



## **LOUDON UTILITIES**

P.O. BOX 69

LOUDON, TENNESSEE 37774

### **AGENDA**

#### **LOUDON UTILITY BOARD WORKSHOP**

**Monday, April 12, 2021**

**4:30 PM**

1. Recognition of Visitors
2. Customer Service Policy Update
3. Electric Outdoor Lighting Rate Schedule
4. Uniform Contract Update
5. CDBG Sewer Rehabilitation Grant
6. Budget Process Overview
7. Internal Control Policy
8. Update on Active Projects
  - Water Main River Crossing / WTP
  - Water Tank & Sewer Low Volume Pump Stations property acquisitions
  - TVPOA Booster Station & Water Line
  - WWTP Sodium Hypochlorite Bid
  - Solar RFP
  - Operations Center Projects
9. Safety Report
10. Natural Gas Rate
11. Other



## LOUDON UTILITIES

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LOUDON, TENNESSEE 37774

To: Chairman Campbell and Board Members

From: Ty Ross

Subject: April Workshop Items

Date: April 9, 2021

The following items appear on the agenda for the April 12, 2021 workshop meeting of the Board of Directors of Loudon Utilities:

1. Recognition of Visitors:
2. Customer Service Policy Update: We reviewed our GWS fee schedule and want to provide recommended changes for the Board's review. These updates are made after examining materials and labor costs for each service. We also surveyed surrounding Utilities for comparisons. We feel we have struck the proper balance between costs and competitiveness for each.
3. Electric Outdoor Lighting Rate Schedule: We did the same for our outdoor and streetlight schedule and updated rates accordingly.
4. Uniform Contract Update: We want to extend our current contract with Cintas for the uniforms our crews wear. There are some slight updates to the uniforms and their look. We will bring samples of each to display for the Board.

5. CDBG Sewer Rehabilitation Grant: We are applying for a CDBG grant to support our sewer system. Our application is for \$630,000.00. If awarded, our local contribution would amount to \$102,558.00. The project is focused on rehabilitation of sanitary sewer facilities in the Ferry Street Basin (downtown Loudon) due to the infiltration/inflow problems.
6. Budget Process Overview: This year our budget will be presented to you via your I-Pad through a program called ClearGov. We are currently migrating financial data into the program and will present a draft digital budget book to you at your May Workshop. A video demonstration of the ClearGov program will be shown at this meeting as a preview.
7. Internal Control Policy: In 2015 and effective June 30, 2016 the Tennessee General Assembly enacted Chapter No. 112 which amended T.C.A. §9-18-102 and required local governments to establish internal controls. The attached State of Tennessee Internal Control and Compliance Manual along with the City of Loudon Internal Control Manual document objectives, policies, and procedures to provide:
  - reasonable assurance that assets are safeguarded,
  - obligations are met timely,
  - all transactions are properly recorded and accounted for, and
  - that accurate and reliable financial reports are prepared.
8. Update on Active Projects:
  - A. We will provide general updates on the status of the following on-going Water/Waste Water system improvement projects:
    - River Crossing – entering compliance with Federal EDA grant requirement phase
    - TVPOA Tank – still in property acquisition phase
    - WTP – nearing end of State Revolving Fund application phase
    - Low Volume Pump – still in property acquisition phase
    - Bulk Hypo. Conversion – end of design phase and nearing public bidding phase

B. Also, we will provide an update on the proposed interior upgrades at the Operations Center which will be presented by project managers Jim McKee and Travis Williams.

9. Safety Report: There was one (1) reportable injury in the month of March.
10. Natural Gas Rate: The cost of natural gas delivered to the City Gate decreased for the month of April 2021. Utilizing the formula for natural gas rates, this converts into a rate of \$1.17 per 100 cubic feet for gas billed after May 1, 2021.

## 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	2.6900	2.6900	2.5200	
Pipeline Charges	0.2755	-0.0849	-0.1557	0.0595	0.0750	0.0750	0.1021	
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	2.8100	2.9444	2.6671	
BTU & System Loss (8%)	0.0000	0.2248	0.2127	0.1996	0.2248	0.2356	0.2134	
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	7.3618	7.5070	7.2075	
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	\$11.8363	\$11.9815	\$11.6820	
Rate per 100 Cubic Feet	\$1.10	\$1.18	\$1.17	\$1.15	\$1.18	\$1.20	\$1.17	

*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. 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](http://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

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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.