

**Knoxville Utilities Board
Board Meeting
Minutes
Thursday, August 20, 2020 Noon**

Call to Order

The Knoxville Utilities Board met in regular session on Thursday, August 20, 2020, pursuant to the public notice published in the January 4, 2020, edition of the *News Sentinel*. Due to social distancing safeguards related to the COVID-19 pandemic, KUB's August 20, 2020 Board of Commissioners meeting was held electronically, using the Microsoft Teams Live Meeting video conferencing platform. Public Notice that the meeting was to be held electronically was published on the Knoxville Utilities Board website on July 29, 2020. Chair Kathy Hamilton called the meeting to order at 12:03 p.m.

Roll Call

Commissioners Present Electronically: Jerry Askew, Kathy Hamilton, Celeste Herbert, Sara Pinnell, Adrienne Simpson-Brown, Tyvi Small, and John Worden.

Commissioner Absent: None

Determination to Conduct Board Meeting Electronically

Chair Hamilton advised the Board that pursuant to Executive Orders 16, 34, and 51 issued by Governor Bill Lee which allows for this public meeting to be conducted by electronic means to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak, she would entertain a motion that the Board make the determination for the meeting to be conducted electronically. She asked for a motion and a second.

Upon a motion by Commissioner Herbert and a second by Commissioner Small, the Board made the determination that the August 20, 2020 Board meeting would be conducted electronically. The following Commissioners voted "aye": Askew, Hamilton, Herbert, Pinnell, Simpson-Brown, Small, and Worden. No Commissioner voted "nay".

Approval of Minutes

Upon a motion by Commissioner Askew and a second by Commissioner Small, the June 18, 2020 Board Meeting minutes were approved by a roll call vote. The following Commissioners voted "aye": Askew, Hamilton, Herbert, Pinnell, Simpson-Brown, Small, and Worden. No Commissioner voted "nay".

August 20, 2020

Old Business

None

New Business

Resolution 1420, A Resolution Establishing a KUB Community Advisory Panel

President Gabriel Bolas advised the Board that on July 28 the City Council adopted a resolution encouraging more collaboration between KUB, the City, and KUB customers, on issues that were raised during the campaign to amend KUB's charter. That resolution included requests from the Mayor regarding KUB's upcoming nominations process, a request from Council for a workshop later this year with regard to rate design, and endorsed the Board's intent to establish a Community Advisory Panel and freeze the current level of residential basic service charges for five years. He recognized Susan Edwards, Senior Vice President and Chief Administrative Officer, to provide details on KUB's proposed Community Advisory Panel, and Mark Walker, Senior Vice President and Chief Financial Officer, to present the proposed resolution freezing basic service charges through December 2025.

President Bolas recommended adoption of Resolution 1420 on first and final reading. His written recommendation is included in Attachment 1.

A motion to adopt Resolution 1420 was made by Commissioner Askew and seconded by Commissioner Pinnell. Public comments were heard from the following regarding Resolution 1420:

Stephen Smith – Southern Alliance for Clean Energy

Kent Minault – Sierra Club

Bri Knisley – Appalachian Voices

Erin Gill – Chief Policy Officer – City of Knoxville

Resolution 1420 was adopted by a roll call vote on first and final reading. The following Commissioners voted "aye": Askew, Hamilton, Herbert, Pinnell, Simpson-Brown, Small, and Worden. No Commissioner voted "nay".

August 20, 2020

Resolution 1421, A Resolution to Freeze Residential Basic Service Charges for Electric, Natural Gas, Water and Wastewater Services as Set Forth in the Rate Schedules of the Electric, Natural Gas, Water, and Wastewater Divisions at the Amounts in Place as of September 1, 2020 for No Less a Period of Time than that Ending December 31, 2025, Provided any Consideration of an Increase in any Residential Basic Service Charge Subsequent to December 31, 2025 Shall Not Occur Without the Completion of a Cost of Service Study for the Applicable Utility System(s)

President Bolas recommended adoption of Resolution 1421 on first and final reading. His written recommendation is included in Attachment 2.

A motion to adopt Resolution 1421 was made by Commissioner Small and seconded by Commissioner Herbert. A public comment was heard from the following regarding Resolution 1421:

Erin Gill – Chief Policy Officer – City of Knoxville

Resolution 1421 was adopted by a roll call vote on first and final reading. The following Commissioners voted “aye”: Askew, Hamilton, Herbert, Pinnell, Simpson-Brown, Small, and Worden. No Commissioner voted “nay”.

Resolution 1422, A Resolution Authorizing Participation in the Tennessee Valley Authority’s Green Switch Match Pilot Program

President Bolas advised Commissioners, that KUB has offered an optional Green Power program to its customers for more than 20 years. KUB customers have shown their support for Green Power by participating in this program. TVA has developed an additional optional renewable energy program for residential and commercial electric customers and is providing an opportunity for KUB to pilot the new program. He recognized Mike Bolin, Vice President of Utility Advancement, to provide the details of the pilot program.

President Bolas recommended adoption of Resolution 1422 on first and final reading. His written recommendation is included in Attachment 3.

Upon a motion by Commissioner Pinnell and a second by Commissioner Askew, Resolution 1422 (*Attachment 3*) was adopted by a roll call vote on first and final reading. The following Commissioners voted “aye”: Askew, Hamilton, Herbert, Pinnell, Simpson-Brown, Small, and Worden. No Commissioner voted “nay”.

August 20, 2020

President's Report

Advanced Distribution Management System

President Bolas advised Commissioners that Mathew Stinnett, acting manager of Electric Systems Engineering, recently managed a 2-year project to replace KUB's existing outage management system installed in 2003 with an Advanced Distribution Management System or ADMS. He recognized Mr. Stinnett to provide a brief overview of the new technology and how it will improve KUB's outage response during storms and other abnormal conditions. He also recognized Mr. Stinnett as being named the Young Engineer of the Year by the Knoxville Chapter of the Society of Professional Engineers.

Return to Normal Billing Operations

President Bolas recognized Tiffany Martin, Director of Customer Experience, to report on financial assistance available to KUB customers as we anticipate returning to normal billing operations in the next few months.

APPA – Sue Kelly Community Service Award

President Bolas recognized Decosta Jenkins, President & CEO of Nashville Electric Service and past Board Chair, American Public Power Association (APPA), who presented KUB the APPA Sue Kelly Community Service Award.

TVA EnergyRight Top Performer Awards

President Bolas recognized Cindy Herron, Vice President of Energy Services & Programs – Commercial Energy Solutions at TVA, who recognized KUB as an EnergyRight Top Performer in five categories: eScore Program Energy Efficiency, eScore Program Self Audit, Home Uplift, Home Energy Workshop, and Green Power Switch.

Other Business

Commissioner Herbert announced the Nominating Committee met today to begin this year's process for nominating candidates for the Commissioner term that begins January 1, 2021. This will be a replacement for Commissioner Sara Pinnell, whose term is expiring. She noted that the Nominating Committee voted today to add two questions to the application regarding applicants' interests in low income energy burden and environmental issues, in response to a request from the City Administration and City Council. The updated application will be available this afternoon on KUB's website at www.kub.org or by calling KUB. Applications should be submitted by 5 p.m. on Thursday, September 10, 2020.

August 20, 2020

Public Comment

Vice Mayor Gwen McKenzie – City of Knoxville

Adjournment

There being nothing further to come before the Board, Chair Hamilton declared the Board meeting adjourned at 1:54 p.m.



Kathy Hamilton, Chair



Mark Walker, Board Secretary

Attachments

Attachment 1	Recommendation Letter and Resolution 1420 – A Resolution Establishing a KUB Community Advisory Panel	<u>Page(s)</u> 10237 – 10244
Attachment 2	Resolution 1421 – A Resolution to Freeze Residential Basic Service Charges for Electric, Natural Gas, Water and Wastewater Services as Set Forth in the Rate Schedules of the Electric, Natural Gas, Water, and Wastewater Divisions at the Amounts in Place as of September 1, 2020 for No Less a Period of Time than that Ending December 31, 2025, Provided any Consideration of an Increase in any Residential Basic Service Charge Subsequent to December 31, 2025 Shall Not Occur Without the Completion of a Cost of Service Study for the Applicable Utility System(s)	10245 – 10250
Attachment 3	Resolution 1422 – A Resolution Authorizing Participation in the Tennessee Valley Authority's Green Switch Match Pilot Program	10251 – 10252



Knoxville Utilities Board

August 14, 2020

Knoxville Utilities Board
445 S. Gay Street
Knoxville, Tennessee 37902-1109

Commissioners:

The August 20 Board meeting agenda includes multiple official action items. Two resolutions are directly related to a recent action taken by City Council formally endorsing KUB's intent to establish a Community Advisory Panel and freeze the level of residential basic service charges for 5 years. Those proposed actions were discussed with the Mayor and City Council as alternatives to a proposed KUB Charter amendment and were included in a resolution adopted by Council on July 28. An executed copy of the Council Resolution is enclosed for your information. A third official action item on the agenda is for a new optional pilot TVA sustainability program for KUB electric customers.

An overview of each official action item for the August 20 meeting is provided below:

Resolution 1420

Resolution 1420 directs the President and CEO to take the necessary actions to establish a Community Advisory Panel that will seek input from KUB customers on key policy matters impacting KUB customers.

The primary purpose of the Panel is to enhance the ability of KUB staff and the Board to hear concerns about major policy issues from customers and community stakeholders. These areas include, but are not limited to, rate structures and their impact on low income customers, implementation of broadband service, use of alternative energy sources, customer programs and services, and regulatory issues impacting customers.

KUB has a long history of customer outreach, including the PACE10 Partners Council and the Tree Trim Policy Review Panel. Through these and other efforts, we have gained valuable insight into the interests of our customers and community stakeholders that resulted in numerous changes and improvements to KUB's policies and practices. These past successful efforts provide a strong foundation to build upon with the proposed Panel.

Both the Partners Council and the Tree Trim Policy Review Panel were led by an independent facilitator, which contributed to the success of both of those efforts. Dr. William Lyons, who previously served as Chief Policy Officer to Mayor Madeline Rogero, will serve as the Panel's facilitator. Dr. Lyons has a wealth of experience in leading such efforts. A short bio for Dr. Lyons is enclosed for your information.

While specific appointments are yet to be determined, the Panel will represent the diversity and balanced interests of KUB customers, including representatives of lower-income communities, environmental advocates, neighborhoods, the business community, and City government. It's anticipated the charter members of the Panel will each serve an initial term of 3 years, with staggered terms thereafter.

A draft of the structure and ground rules for the Panel is enclosed for your information. Following the August Board meeting, we will provide the Mayor and Council the same draft for their review.

Upon collaboration with the Mayor's office and Council, a subsequent resolution will be presented to the Board for consideration at the October meeting setting forth the composition and administration of the Panel. We anticipate the Panel will commence meeting in January 2021.

Resolution 1421

Resolution 1421 freezes the current level of the residential basic service charge for electric, natural gas, water and wastewater services through December 2025.

In addition to Board member terms, one of the primary concerns voiced by the coalition of community groups supporting the proposed Charter amendment was the level of KUB's residential fixed monthly basic service charges.

While the language set forth in the proposed amendment regarding fixed monthly charges was problematic for a number of reasons, one of several alternatives to the Charter change discussed with the Mayor and Council was a formal commitment from the Board to freeze residential basic service charges for 5 years.

In addition to freezing the level of residential basic service charges through December 2025, Resolution 1421 also requires the consideration of an increase in residential basic service charges after December 2025 be accompanied by a cost of service study. Furthermore, the cost of service study and proposed increase must be reviewed/discussed by the Board at a regularly scheduled meeting that takes place prior to the meeting where the Board would vote on the increase. The discussion of the cost of service study and proposed increase in the basic service charge must be publicly noticed no fewer than 15 days from the date of the Board meeting.

As you know, the Board previously committed there would be no increases in residential basic service charges for a 3-year period beginning July 2020, with the understanding that any increases beyond the next 3 years would be unlikely for some time. In addition, it is our standard practice to discuss any proposed rate increase with the Board in advance of the meeting where the Board is requested to vote, and we had planned to conduct a cost of service study prior to any future rate increase recommendation. So, the actions set forth in Resolution 1421 essentially codify the Board's previous intentions and standard practices.

Resolution 1422

Resolution 1422 authorizes KUB's participation in a new pilot sustainability program from TVA that will be optional for KUB electric customers.

The new program, called Green Switch Match, offers participating residential and commercial customers the opportunity to have 100% of their monthly electric usage come from renewable power sources (solar, wind, biogas). Each participant will pay a Green Switch Match Charge equal to \$.01 per kWh of their variable monthly electric usage, which will be flowed through to TVA. KUB will receive no additional margin from this program.

The Green Switch Match program builds upon an existing TVA renewable power program that began in 2000, through which participating customers currently purchase blocks of renewable sourced power at a rate of \$2 per 200 kWh.

Given the popularity of the existing program, we believe our customers will be excited about this new program offering that allows 100% of each month's electric power usage to be sourced from renewable power. KUB will be one of only two of the 154 local power companies in TVA's region participating in this program.

Drafts of Resolutions 1420, 1421 and 1422 are enclosed for your review. I recommend the adoption of each of these resolutions on first and final reading.

Respectfully submitted,



Gabriel J. Bolas II
President and CEO

Enclosures

RESOLUTION NO. 1420

A Resolution Establishing a KUB Community Advisory Panel

Whereas, on July 28, 2020, the City of Knoxville's City Council adopted Resolution R-208-2020, which endorsed KUB's intent to establish a Community Advisory Panel to gather input from KUB customers with lower incomes and environmental protection interests, to inform specific areas of operations, help build stronger community relationships and to address specific issues raised by members of the community with regard to accessibility and transparency of KUB decisions; and

Whereas, through other customer outreach efforts, including the PACE10 Partners Council, construction-related communications efforts, the Tree Trim Policy Review Panel and numerous other public meetings about KUB projects, KUB has gained valuable insight into the interests of its more than 460,000 customers that have resulted in numerous changes and improvements to KUB's environmental, customer communications and tree trim practices; and

Whereas, the KUB Board and Staff agree with the City Administration and City Council that a broad-based Community Advisory Panel could provide valuable insights and input into KUB's policy decisions; and

Whereas, the Board has reviewed the recommendation to establish a Community Advisory Panel consisting of members representing a diversity of viewpoints, experience and expertise, while also including opportunity for public input through open meetings and other outreach methods.

Now, Therefore, Be it Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board:

Section 1. That the City of Knoxville Resolution R-208-2020 is attached to and incorporated by reference as part of this Resolution.

Section 2. That this Board directs the President and CEO to take all steps necessary to establish a KUB Community Advisory Panel that will seek input from customers on key policy matters impacting KUB customers.

Section 3. That the Board shall adopt a subsequent resolution setting forth the composition and administration of the KUB Community Advisory Panel upon collaboration with the City and the Council, and that said resolution shall be adopted no later than November 1, 2020.

Section 4. That all meetings of this Panel shall be publicly noticed and open to the public and that a process shall be adopted for broad public input; and that the KUB Community Advisory Panel should undertake its work as soon as is practical given the public health concerns related to the COVID-19 Pandemic.

Section 5. That the President and CEO shall periodically update the Board on the activities of the Customer Advisory Panel and input from its deliberations.

Section 6. That the Secretary of the Board shall deliver a certified copy of this Resolution to the Mayor and the Council as formal evidence of this Board's action in connection therewith.

Section 7. That this Resolution shall take effect from and after its passage.

Kathy Hamilton/s
Kathy Hamilton, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 8-20-20
EFFECTIVE DATE: 8-20-20
MINUTE BOOK 42 PAGE 10240-10244

AMENDED
7-28-2020

RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE ENDORSING EXECUTIVE ACTION BY THE MAYOR AND THE KNOXVILLE UTILITES BOARD TO PROMOTE GREATER COLLABORATION, TRANSPARENCY, AND COMMUNITY ENGAGEMENT IN PUBLIC UTILITY POLICIES AND PROCEDURES.

RESOLUTION NO: R-208-2020

REQUESTED BY: Administration

PREPARED BY: Law

APPROVED: 7-28-2020

APPROVED AS AN EMERGENCY MEASURE: _____

MINUTE BOOK: 84 PAGE _____

WHEREAS, the Knoxville Utilities Board is charged with providing safe, reliable and affordable electric, natural gas, water and wastewater services to more than 460,000 customers in Knox and parts of seven surrounding counties; and

WHEREAS, City Council members are concerned about how local public utility policies impact lower-income customers; and

WHEREAS, City Council members desire to advance the City's sustainability goals; and

WHEREAS, a coalition of Knoxville residents and community groups, including Southern Alliance for Clean Energy, One Knox Legacy Project, Appalachian Voices, Community Voices' Affordable Utilities Council, Sierra Club - Harvey Broome Group, Statewide Organizing for Community Empowerment, and Tennessee American Promise, has raised important issues related to public utility policies and procedures in Knoxville; and

WHEREAS, this coalition has proposed a Charter amendment impacting the appointments and ratemaking processes of the Knoxville Utilities Board (KUB); and

WHEREAS, many of the goals of the proposal can be achieved through executive actions by the City of Knoxville Mayor and KUB without the need for a Charter amendment; and

WHEREAS, Knoxville Mayor Indya Kincannon desires to ensure that mayoral appointees to the KUB Board of Commissioners represent a diverse slate of community members, including appointees who deeply understand the needs and perspectives of lower-income families and who support the City's sustainability goals; and

WHEREAS, Knoxville Mayor Indya Kincannon proposes to implement the following strategies when recommending the appointment of new KUB Commissioners: 1) Requesting from KUB all Commissioner applications completed within the twelve (12) months prior to an appointment; 2) Requesting that KUB modify its Commissioner Application to include question(s) about an applicant's perspective, knowledge, and experience related to the critical issues of low-income energy burden and environmental protection; 3) Limiting new appointments to one full seven (7)-year term; and 4) Publicizing board openings and encouraging diverse applicants through City media channels and partnership networks; and

WHEREAS, KUB executive leadership supports and will assist the Mayor in implementing aforementioned strategies when appointing new KUB Commissioners; and

WHEREAS, KUB executive leadership is already working to establish a Community Advisory Panel that would gather input from KUB customers, including but not limited to customers with lower incomes and environmental protection interests, to inform specific areas of operations, help build stronger community relationships, and to address specific issues raised by the coalition with regard to accessibility and transparency of KUB's policy decisions; and

WHEREAS, KUB executive leadership has agreed to propose a resolution codifying KUB's commitment to freezing residential basic service charges for a period of five (5) years, and requiring a cost of service study be performed prior to any increase in residential basic service charges after that period, such resolution to be submitted for consideration by the KUB Board of Commissioners at its August meeting; and

WHEREAS, these administrative solutions offer meaningful opportunities to address the issues raised by the community with regard to KUB, without the need for a Charter amendment; and

WHEREAS, at its meeting on July 28, 2020, the City Council of the City of Knoxville amended this resolution to strike from Section 5 a nullification clause.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

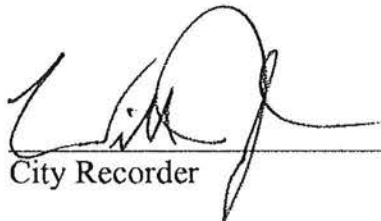
SECTION 1: The Council of the City of Knoxville hereby endorses strategies proposed herein by Knoxville Mayor Indya Kincannon and KUB executive leadership to promote greater accountability and transparency through executive action.

SECTION 2: The Mayor is respectfully requested to work with Knoxville Utilities Board executive leadership to implement proposed strategies described herein prior to appointing the next KUB Commissioner, whose term begins January 2021.

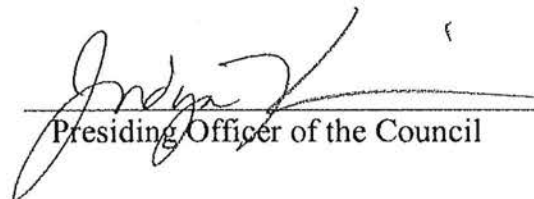
SECTION 3: KUB executive leadership is respectfully requested to present to Council a workshop, or series of workshops, prior to December 31, 2020 to discuss in detail KUB's cost of service study and rate structures, and to discuss current and potential strategies to address the needs of lower-income utility customers.

SECTION 4: Upon adoption, the City Recorder is hereby respectfully requested and directed to forward a true and correct copy this Resolution to the City of Knoxville Mayor's Office and Knoxville Utilities Board Chief Executive's Office to make both Offices aware of Council's action with regard to this matter.

SECTION 5: This Resolution shall take effect from and after its passage, the public welfare requiring it.



City Recorder



Presiding Officer of the Council

RESOLUTION NO. 1421

A Resolution to Freeze Residential Basic Service Charges for Electric, Natural Gas, Water and Wastewater Services as Set Forth in the Rate Schedules of the Electric, Natural Gas, Water, and Wastewater Divisions at the Amounts in Place as of September 1, 2020 for No Less a Period of Time than that Ending December 31, 2025, Provided any Consideration of an Increase in any Residential Basic Service Charge Subsequent to December 31, 2025 Shall Not Occur Without the Completion of a Cost of Service Study for the Applicable Utility System(s)

Whereas, by the provisions of Article XI of the Charter of the City ("Charter") of Knoxville, Tennessee (the "City"), the management and operation of the City's electrical power distribution system; the City's natural gas distribution system; the City's water distribution and treatment system; and the City's wastewater collection and treatment system (collectively the "System") have been placed under the jurisdiction of the Board of Commissioners (the "Board") of the Knoxville Utilities Board ("KUB"); and

Whereas, except as expressly provided in Article XI of the Charter, the Board shall operate and manage the System free from the jurisdiction, direction or control of other City officers, employees and of the Council of the City ("Council"); and

Whereas, in accordance with Article XI, Section 1106(C) of the Charter, the Board has authority to fix rates to be charged for services rendered by the System; and

Whereas, in accordance with Article XI, Sections 1107(D), (F), and (H) of the Charter, the Board shall charge sufficient rates for electric power, natural gas, water, and wastewater to pay all obligations incurred for the operation of the System; and

Whereas, in accordance with Tennessee Code Annotated 7-34-114 and Tennessee Code Annotated 7-34-115, the Board shall operate the System on sound business principles and shall prescribe and collect reasonable rates, fees or charges so that the System shall be and always remain self-supporting; and

Whereas, the residential rate schedules of the System as previously adopted by the Board include a fixed monthly charge ("Basic Service Charge") and a charge based on utility commodity usage, in accordance with standard utility rate-making practices and sound business principles; and

Whereas, the current level of residential Basic Service Charges for the System as adopted by the Board are consistent with recently completed cost of service studies conducted for KUB by a nationally recognized utility rate consultant; and

Whereas, the Board previously committed that there would be no increases in residential Basic Service Charges for the fiscal years ending 2021, 2022 and 2023; and

Whereas, an amendment to Article XI of the Charter was proposed for consideration by Council, which included, among other things, amending Section 1106 stating “the board shall minimize the use of fees, fixed monthly charges, and basic service charges as a source of revenue, instead prioritizing revenue from actual electric power, gas, wastewater, and water service usage by the customer.”; and

Whereas, the proposed amendment would have limited the Board’s ratemaking autonomy, and would have conflicted with contractual commitments made by the City and KUB to the current holders of KUB’s bonds, with the potential of increasing future borrowing costs; and

Whereas, the President and CEO of KUB consulted with the City Administration and Council regarding the proposed amendment; and agreed that a more definitive, longer term statement of intent by the Board with regard to residential Basic Service Charges would provide needed clarity to discussions about KUB’s rate decisions; and

Whereas, on July 28, 2020, Council adopted Resolution R-208-2020, which endorsed KUB’s intent to freeze the current level of residential Basic Service Charges for a period of five (5) years and requiring a cost of service study to be performed prior to any increase in residential Basic Service Charges after that period, with such resolution to be submitted for consideration by the Board at its August meeting; and

Whereas, the Board has reviewed the recommendation to freeze the current level of residential Basic Service Charges for a period of five (5) years and the requirement to have a cost of service study performed prior to any increase in residential Basic Service Charges after that period.

Now, Therefore, Be it Hereby Resolved by the Board of Commissioners of the Knoxville Utilities Board as Follows:

Section 1. That the City of Knoxville Resolution R-208-2020 is attached to and incorporated by reference as part of this Resolution.

Section 2. The Board hereby freezes the level of residential Basic Service Charges for the System, as set forth in the rate schedules of the Electric Division, the Natural Gas Division, the Water Division, and the Wastewater Division, as previously adopted by the Board, effective for a period commencing September 1, 2020 and ending December 31, 2025.

Section 3. The Board hereby determines no increase in a residential Basic Service Charge shall occur subsequent to December 31, 2025, without the completion of a cost of service study for the applicable utility system(s), within a 12-month period prior to the consideration by the Board of an increase in a residential Basic Service Charge on the first of two readings, and furthermore, any such cost of service study (studies) and proposed increase shall be reviewed and discussed by the Board in a regularly scheduled meeting of the Board prior to the meeting in which the Board would consider an increase in a residential Basic Service Charge on the first of two readings, with such review and discussion publicly noticed no fewer than 15 days from the date of the Board meeting.

Section 4. The Secretary of the Board shall deliver a certified copy of this Resolution to the Mayor and the Council as formal evidence of this Board's action in connection therewith.

Section 5. This Resolution shall take effect from and after its passage.

Kathy Hamilton/s
Kathy Hamilton, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 8-20-20
EFFECTIVE DATE: 8-20-20
MINUTE BOOK 42 PAGE 10245-10250

AMENDED
7-28-2020

RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE ENDORSING EXECUTIVE ACTION BY THE MAYOR AND THE KNOXVILLE UTILITES BOARD TO PROMOTE GREATER COLLABORATION, TRANSPARENCY, AND COMMUNITY ENGAGEMENT IN PUBLIC UTILITY POLICIES AND PROCEDURES.

RESOLUTION NO: R-208-2020

REQUESTED BY: Administration

PREPARED BY: Law

APPROVED: 7-28-2020

APPROVED AS AN EMERGENCY MEASURE: _____

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WHEREAS, the Knoxville Utilities Board is charged with providing safe, reliable and affordable electric, natural gas, water and wastewater services to more than 460,000 customers in Knox and parts of seven surrounding counties; and

WHEREAS, City Council members are concerned about how local public utility policies impact lower-income customers; and

WHEREAS, City Council members desire to advance the City's sustainability goals; and

WHEREAS, a coalition of Knoxville residents and community groups, including Southern Alliance for Clean Energy, One Knox Legacy Project, Appalachian Voices, Community Voices' Affordable Utilities Council, Sierra Club - Harvey Broome Group, Statewide Organizing for Community Empowerment, and Tennessee American Promise, has raised important issues related to public utility policies and procedures in Knoxville; and

WHEREAS, this coalition has proposed a Charter amendment impacting the appointments and ratemaking processes of the Knoxville Utilities Board (KUB); and

WHEREAS, many of the goals of the proposal can be achieved through executive actions by the City of Knoxville Mayor and KUB without the need for a Charter amendment; and

WHEREAS, Knoxville Mayor Indya Kincannon desires to ensure that mayoral appointees to the KUB Board of Commissioners represent a diverse slate of community members, including appointees who deeply understand the needs and perspectives of lower-income families and who support the City's sustainability goals; and

WHEREAS, Knoxville Mayor Indya Kincannon proposes to implement the following strategies when recommending the appointment of new KUB Commissioners: 1) Requesting from KUB all Commissioner applications completed within the twelve (12) months prior to an appointment; 2) Requesting that KUB modify its Commissioner Application to include question(s) about an applicant's perspective, knowledge, and experience related to the critical issues of low-income energy burden and environmental protection; 3) Limiting new appointments to one full seven (7)-year term; and 4) Publicizing board openings and encouraging diverse applicants through City media channels and partnership networks; and

WHEREAS, KUB executive leadership supports and will assist the Mayor in implementing aforementioned strategies when appointing new KUB Commissioners; and

WHEREAS, KUB executive leadership is already working to establish a Community Advisory Panel that would gather input from KUB customers, including but not limited to customers with lower incomes and environmental protection interests, to inform specific areas of operations, help build stronger community relationships, and to address specific issues raised by the coalition with regard to accessibility and transparency of KUB's policy decisions; and

WHEREAS, KUB executive leadership has agreed to propose a resolution codifying KUB's commitment to freezing residential basic service charges for a period of five (5) years, and requiring a cost of service study be performed prior to any increase in residential basic service charges after that period, such resolution to be submitted for consideration by the KUB Board of Commissioners at its August meeting; and

WHEREAS, these administrative solutions offer meaningful opportunities to address the issues raised by the community with regard to KUB, without the need for a Charter amendment; and

WHEREAS, at its meeting on July 28, 2020, the City Council of the City of Knoxville amended this resolution to strike from Section 5 a nullification clause.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KNOXVILLE:

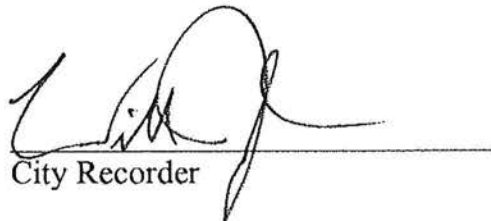
SECTION 1: The Council of the City of Knoxville hereby endorses strategies proposed herein by Knoxville Mayor Indya Kincannon and KUB executive leadership to promote greater accountability and transparency through executive action.

SECTION 2: The Mayor is respectfully requested to work with Knoxville Utilities Board executive leadership to implement proposed strategies described herein prior to appointing the next KUB Commissioner, whose term begins January 2021.

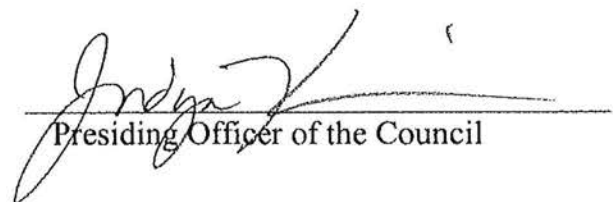
SECTION 3: KUB executive leadership is respectfully requested to present to Council a workshop, or series of workshops, prior to December 31, 2020 to discuss in detail KUB's cost of service study and rate structures, and to discuss current and potential strategies to address the needs of lower-income utility customers.

SECTION 4: Upon adoption, the City Recorder is hereby respectfully requested and directed to forward a true and correct copy this Resolution to the City of Knoxville Mayor's Office and Knoxville Utilities Board Chief Executive's Office to make both Offices aware of Council's action with regard to this matter.

SECTION 5: This Resolution shall take effect from and after its passage, the public welfare requiring it.



City Recorder



Presiding Officer of the Council

RESOLUTION NO. 1422

A Resolution Authorizing Participation in the Tennessee Valley Authority's Green Switch Match Pilot Program

Whereas, Knoxville Utilities Board ("KUB") purchases its full electric power requirements from the Tennessee Valley Authority ("TVA"); and

Whereas, KUB supports the environment through its support of renewable energy generation as evidenced by its participation in TVA's Green Invest Program; and

Whereas, TVA is piloting a new program, the Green Switch Match program, which will provide customers an option to purchase levels of renewable energy matched to their electric consumption; and

Whereas, the Green Switch Match Pilot Program is an optional program for KUB customers, and KUB will not receive any additional margin from those customers choosing to participate in this program; and

Whereas, KUB participates in other programs offered by TVA for the benefit of the environment and customer choice; and

Whereas, KUB customers have previously shown great support for the environment as evidenced by their participation in such programs; and

Whereas, KUB desires to be one of the first local power companies in the Tennessee Valley to introduce 100% matched renewable energy to its customers; and

Whereas, the Board has determined, upon recommendation from KUB staff, that it is in the best interest of KUB, its customers, and the community to participate in TVA's Green Switch Match Pilot Program.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE KNOXVILLE UTILITIES BOARD:

Section 1. The Board hereby authorizes KUB's participation in the Green Switch Match Pilot Program.

Section 2. The President and CEO is hereby authorized on behalf of KUB to enter any agreements or take any actions reasonably necessary for KUB and its customers to participate in the Green Switch Match Pilot Program.

Section 3. That this Resolution shall take effect from and after its passage.

Kathy Hamilton/s
Kathy Hamilton, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 8-20-20
EFFECTIVE DATE: 8-20-20
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