

**Knoxville Utilities Board
Board Meeting
Minutes
Thursday, February 21, 2019 Noon**

Call to Order

The Knoxville Utilities Board met in regular session in the Larry A. Fleming Board Room at 445 S. Gay Street, on Thursday, February 21, 2019, pursuant to the public notice published in the January 5, 2019, edition of the *News Sentinel*. Chair Hamilton called the meeting to order at 12:00 p.m.

Roll Call

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

Commissioners Absent: None

Approval of Minutes

The Minutes of the January 17, 2019, Board Meeting were approved as distributed upon a motion by Commissioner Herbert and seconded by Commissioner Small.

Old Business

None

New Business

Resolution 1390, A Resolution Adopting Amended By-Laws for the Knoxville Utilities Board and Hereby Revoking and Replacing all Previous By-Laws or Amendments Thereto

President Bolas reminded Commissioners they heard the proposed changes to KUB's By-laws at last month's meeting. He recognized Elba Marshall, Director of Corporate Services, for a brief recap of the proposed changes prior to their consideration of Resolution 1390.

President Bolas recommended adoption of Resolution 1390 on first and final reading. His written recommendation is included in Attachment 1.

February 21, 2019

Upon a motion by Commissioner Askew and a second by Commissioner Herbert, Resolution 1390 (*Attachment 1*) was adopted by a roll call vote on first and final reading. The following Commissioners voted “aye”: Askew, Hamilton, Herbert, Simpson-Brown, Small and Worden. No Commissioner voted “nay”. Commissioner Pinnell abstained from voting.

President’s Report

Remote Sites Maintenance

President Bolas reminded Commissioners that maintenance is a key function in extending the life of valuable utility assets and that KUB maintains over 280 remote system facilities for four utilities. He recognized Brooke Sinclair, Manager of System Maintenance, for a presentation on remote site maintenance.

Minority and Women Owned Business Enterprise Program

President Bolas advised Commissioners that KUB’s workforce reflects the diversity of the communities we serve, and we also strive for diversity in the various suppliers and vendors that serve KUB. He recognized Michelle Wilson, Manager of Procurement, to provide an overview of KUB’s Minority and Women Business Enterprise Program. He also recognized former Commissioner, Nikitia Thompson, who was in attendance. Ms. Thompson is serving as KUB’s MBE and WBE Program Coordinator.

Water Technology: Leveraging Data for Leak Detection

President Bolas advised Commissioners that KUB has invested in smart technology in the water system which is crucial to operating KUB’s utilities more efficiently. He recognized Ted Tyree and Drew Keller, Engineers in Water System Engineering, for a presentation on current technology used in the water system for leak detection.

Weatherization Assistance Grant

President Bolas recognized Liz Hannah, Manager of Executive Services and Environmental Stewardship, to announce a new grant for weatherization assistance for low income customers.

Other Business

None

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Public Comment

Stephen Smith – 5443 Yosemite Trail – Knoxville, TN 37909

Raymond Peltier – 388 Hidden Valley Circle – Seymour, TN 37865

Jake Glass – 1830 Cumberland Avenue, Knoxville, TN 37916

Bruce Glanville – 12500 Martel Road – Lenoir City, TN

Chet Hunt – 1548 Botsford Drive – Knoxville, TN 37792

William Isom – 4600 Skyline Drive – Knoxville, TN 37914

Margaret Lavery – 3324 South Circle – Knoxville, TN 37920

Cyndi French – 4233 Drifting Drive – Knoxville, TN 37912

Tashawn Ransome – 470 Hall of Fame Drive – Knoxville, TN 37915

Kent Minault – 311 Glenwood Avenue – Knoxville, TN 37917

Ray Hyde – 2407 Dodson Road – Knoxville, TN 37917

Adam Hughes – 1119 Alexander Street, Apt. 1 – Knoxville, TN 37917

Bryce Bonilla – 7053 Watkins Road – Loudon, TN

Jenn Galler – 816 Tully Lane – Knoxville, TN 37919

Lesley Garrett – 241 Hawthorne Avenue – Knoxville, TN 37920

Laura Humphrey – 328 Taliwa Drive – Knoxville, TN 37920

Tiara Lady Wilson – 3922 Nerva Road – Knoxville, TN 37918

February 21, 2019

Adjournment

There being nothing further to come before the Board, Chair Hamilton declared the meeting adjourned at 2:08 p.m.

Mark Walker

Mark Walker, Board Secretary

Kathy Hamilton

Kathy Hamilton, Chair

Attachments

Attachment 1	Resolution 1390, A Resolution Adopting Amended By-Laws for the Knoxville Utilities Board and Hereby Revoking and Replacing all Previous By-Laws or Amendments Thereto	<u>Page(s)</u> 9312 – 9324
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Knoxville Utilities Board

February 15, 2019

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

Commissioners:

Staff recently completed a review of KUB's By-Laws and identified some administrative and procedural amendments. The proposed revisions were presented at last month's meeting, in accordance with Article XII of the current By-Laws, which requires that the Board hear the proposed changes in a separate meeting from the one in which action on the proposed changes is taken.

The recommended revisions bring clarity to administrative and procedural practices of the Board, such as the commitment appropriation approval process and Commissioner eligibility requirements.

A draft of Resolution 1390 is attached for your review. Also attached is a redline version of the revised By-Laws reflecting the proposed changes. If approved on first and final reading, the revised By-Laws will become effective immediately. I recommend approval of Resolution 1390.

Respectfully submitted,

A handwritten signature in black ink that reads 'Gabriel Bolas'.

Gabriel J. Bolas II
President and CEO

RESOLUTION NO. 1390

A Resolution Adopting Amended By-Laws for the Knoxville Utilities Board and Hereby Revoking and Replacing all Previous By-Laws or Amendments Thereto

Whereas, the Board's Chair determined it appropriate to review the By-Laws of the Knoxville Utilities Board; and

Whereas, Article XII of the current By-Laws provides that the By-Laws may be amended by the Board and that such amendment may be proposed at any meeting of the Board but shall not be acted upon at the meeting at which proposed; and

Whereas, the proposed revisions add clarity to administrative procedures, Board responsibilities and Commissioner eligibility; and

Whereas, there was a board presentation on January 17, 2019, therefore complying with the process for adopting revised By-Laws.

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

Section 1: That all previously adopted By-Laws or amendments thereto are hereby revoked and the revised By-Laws attached as a part of this resolution, are hereby adopted.

Section 2: That this resolution will 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: 2-21-19
EFFECTIVE DATE: 2-21-19
MINUTE BOOK 40 PAGE 9313-9324

**BY-LAWS OF THE
KNOXVILLE UTILITIES BOARD**

Adopted as Restated by Resolution 1390 on February 21, 2019

I. DEFINITIONS

Words and terms used in these By-Laws shall be defined as set out in Charter Section 1102.

II. PURPOSE, POWER AND DUTIES OF KNOXVILLE UTILITIES BOARD

Section 1101 of the Charter of the City of Knoxville provides that “the purchase, production, sale and distribution of utility services by the City of Knoxville, both within and without the limits of the city, and the agencies and facilities used for such purposes, shall be under the jurisdiction, control and management of the ‘Knoxville Utilities Board’.”

Additionally, Section 1106 (A) of the Charter provides that “the board shall have and exercise and is granted by the Charter all the powers and duties possessed by the City of Knoxville to construct, acquire, expand, or operate the system. The board, either by itself or by its duly-authorized officers and employees, shall have and maintain full control and complete jurisdiction over the management and operation of the system and may make all contracts and do any and all acts and things that are necessary, convenient or desirable in order to operate, maintain, enlarge, extend, preserve and promote an orderly, economic and business-like administration of the system. Except as expressly provided in [Article XI of the Charter], the system shall be free from the jurisdiction, direction, or control of other city officers, employees and of the city council.”

III. REGULAR MEETINGS

The Board shall hold regular meetings at its Corporate Headquarters at noon on the third Thursday of each month, except July, unless otherwise established by the Chair. Any meeting as to which Commissioners are given at least five (5) business days notice served

personally or electronically shall be considered a regular meeting. Adequate public notice shall be given of the time and location of all regular meetings of the Board.

IV. SPECIAL MEETINGS

Special meetings of the Board may be called by the Chair or by any two (2) Commissioners upon notice to each Commissioner, served personally or electronically. Generally, such meetings will require at least twenty-four (24) hours notice; however, if the emergency nature of the business to be conducted at the meeting will not allow for twenty-four (24) hours notice, the maximum practicable notice shall be given. The notice of any such meeting shall provide the time, place, and purpose thereof, clearly and specifically describing the subject matter of the motions or items of business to be brought up. No official action shall be taken relating to business other than that specifically mentioned in the notice for such meeting.

Adequate public notice shall be given of all special meetings of the Board. Any Commissioner may waive his or her right to notice of a special meeting before, during, or after the meeting. The presence of a Commissioner at such a meeting shall constitute an automatic waiver of the notice requirements.

V. QUORUM

Four (4) Commissioners shall constitute a quorum of the Board, and no action shall be taken by the Board except by the affirmative vote of at least four (4) Commissioners.¹

VI. ORDER OF BUSINESS OF BOARD MEETINGS

- A. The order of business at regular meetings will generally be as follows:
1. Call to Order
 2. Roll Call
 3. Approval of Minutes
 4. Official Action
 5. President's Report

¹ Charter of the City of Knoxville, Section 1105(C)

6. Other Business
 7. Public Comments
 8. Adjournment
- B. The President and CEO shall be responsible for the preparation and distribution of the agenda for all meetings of the Board.
 - C. All resolutions and motions which contemplate the appropriation or expenditure of money, or which make a change in any rate to be charged for services rendered under the jurisdiction of the Board, shall require a roll call vote, and the result of the vote shall be recorded.
 - D. In making any change in any rate to be charged to consumers of utility services, the provisions of Charter Section 1107(L) shall be followed.
 - E. At any meeting, motions may be made and resolutions may be introduced by any Commissioner, including the Chair, or by the President and CEO. The Chair shall have the right to speak and vote on all matters brought before the Board.
 - F. All resolutions shall be in writing when submitted to the Board. The Chair or a majority of the Board may require that any motion be reduced to writing before taking action thereon.
 - G. All questions of priority of business, including a change in the order of business, may be decided at any time by the Chair or by a majority of the Board and shall not be subject to debate.
 - H. The Board shall provide an opportunity for public comment before a vote to take official action and during the Public Comment portion of the Board meeting. Public comments will be limited to 5 minutes per speaker unless waived by the Board.
 - I. All parliamentary procedures not expressly provided for by the Charter or by these By-Laws shall be governed by the then current edition of *Robert's Rules of Order*.

VII. BOARD OFFICERS

A. Officer Elections and Terms

A new election of officers of the Board shall be held each year pursuant to the provisions of Charter Section 1105(B). A Commissioner elected to the office of Chair shall be eligible to serve two (2) consecutive one (1)-year terms or until his or her service as Commissioner ends, whichever comes first; however, this limitation may be waived by the Board if in its judgment, circumstances exist that would make it in the best interest of KUB for a Commissioner to continue to serve in this capacity. A Commissioner elected to the office of Vice Chair shall not serve successive one (1)-year terms. A Commissioner elected to the office of Secretary shall be limited to two (2) consecutive one (1)-year terms. A member of staff elected to serve as Secretary may hold office at the will of the Board².

Notwithstanding the provisions outlined above, a Commissioner may be reelected to serve as an officer as long as there is a break in service.

B. Officer Vacancies and Absences

1. In the event of an officer's permanent vacancy during a term, the vacancy shall be announced at a regularly scheduled Board meeting. At the next regularly scheduled meeting of the Board, the Nominating Committee shall nominate a replacement to serve the balance of the term. An election of the full Board shall be held immediately thereafter. The newly-elected officer shall be eligible for reelection to one (1) one (1) -year term in the case of Chair or Secretary (if the Secretary is a Commissioner rather than a staff member); a Commissioner elected to complete a partial term as Vice Chair shall not be eligible for immediate reelection.
2. In the event of a temporary absence or disability of the Chair, the Vice Chair shall preside in accordance with Charter Section 1105.

² Charter Section 1105 (B)

3. In the event of a temporary absence or disability of the Secretary, the Chair may appoint the responsibility to a Commissioner, full-time employee of the System, or KUB's General Counsel.

C. Chair Responsibilities

1. Preside over meetings in a manner consistent with these By-Laws and the Charter.
2. Create committees of the Board and appoint Committee Chairs. In the event of a temporary absence of a Committee Chair, the Chair will designate a temporary Committee Chair.
3. Appoint Commissioners to committees of the Board, created either by the Chair or by a majority vote of the Board. In making such appointments, the Chair shall strive to involve all Commissioners in one or more of the various committees of the Board and to rotate their appointments over time so that each Board member acquires a broad range of experience in preparation for future leadership roles on the Board.
4. The Chair may attend Committee meetings and shall have a voice but no vote on actions taken in Committee meetings.
5. Execute on behalf of the Board contracts, resolutions, or other instruments as required in accordance with Charter Section 1106 (D). The Vice-Chair may execute any such documents in the Chair's absence, or the Chair may designate duly authorized officers, employees, or commissioners to execute any such document.
6. Ensure the presence of a quorum at all meetings where official action is to be taken.
7. Ensure adherence to the provisions of the Tennessee Open Meetings Act, Tennessee Code Annotated (TCA) Sections 8-44-101 et seq.
8. Perform such other duties as from time to time are appropriate to the office or are assigned by the Board.

D. Vice Chair

The Vice Chair shall sit for the Chair and perform the duties of the Chair during the Chair's temporary absence or disability and shall perform such other duties as may from time to time be assigned by the Chair or by the Board.

E. Secretary

The Secretary shall be responsible for taking and keeping the minutes of the Board meetings, filing executed minutes of Committees, authenticating official documents of the Board, and performing such other duties as may from time to time be assigned by the Chair or by the Board.

VIII. COMMITTEES OF THE BOARD

Committees of the Board shall include, but not be limited to, the Audit and Finance Committee and the Nominating Committee. All standing committees shall have three (3) members, and each Committee's Chair shall execute minutes of its meetings and resolutions as necessary.

A. The Audit and Finance Committee shall:

1. Oversee financial reporting, risk management, and auditing.
2. Make recommendations to the Board regarding the selection and engagement of an independent, certified public accountant for financial auditing pursuant to provisions set forth by Charter Section 1107 (B).
3. Require the President and CEO to periodically evaluate organizational risks and develop and implement audit plans related to organizational risk.
4. Develop an understanding, by conferring with management and the auditors, of control issues facing the company and address any identified control deficiencies.
5. Meet each year with management and the independent, certified public accountant to review the annual financial audit report.
6. Meet each year in executive session with the independent, certified public accountant to review the annual financial audit report.
7. Review and measure the organization's financial performance.

8. Establish total compensation of the President and CEO.
9. Oversee the operation of the KUB Retirement System as established by Board Resolution 979, by future amendment, or by successor resolutions.
10. Oversee the operation of the Other Post Employment Benefits (OPEB) Trust as established by Board Resolution 1168, by future amendment, or by successor resolutions.
11. Review reports mandated by state law.
12. The Committee may convene in a non-public, executive session pursuant to requirements and procedures set forth in TCA 9-3-405 or in other state law.

B. Nominating Committee.

1. Recommend to the Board a slate of at least five (5) nominees for a Commissioner to fill an existing or impending vacancy on the Board. In discharging this duty, the Nominating Committee shall consult the provisions of Charter Sections 1103(A), (B), and (C).
2. Recommend to the Board nominees for officer positions for consideration at the first regular meeting of the Board following the regular election of a Commissioner and when a permanent vacancy occurs in any office. In discharging this duty, the Nominating Committee shall comply with the provisions of Charter Sections 1103 (C) and 1105(A) and (B) and Bylaws Section VII (B).

IX. DUTIES AND RESPONSIBILITIES OF THE BOARD

A. General.

1. Each Commissioner term shall be for a period of seven (7) years, and no commissioner shall be elected to serve for more than two (2) terms, except as provided by Charter Section 1103 (A).
2. The Board shall provide policy direction to ensure that the System meets the objectives of the Board; shall make all necessary rules and regulations

for the efficient use, operation, and management of the System; and shall function as a group to provide responsible, informed policy judgments.

3. Each newly appointed Commissioner shall take an oath of office at the first regular meeting of the calendar year, including instances when a Commissioner is reappointed to serve a second term. In the case of a Commissioner selected to complete a partial term, or who is appointed later than normal, the oath shall be administered at the first regular meeting of the Board following City Council's appointment.
4. Each Commissioner shall stay informed, attend meetings regularly, participate in discussions, and maintain an active, diligent approach to Board responsibilities.
5. Each Commissioner shall discharge his or her duties in good faith, with the care of an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner he or she reasonably believes to be in the best interests of KUB.
6. The Board shall adopt By-Laws, not inconsistent with the Charter, to guide the actions of the Board.
7. The Board shall follow ouster procedures as provided by Charter Section 1112 and state ouster laws.

B. Financial Management.

1. The Board shall ensure that all Charter provisions relating to financial management are followed.
2. Budgeting.
 - a. Each fiscal year, the Board shall require the development of a budget which fairly projects the anticipated revenues and expenditures required to operate and maintain the System during the forthcoming fiscal year.
 - b. The Board shall be furnished the proposed budget at least forty-five (45) days prior to the beginning of the forthcoming fiscal year. The Board may request management furnish additional

information related to the proposed budget prior to formal consideration of the budget.

- c. Prior to the approval of budget appropriations, the Board shall require the Chief Financial Officer to certify the availability of funds adequate to fund the proposed budget appropriations.
- d. The Board shall approve budget appropriations for the forthcoming fiscal year no later than fifteen (15) days prior to its beginning, provided the approved budget appropriations shall not exceed the level of funds certified by the Chief Financial Officer to fund the budget appropriations.
- e. The Board may amend budget appropriations at any time during the fiscal year if deemed necessary, provided funds are certified as available by the Chief Financial Officer.

3. Commitment Appropriations

- a. As part of the annual budget process, the Board shall also approve commitment appropriations for the forthcoming fiscal year, authorizing payments for contractual commitments and other obligations incurred on or before the end of the forthcoming fiscal year, but expected to be paid in a subsequent fiscal year.
- b. Prior to the approval of commitment appropriations, the Board shall require the Chief Financial Officer to certify the availability of funds adequate to fund the proposed commitment appropriations, and the Board shall not approve commitment appropriations in excess of the level of funds certified.
- c. The Board may amend commitment appropriations at any time during the fiscal year if deemed necessary, provided funds are certified as available by the Chief Financial Officer.

X. POWERS AND DUTIES OF THE PRESIDENT AND CEO

The powers and duties of the President and CEO shall be as follows:

- A. To exercise such powers and duties as are set out in the Charter, including, but not limited to, Charter Section 1110.
- B. To file suit on behalf of KUB and oversee the defense of suits filed against KUB.
- C. To execute contracts and other documents on behalf of KUB; and to delegate authority to sign contracts and documents.
- D. To fix the compensation and implement wage and salary systems, pay practices, and health and welfare benefits, for all officers and employees of KUB, except as provided in By-laws Section VIII, A(8).
- E. To develop a systematic approach to the creation, implementation, and review of long range plans which shall include strategic, operational, and financial considerations; and to review any such plans with the Board on a periodic basis.
- F. To provide the Board regular financial reports.
- G. To perform such other duties as may be directed by the Board or as are appropriate to the office of President and CEO.
- H. To act in accordance with the requirements of the law and corporate policies, and to further require employees of KUB to comply with the laws and policies that apply to them.

XI. ETHICS AND CONFLICTS OF INTEREST

As a public body, the Board recognizes its responsibility to operate KUB in an ethical manner. Toward that end, Board members shall abide by the tenets expressed by the first KUB Board in Resolution 1, which provided that KUB be managed in a non-political manner with the elimination of any sentiment or influence from political or personal friendship. In addition to the requirements defined in Charter Section 1102, a Board member may not be a current employee or retiree of an energy, water or wastewater utility, energy company, telecommunications utility, or any other utility service provider. Additional provisions include state laws regarding conflict of interest and the Ethics Policy adopted by the Board in Resolution 1152, by future amendment, or by successor resolutions and incorporated by reference herein.

XII. AMENDMENT OF BY-LAWS

These By-Laws may be amended by the Board. An amendment may be proposed at any meeting of the Board but shall not be acted upon at the meeting at which proposed. At any subsequent meeting, the proposed amendment, as originally proposed or as amended, may be adopted by a majority vote of the Board. When a proposed amendment receives less than a majority of the Board, no further action can be taken on such proposed amendment at that meeting; however, the same or a similar amendment may again be proposed at a later meeting.