Members
From: Ty Ross
Subject: January Agenda Items
Date: January 22, 2021

The following items appear on the agenda for the January 25, 2021 meeting of the Board of Directors of Loudon Utilities:

Recognition of Visitors.

A. Recognition of Employee Work Anniversaries. Two LUB employees have service anniversaries this month (January) and will be recognized with service awards. Their names and respective years of services are as follows:

- James Cinnamon - 26 yrs.
- Shane Johnson - 23 yrs.

Items for Board Action.

A. Fireworks Sponsorship. Recreation Director Mark Harrell requests \$20,000 (pending match from City) for \$40,000 in total for fireworks programming covering both Independence Day and Riverfest 2021.

B. Authorizing Agreement with CTI Engineers, Inc. (CTI) for Professional Services per Task Order No. 3. This agreement authorizes and directs CTI to proceed with detailed design and bidding, construction administration, and construction inspection services related to the two SRFLP drinking water projects identified in the Tennessee Department of Environment and Conservation (TDEC) letter dated August 26, 2020, notifying the LUB of potential funding. The two projects are now eligible for funding by their placement on TDEC's Priority Ranking List and the Capitalization Grant administered by TDEC. The two projects are as follows:

- 24-inch Waterline River Crossing
- Water Treatment Plant Expansion



LOUDON UTILITIES

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- C. Establishing Natural Gas Rates Effective January and February 2021. The cost of natural gas delivered to the City Gate decreased for the month of December 2020. Utilizing the formula for natural gas rates, this converts into a rate of \$1.17 per 100 cubic feet for gas billed after January 1, 2021.

The cost of natural gas delivered to the City Gate decreased for the month of January 2021. Utilizing the formula for natural gas rates, this converts into a rate of \$1.15 per 100 cubic feet for gas billed after February 1, 2021.

Other.

- A. Tennessee Valley Authority Fuel Cost Adjustment. The TVA FCA for January 2021 increased from \$0.01483 per kWh to \$0.01577 per kWh. The rate resulted in a \$0.94 increase for each 1,000 kWh of residential customers use.
- The TVA FCA for February 2021 decreased from \$0.01577 per kWh to \$0.01494 per kWh. The rate will result in a \$0.83 decrease for each 1,000 kWh of residential customers use.

**REGULAR MEETING
LOUDON UTILITIES**

November 23, 2020

The Board of Directors of Loudon Utilities held its properly advertised regular meeting on November 23, 2020, at 4:30 p.m., in the public meeting space of the Loudon Municipal Building. Those present were Chairman Don P. Campbell, Directors Gene Farmer, Tim Dixon, Carlie McEachern (videoconferenced), and Bart Watson. Others present were Manager Ty Ross, Nicole Curtis, John Davis, Jaison Brown, Attorney Kris Frye (videoconferenced), and Secretary Meghan Hull. Parker Wright, *Loudon County NewsHerald*, represented the press. Also present or videoconferenced were approximately seven (7) residents and employees.

Chairman Campbell welcomed everyone and called the meeting to order. Campbell read a statement defining the meeting being held by videoconference pursuant to Executive Order No. 16 to protect the safety and health of the citizens of Loudon from the coronavirus outbreak.

Chairman Campbell requested a roll call of attendance. Chairman Campbell and Directors Farmer, Dixon, and Watson were in attendance with Director McEachern and Attorney Frye videoconferenced.

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 October 26, 2020. **A motion was made by Director Dixon, seconded by Director Farmer and with a roll call vote unanimously passed that the minutes of the regular meeting held on October 26, 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 Farmer, seconded by Director Watson and with a roll call vote unanimously passed that the reports be received and placed on file.**

The first item for Board action was to consider requesting the City Council to approve refinancing of water and sewer debt. **A motion was made by Director Watson and seconded by Director Dixon that the following resolution be approved:**

RESOLUTION NO. 2020-44

A RESOLUTION RECOMMENDING TO THE CITY COUNCIL OF THE CITY OF LOUDON, TENNESSEE, THE ISSUANCE AND SALE BY THE CITY OF WATER AND SEWER SYSTEM REVENUE BONDS, IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,750,000, (WHICH SUCH BONDS MAY BE ISSUED AS TAX-EXEMPT BONDS OR TAXABLE BONDS) AND THE ADOPTION OF A BOND RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF SAID BONDS, DEFINING THE TERMS AND CONDITIONS OF SAID BONDS AND SETTING FORTH THE OBLIGATIONS OF THE CITY AND THE LOUDON UTILITIES BOARD WITH RESPECT TO SAID BONDS AND THE CITY'S WATER AND SEWER SYSTEM

Upon a roll call vote, the resolution was passed unanimously.

The next item for Board consideration was a contract with CTI Engineers, Inc. for planning, engineering, and property acquisition for the TVPOA water distribution project. **A motion was made by Director Farmer and seconded by Director Watson that the following resolution be approved:**

RESOLUTION NO. 2020-45
AUTHORIZING AGREEMENT WITH
CTI ENGINEERS, INC.
FOR PROFESSIONAL SERVICES
PER TASK ORDER NO. 2

Upon a roll call vote, the resolution was passed unanimously.

Board action next was to consider the surplus of two (2) vehicles that have been replaced through the Congestion Mitigation and Air Quality Improvement Program. One of the requirements of the program is to destroy the engine block prior to disposal. **A motion was made by Director Watson and seconded by Director Farmer that the following resolution be approved:**

RESOLUTION NO. 2020-46
AUTHORIZING THE SURPLUS OF TWO (2) LINE TRUCKS
UNDER THE CONGESTION MITIGATION
AND AIR QUALITY IMPROVEMENT PROGRAM

Upon a roll call vote, the resolution was passed unanimously.

The next item for Board action was the surplus of two (2) older model Gas Department dump trucks and an Electric Department line truck that has become redundant. **A motion was made by Director Dixon and seconded by Director Farmer that the following resolution be approved:**

RESOLUTION NO. 2020-47
AUTHORIZING THREE (3) VEHICLES
TO BE CONSIDERED SURPLUS

Upon a roll call vote, the resolution was passed unanimously.

Board considered the continuation of the Vehicle Replacement Program. The upgrade cost is anticipated to be approximately \$57,940 for thirty-two (32) vehicles. **A motion was made by Director Dixon and seconded by Director Watson that the following resolution be approved:**

RESOLUTION NO. 2020-48
AUTHORIZING THE
CONTINUING VEHICLE REPLACEMENT PROGRAM
OF UTILITY VEHICLES

Upon a roll call vote, the resolution was passed unanimously.

Board next considered approval of the Section 125 Cafeteria Plan. **A motion was made by Director Watson and seconded by Director Dixon that the following resolution be approved:**

RESOLUTION NO. 2020-49
APPROVING THE LOUDON UTILITIES BOARD
SECTION 125 CAFETERIA PLAN FOR EMPLOYEES

Upon a roll call 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. 2020-50
ESTABLISHING NATURAL GAS RATES
EFFECTIVE DECEMBER 2020

Upon a roll call vote, the resolution was passed unanimously.

Manager Ross stated that the Tennessee Valley Authority fuel cost adjustment had decreased from \$1.01544 per kWh to \$0.01483 per kWh. This results in a \$0.61 decrease for each 1,000 kWh of residential customer usage.

Chairman Campbell recessed the meeting for an Executive Session at 5:00 p.m. with attendees as follows: Campbell, Farmer, Dixon, Watson, Ross, Mayor Harris, with McEachern and Attorney Frye on telephone.

5:02 PM - EXECUTIVE SESSION - 5:43 PM

Chairman Campbell reconvened the meeting at 5:44 p.m. with no action taken.

Manager Ross said that there should be an update on broadband in December.

There being nothing further, Chairman Campbell adjourned the meeting at 5:46 p.m.

Secretary

Chairman

RESOLUTION NO. 2021-__

**AUTHORIZING AGREEMENT WITH
CTI ENGINEERS, INC.
FOR PROFESSIONAL SERVICES
PER TASK ORDER NO. 3**

WHEREAS, Loudon Utilities has identified the need of upgrades to be addressed within the water distribution system; and

WHEREAS, The Utility Manager has recommended approval of *Task Order No. 3: State Revolving Fund Loan Program (SRFLP) Drinking Water Projects to the Agreement for General Engineering Services* for improvements in the water distribution system.

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

Section 1. The Utilities Manager is hereby authorized and directed to contract with CTI Engineers, Inc. for professional services as outlined per the attached *Task Order No. 3: State Revolving Fund Loan Program (SRFLP) Drinking Water Projects to the Agreement for General Engineering Services* for improvements in the water distribution system.

Secretary

Chairman

Passed: _____

**LOUDON UTILITIES
TASK ORDER NO. 3
“STATE REVOLVING FUND LOAN PROGRAM (SRFLP) DRINKING WATER PROJECTS”
To the AGREEMENT FOR GENERAL ENGINEERING SERVICES**

This Task Order, made and entered into by and between LOUDON UTILITIES, hereinafter called the “OWNER” and CTI Engineers, Inc., hereinafter called the “ENGINEER,” shall be incorporated into and become a part of the Agreement for General Engineering Services (the “AGREEMENT”) entered into by the parties hereto on October 21, 2019.

A. PURPOSE

This Task Order authorizes and directs the ENGINEER to proceed with assisting the OWNER in completing detailed design and bidding, construction administration, and construction inspection services related to the two SRFLP drinking water projects identified in the Tennessee Department of Environment and Conservation (TDEC) letter dated August 26, 2020, notifying the OWNER of potential funding. The two projects are now eligible for funding from the FY2020 Priority Ranking List (PRL) and Capitalization Grant administered by the TDEC-SLFLP.

B. ENGINEER’S SCOPE OF SERVICES

The Scope of Services, dated January 6, 2021, is as enumerated in Exhibit A.

C. ENGINEER’S COMPENSATION

As consideration for providing the services enumerated within Item B (Exhibit A) of this Task Order, the OWNER shall pay the ENGINEER in accordance with the AGREEMENT. The specific method of compensation for this Task Order is as enumerated in the attached Exhibit B.

IN WITNESS WHEREOF, the parties hereto have executed this Task Order AGREEMENT on this, the ____ day of _____, 2021.

LOUDON UTILITIES

By: _____
Signature

Print Name

Title: _____

CTI ENGINEERS, INC.

By: _____
Signature

Print Name

Title: _____

EXHIBIT A
Scope of Services

Loudon Utilities
State Revolving Fund Loan Program (SRFLP) Drinking Water Projects

Task Order No. 3
January 6, 2021

PROJECT UNDERSTANDING

Loudon Utilities (the “Owner”) was notified on August 26, 2020, of two drinking water projects that have been deemed eligible for funding as part of the SRFLP, which is administered by the Tennessee Department of Environment and Conservation (TDEC). As part of the SRFLP requirements, a Facilities Plan for each project was completed and submitted to TDEC in December 2020. As part of the funding application approval process, the remaining requirements entail the submission of an engineering agreement to TDEC, as well as the detailed design and construction bidding documents related to both projects when complete. Once approved by TDEC, the two projects can be prepared for construction bidding and construction can begin according to the TDEC-approved schedule and funding. The two projects are described below.

Project No. 1: Waterline Extension

The SRFLP has notified Loudon Utilities of project eligibility for funding in the amount of \$3,219,000 for the installation of approximately 6,600 LF of 24-inch diameter transmission main along and crossing the Tennessee River, per TDEC letter dated August 26, 2020. A Facilities Plan was completed for the project and submitted to TDEC-SRF in December 2020, with the following project cost table contained therein.

24-inch Waterline Extension - Overall Project Costs

Proposed Improvements	Estimated Total Cost
Engineer’s Opinion of Probable Construction Costs	
1,063 LF of 24-inch Ductile Iron Pipe crossing the Tennessee River	\$1,753,950
4,484 LF of 24-inch Ductile Iron Pipe	\$784,700
140 LF of 36-inch Steel Casing for road and railway borings	\$168,000
Subtotal	\$2,706,650
Construction Contingency (~10%)	\$270,700
Total Construction Cost	\$2,977,350
Engineering, Permitting, Administrative, Legal (~8%)	\$241,650
Total Project Cost	\$3,219,000

The cost line item for “engineering, permitting, administrative, legal” totaled approximately \$242,000 for the project. Since the design was completed in September 2011 (by others), the remaining engineering tasks for the project include preparation of bid packages, bid and award phase services, construction phase services, and resident project representation (RPR, or construction inspection) services. The construction duration for this project is anticipated to be

approximately ten months (per the 2019 EDA Grant preliminary engineering report prepared by others).

The scope of the work proposed for this project includes the bid package preparation and construction related to installing a new 24-inch ductile iron pipe (DIP) water line from its existing terminus near the intersection of Main Street and Ferry Street to a new connection at an existing 16-inch DIP water line on Blair Bend Drive. Work includes crossing the Tennessee River with the new line installed on the river bottom, as well as several railroad and road crossings. For the 24-inch water line installation, recent bid tab pricing and conversations with reputable contractors were used in estimating a cost per linear foot for the various cost items of the project. These values were used in estimating the total construction cost, which correlated closely to the estimate provided to TDEC for the SRFLP funding request. The resulting estimate yielded a construction contingency of approximately ten (10) percent.

CTI Engineer’s Inc., (the “Engineer”) will proceed with the bid package preparation consisting of construction drawings, technical specifications, and SRFLP bid documents for Project No. 1 upon authorization to proceed from the Owner.

Project No. 2: WTP Expansion

The State Revolving Fund Loan Program (SRFLP) has notified Loudon Utilities of project eligibility for funding in the amount of \$13,460,000 for expanding the existing WTP from 14 MGD to 20 MGD, which includes the rehabilitation of four filters and sedimentation basins, improvements to the chemical feed system, and the construction of new basins and filters, per TDEC letter dated August 26, 2020. A Facilities Plan was completed for the project and submitted to TDEC-SRF in December 2020, with the following project cost table contained therein.

WTP Expansion - Overall Project Costs

Proposed Improvements	Estimated Total Cost
Engineer’s Opinion of Probable Construction Costs	
Sitework and Site Piping	\$1,000,000
Flocculation Sedimentation Basin Nos. 7 and 8	\$2,136,000
Filter Building No. 3	\$2,472,000
Chemical Buildings	\$2,532,000
Modification to Flocculation Basin Nos. 1 to 4	\$576,000
Modification to Existing Sedimentation Basin Nos. 1 to 4	\$372,000
Modification to Existing Filter Nos. 1 to 4	\$1,212,000
Subtotal	\$10,300,000
Construction Contingency (25%)	\$2,575,000
Total Construction Cost	\$12,875,000
Engineering, Permitting, Administrative, Legal (~4.5%)	\$585,000
Total Project Cost	\$13,460,000

The cost line item for “engineering, permitting, administrative, legal” totaled approximately \$585,000 for the project. Since the design was completed in April 2011 and revised in August 2011 (by others), the remaining engineering tasks for the project include preparation of bid packages, bid and award phase services, construction phase services, and resident project representation (RPR, or construction inspection) services. Based on projects of similar size and scope, the construction duration for this project is anticipated to be approximately 18 months.

Construction costs were estimated using the previous values provided in an earlier produced Facilities Plan, with inflation factors applied to major cost items. Sitework and piping costs were slightly reduced since some of the work was completed in Phase I of the WTP expansion project (record drawings completed in 2015). Proposed work will complete the WTP expansion from 14 to 20 MGD according to existing drawings and specifications, prepared by others. The total estimated cost correlates closely to the estimate provided to TDEC for the SRFLP funding request. The resulting estimate yielded a construction contingency of approximately eight (8) percent.

CTI Engineer’s Inc., (the “Engineer”) will proceed with the bid preparation consisting of construction drawings, technical specifications, and SRFLP bid documents for Project No. 2 upon authorization to proceed from the Owner.

SCOPE OF WORK

PROJECT NO. 1 – WATERLINE EXTENSION

Task 1 – Bid Package Preparation

The preparation of bid packages will include the incorporation of miscellaneous minor changes to the existing design drawings, verification of permits, licenses and agreements, preparation of new contract documents related to the proposed SRF loan and project requirements, and reissuing the existing technical specifications to the maximum extent possible. A total of approximately ten (10) design drawings and numerous construction specifications are anticipated for the project.

Bid packages will be sent to qualified contractors for bidding the construction project (including any issued addenda), and the bids will be reviewed and tabulated, with a recommendation of award made to Loudon Utilities. Contract documents will be prepared for award and execution by the selected contractor. Anticipated duration of the bid package preparation is 6 to 8 weeks, depending on the reissuance of expired permits.

Task 2 – Construction Administration

The Engineer will provide construction administration services. It is based upon a construction period of 180 calendar days, although the construction contract period may be longer. Construction administration services includes the review of shop drawings, attendance to project meetings, responding to contractor’s requests for information, preparation of change orders, reviewing contractor pay requests, preparation of SRF disbursement requests, providing technical support, and the preparation of record drawings and project closeout documents.

Task 3 – Resident Project Representation

RPR, or construction inspection, services is required for all SRF projects. The RPR acts as the liaison in the field during construction between the Engineer/Owner and the Contractor. The position will be staffed full-time during the anticipated construction work in the field. For this project, it is estimated that full-time involvement will only be required for six (6) months of field

work, plus expenses. The Engineer will provide an RPR during construction and will provide the following services:

- Observe the work for compliance with the contract documents (approximately 40 hours per week for six (6) months).
- Verify quantities and percent complete on requests for monthly and final Applications for Payment from the Contractor.
- Monitor and provide a documented record (both written and photographic) of the construction progress, including labor and equipment.
- Communicate with the Contractor and Engineer to help ensure flow of required information.
- Make inspections of material and equipment at the job site.
- Review outstanding issues, change orders, extra work provisions, and requests for information.

ADDITIONAL SERVICES

None identified at this time.

EXCLUSIONS

The Engineer's services do not include any environmental or archeological studies, wetland delineations, water quality testing, pre-selection of equipment and advertisement fees, filing fees or permit fees, start-up services, or trouble shooting. Please note that the estimated fee is based on the previous design (by others) and that no significant changes will be made to the current design. Also, permit verification efforts are limited to the reissuance of expired permits or agreements and not the preparation of fully revised or new permit applications or agreements if required for reissuance. Anticipated duration of the bid package preparation is six (6) to eight (8) weeks, depending on the reissuance of expired permits.

PROJECT SCHEDULE

It is estimated for the preparation and delivery of the final bid documents will take approximately six (6) to eight (8) weeks, and ready for bidding when TDEC and SRFLP approval is granted. It is estimated that the construction contract period is ten (10) months.

PROJECT NO. 2 – WTP EXPANSION

Task 1 – Bid Package Preparation

The preparation of bid packages will include the incorporation of miscellaneous minor changes to the existing design drawings, verification of permits, licenses and agreements, preparation of new contract documents related to the proposed SRF loan and project requirements, and reissuing the existing technical specifications to the maximum extent possible. A total of approximately 275 design drawings and numerous construction specifications are anticipated for the project. Upon approval from the SRFLP, bid packages will be sent to qualified contractors for bidding the construction project (including any issued addenda), and the bids will be reviewed and tabulated, with a recommendation of award made to Loudon Utilities. Contract documents will be prepared for award and execution by the selected contractor.

Task 2 – Construction Administration

Construction administration services includes the review of shop drawings, attendance to project meetings, responding to contractor's requests for information, preparation of change orders, reviewing contractor pay requests, preparation of SRF disbursement requests, providing technical support, and the preparation of record drawings and project closeout documents.

Task 3 – Resident Project Representation

RPR, or construction inspection, services is required for all SRF projects. The RPR acts as the liaison in the field during construction between the Engineer/Owner and the Contractor. The position will be staffed full-time during the anticipated construction work in the field. The Engineer will provide an RPR during construction and will provide the following services:

- Observe the work for compliance with the contract documents (approximately 40 hours per week for eighteen (18) months).
- Verify quantities and percent complete on requests for monthly and final Applications for Payment from the Contractor.
- Monitor and provide a documented record (both written and photographic) of the construction progress, including labor and equipment.
- Communicate with the Contractor and Engineer to help ensure flow of required information.
- Make inspections of material and equipment at the job site.
- Review outstanding issues, change orders, extra work provisions, and requests for information.

Task 4 – Constructability Review

Concurrent with Task 1, Bid Package Preparation, the Engineer will perform a constructability review of the existing WTP Expansion design drawings and prepare a report documenting the review with recommendations of design and construction changes, if any, for review by the Owner. Work will include site visits, interviews with operations staff, review meetings with the Owner, and report (draft and final) preparation.

The Engineer will work closely with the Owner to develop a potential list of changes, some of which may be requested by the Owner, to evaluate the advantages and disadvantages in implementing the changes. Based on the final review, resulting design changes could be completed under a new scope of work, or the changes may be prepared during construction phase services (Task 2) and implemented in the field with a change order, depending on the timing of SRFLP funding and construction contract award. Changes will need approval from TDEC-SRFLP prior to implementation. The timeframe for this review would be approximately four (4) months, but beginning at the same time as Task 1.

ADDITIONAL SERVICES

None identified at this time.

EXCLUSIONS

The Engineer's services do not include any environmental or archeological studies, wetland delineations, water quality testing, pre-selection of equipment and advertisement fees, filing fees or permit fees, start-up services, or trouble shooting. Please note that the estimated fee is based on the previous design (by others) and that no significant changes will be made to the current design. Also, permit verification efforts are limited to the reissuance of expired permits or agreements and not the preparation of fully revised or new permit applications or agreements if required for reissuance. Anticipated duration of the bid package preparation is six (6) to eight (8) weeks, depending on the reissuance of expired permits.

PROJECT SCHEDULE

It is estimated for the preparation and delivery of the final bid documents (Task 1) will take approximately six (6) to eight (8) weeks, and ready for bidding when TDEC and SRFLP approval is granted. It is estimated that the construction contract period is eighteen (18) months (Tasks 2 and 3). The constructability review is estimated to take approximately four (4) months, but will begin at the same time as Task 1. Any design changes stemming from the constructability review will need approval from TDEC-SRFLP prior to implementation.

**Loudon Utilities
Task Order No. 3
STATE REVOLVING FUND LOAN PROGRAM (SRFLP) DRINKING WATER
PROJECTS
January 6, 2021**

**Exhibit B
COMPENSATION**

The ENGINEER will be compensated for the Scope of Services as follows:

Project No. 1: Waterline Extension

Task 1 – Bid Package Preparation (including Bid and Award Phase Services)

The ENGINEER will be compensated for the Scope of Services as follows:

For the design services described in EXHIBIT A, the OWNER agrees to pay the ENGINEER monthly for work completed, on a LUMP SUM basis using the standard hourly billing rates in effect when services are provided by Engineer's employees of various labor grades. The total contract amount for Project No. 1, Task 1 – Bid Package Preparation (including Bid and Award Phase Services), shall not exceed \$30,800 without prior authorization by the OWNER. Other expenses (such as travel, subsistence, field equipment, communications, subconsultant services, etc.) are reimbursable at cost, plus 10 percent.

Task 2 - Construction Administration Services

The ENGINEER will be compensated for the Scope of Services as follows:

For the services described in EXHIBIT A, the OWNER agrees to pay the ENGINEER monthly, for work completed, on an HOURLY RATE basis using the standard hourly billing rates in effect when services are provided by the ENGINEER's employees of various labor grades. The total contract amount for Project No. 1, Task 2 – Construction Administration Services, shall not exceed \$41,000 without prior authorization by the OWNER. Other expenses (such as travel, subsistence, field equipment, communications, subconsultant services, etc.) are reimbursable at cost, plus 10 percent.

Task 3 - Resident Project Representation (RPR) Services

For the RPR services described in EXHIBIT A, the OWNER agrees to pay the ENGINEER monthly, for work completed, on an HOURLY RATE basis using the standard hourly billing rates in effect when services are provided by the ENGINEER's employees of various labor grades. The total contract amount for Project No. 1, Task 3 – RPR Services, shall not exceed \$78,000 without prior authorization by the OWNER. Other expenses (such as travel, subsistence, field equipment, communications, subconsultant services, etc.) are reimbursable at cost, plus 10 percent.

Total engineering fee for this project is estimated at \$149,800, which is below the Facilities Plan line item of \$242,000 for "engineering, permitting, administrative, legal" costs by \$92,200. This remaining amount can be used as project contingencies. Also, the engineering fees are reimbursable in the SRF loan and will be included in the disbursement requests to TDEC when the SRF loan is approved.

Project No. 2: WTP Expansion

Task 1 – Bid Package Preparation (including Bid and Award Phase Services)

The ENGINEER will be compensated for the Scope of Services as follows:

For the design services described in EXHIBIT A, the OWNER agrees to pay the ENGINEER monthly for work completed, on a LUMP SUM basis using the standard hourly billing rates in effect when services are provided by Engineer's employees of various labor grades. The total contract amount for Project No. 2, Task 1 – Bid Package Preparation (including Bid and Award Phase Services), shall not exceed \$53,100 without prior authorization by the OWNER. Other expenses (such as travel, subsistence, field equipment, communications, subconsultant services, etc.) are reimbursable at cost, plus 10 percent.

Task 2 - Construction Administration Services

The ENGINEER will be compensated for the Scope of Services as follows:

For the services described in EXHIBIT A, the OWNER agrees to pay the ENGINEER monthly, for work completed, on an HOURLY RATE basis using the standard hourly billing rates in effect when services are provided by the ENGINEER's employees of various labor grades. The total contract amount for Project No. 2, Task 2 – Construction Administration Services, shall not exceed \$155,200 without prior authorization by the OWNER. Other expenses (such as travel, subsistence, field equipment, communications, subconsultant services, etc.) are reimbursable at cost, plus 10 percent.

Task 3 - Resident Project Representation (RPR) Services

For the RPR services described in EXHIBIT A, the OWNER agrees to pay the ENGINEER monthly, for work completed, on an HOURLY RATE basis using the standard hourly billing rates in effect when services are provided by the ENGINEER's employees of various labor grades. The total contract amount for Project No. 2, Task 3 – RPR Services, shall not exceed \$233,000 without prior authorization by the OWNER. Other expenses (such as travel, subsistence, field equipment, communications, subconsultant services, etc.) are reimbursable at cost, plus 10 percent.

Task 4 – Constructability Review

For the constructability review services described in EXHIBIT A, the OWNER agrees to pay the ENGINEER monthly, for work completed, on an HOURLY RATE basis using the standard hourly billing rates in effect when services are provided by the ENGINEER's employees of various labor grades. The total contract amount for Project No. 2, Task 4 – Constructability Review, shall not exceed \$49,300 without prior authorization by the OWNER. Other expenses (such as travel, subsistence, field equipment, communications, subconsultant services, etc.) are reimbursable at cost, plus 10 percent.

Total engineering fee for this project is estimated at \$490,600, which is below the Facilities Plan line item of \$585,000 for "engineering, permitting, administrative, legal" costs by \$94,400. This remaining amount can be used as project contingencies. Also, the engineering fees are reimbursable in the SRF loan and will be included in the disbursement requests to TDEC when the SRF loan is approved.

Summary

All engineering costs are reimbursable through the SRF loan. Engineering cost line items for each project will be prepared for the SRF loan disbursement form and invoices will be submitted for reimbursement once the SRF loans are approved, along with the corresponding SRF disbursement form.

A summary table of the proposed engineering fees for both projects is provided below. Please note that the RPR services fee may be reduced if the projects are completed concurrently, assuming that TDEC-SRF will allow one RPR to observe both projects during construction.

FEE SUMMARY

Fee Description	Fee Type	24-inch Waterline	WTP Expansion
Task 1a - Bid Package Preparation	Lump Sum	\$24,000	\$43,300
Task 1b - Bid and Award Phase Services	Lump Sum	\$6,800	\$9,800
Task 2 - Construction Administration Services	Hourly	\$41,000	\$155,200
Task 3 - RPR Services	Hourly	\$78,000	\$233,000
Task 4 – Constructability Review	Hourly	NA	\$49,300
TOTAL		\$149,800	\$490,600

The estimated fees are based on the previous design (by others) and that no significant changes will be made to the current design (excluding the results of Task 4, Constructability Review). Also, permit verification efforts are limited to the reissuance of expired permits or agreements and not the preparation of fully revised or new permit applications or agreements if required for reissuance of the permits or agreements.

RESOLUTION NO. 2020-__

**ESTABLISHING NATURAL GAS RATES
EFFECTIVE JANUARY & FEBRUARY 2021**

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 \$1.17 per 100 cubic feet for all meters read after January 1, 2021; 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 \$1.15 per 100 cubic feet for all meters read after February 1, 2021.

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 January 1, 2021 shall be \$1.17 per 100 cubic feet.

Section 2. The natural gas rate for meters for customers other than interruptible and process load customers read on or after February 1, 2021 shall be \$1.15 per 100 cubic feet.

Secretary

Chairman

Passed: _____

GAS RATE COMPUTATIONS

	<i>Base Month (Sept 2003)</i>	<i>Rate Effective 12/1/20</i>	<i>Rate Effective 1/1/21</i>	<i>Rate Effective 2/1/21</i>	<i>Rate Effective 3/1/21</i>	<i>Rate Effective 4/1/21</i>	<i>Rate Effective 5/1/21</i>	<i>Rate Effective 6/1/21</i>
Gas Supply Cost	4.9950	2.8500	2.7700	2.3900				
Pipeline Charges	0.2755	-0.0849	-0.1557	0.0595				
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	2.8101	2.6593	2.4945				
BTU & System Loss (8%)	0.0000	0.2248	0.2127	0.1996				
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	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	7.3619	7.1990	7.0211				
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	\$11.8364	\$11.6735	\$11.4956				
Rate per 100 Cubic Feet	\$1.10	\$1.18	\$1.17	\$1.15				

*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*

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	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	(0.497)	1.994	1.497	0.70	-4.97
Aug	2020	(0.580)	1.994	1.414	-0.83	-5.80
Sep	2020	(0.723)	1.994	1.271	-1.43	-7.23
Oct	2020	(0.566)	1.994	1.428	1.57	-5.66
Nov	2020	(0.450)	1.994	1.544	1.16	-4.50
Dec	2020	(0.511)	1.994	1.483	-0.61	-5.11
Jan	2021	(0.417)	1.994	1.577	0.94	-4.17
Feb	2021	(0.500)	1.994	1.494	-0.83	-5.00
Mar	2021					
Apr	2021					
May	2021					
Jun	2021					
Jul	2021					
Aug	2021					
Sep	2021					
Oct	2021					
Nov	2021					
Dec	2021					

* 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



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. 71 on December 27, 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

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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.