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**Thursday, April 17, 2014
8:30 a.m.
April Board Meeting
Agenda**

Call to Order

Roll Call

Approval of Minutes

Official Action

Resolution 1307 – Requesting the Treasurer of the State of Tennessee to Return to the Knoxville Utilities Board (“KUB”) the Unclaimed Balance of Accounts Remitted to the State Treasurer Under Unclaimed Property Act

President’s Report

Other Business

Public Comments

Adjournment

RESOLUTION

1307



Knoxville Utilities Board

April 11, 2014

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

Commissioners:

Resolution 1307 requests the State Treasurer to return to KUB the balance of any unclaimed funds previously remitted by KUB to the Treasurer's Office in accordance with the Unclaimed Property Act.

State law defines unclaimed property and establishes the processes by which entities must handle property left in their possession. For KUB, unclaimed property is primarily customer overpayments and deposits, where KUB has been unable to locate the rightful owner within a two year period of service termination. State law requires local government agencies, such as KUB, to submit a report and remit any unclaimed funds, which were in their possession as of the previous calendar year-end, to the State Treasurer by May 1 of each respective year. After the State has held the property for a period of at least eighteen months, the local government may request that the State return any funds that remain unclaimed. An overview of the process regarding unclaimed property is enclosed for your review.

Resolution 1307 requests the return of unclaimed funds remitted by KUB for the years 2006 through 2011, which totaled \$184,286. I recommend the adoption of Resolution 1307 on first and final reading.

Respectfully submitted,

A handwritten signature in black ink that reads 'Mintha Roach'. The signature is written in a cursive, flowing style.

Mintha E. Roach
President and CEO

Overview of Unclaimed Property Resolution 1307

Tennessee State Law requires businesses, including utilities, to file an annual report with the State Treasurer's Office listing any unclaimed or abandoned property held in its possession as of the previous calendar year end. The report is required to be filed no later than May 1 of each respective year. Payment of unclaimed funds must be made to the state at the time the report is filed.

In KUB's case, unclaimed or abandoned property may include customer deposits, overpayments, or payments made in advance, that have remained unclaimed by the customer for more than two (2) years after the termination of service for which the deposit, overpayment, or advance payment was made.

Each year KUB is required to perform due diligence efforts to contact the property holder and return the unclaimed property before the report is filed with the state. Due diligence must take place within 60 to 120 days of the date the report is submitted to the state. The report must include the name of the presumed owner of the property, last known address, nature and description of the property, the date the property became payable, and the amount.

Once, the report is filed with the state, any person claiming an interest in any property (funds) would be required to file a claim with the state.

State law also provides for local government entities to request the return of any unclaimed funds to the local government, if the funds have remained unclaimed after a period of at least eighteen (18) months. The last request KUB made to the state for the return of unclaimed funds occurred in 2008 for unclaimed funds as of year-end 2005. Upon receipt of the funds, KUB would still have to make payment to a valid owner of the funds, if a claim was made.

Resolution 1307 requests the return of unclaimed funds submitted for the years 2006 through 2011, which totaled \$184,286. Although it is difficult to predict the amount of unclaimed funds that may be returned, historical experience indicates approximately 80 percent can be expected.

RESOLUTION NO. 1307**A RESOLUTION REQUESTING THE TREASURER OF THE STATE OF TENNESSEE TO RETURN TO THE KNOXVILLE UTILITIES BOARD ("KUB") THE UNCLAIMED BALANCE OF ACCOUNTS REMITTED TO THE STATE TREASURER UNDER UNCLAIMED PROPERTY ACT**

Whereas, Tennessee Code Annotated ("TCA") Section 66-29-102 and Section 66-29-121, as amended by Public Chapter 401, Acts of 1985, provide that a municipality or county in Tennessee may request payment for the unclaimed balance of funds reported and remitted by or on behalf of the local government and its agencies if it exceeds \$100, less a proportionate share of the cost of administering the program; and

Whereas, KUB has remitted unclaimed accounts to the State Treasurer in accordance with the Uniform Disposition of Unclaimed Property Act through the report year ending December 31, 2011; and

Whereas, KUB agrees to meet all the requirements of TCA Section 66-29-101 et seq. and to accept liability for future claims against accounts represented in funds paid to it and to submit an annual report of claims received on these accounts to the State Treasurer; and

Whereas, it is agreed that KUB will retain a sufficient amount to ensure prompt payment of allowed claims without deduction for administrative costs or service charge and that the balance of funds will be deposited in KUB's general fund.

Now, Therefore, Be It Hereby Resolved By the Board of Commissioners of the Knoxville Utilities Board:

Section 1. That the Board of Commissioners of KUB requests the State Treasurer to pay the unclaimed balance of funds remitted for the 2006 - 2011 report years in accordance with the provisions of Tennessee Code Annotated Section 66-29-121. A list of remittances made by KUB is as follows:

2011	843.93	2008	128,548.93
2010	17,788.19	2007	8,916.25
2009	18,626.29	2006	9,562.69

Section 2. KUB, an independent agency of the City of Knoxville, requests that the balances unclaimed for a minimum of eighteen months and the accompanying reports be returned as provided in TCA 66-29-121.

Section 3. Effective Date: That this Resolution shall take effect immediately upon its passage.

Bruce Anderson, Chair

Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: _____
EFFECTIVE DATE: _____
MINUTE BOOK ____ PAGE _____

MINUTES

**Knoxville Utilities Board
Board Meeting
Minutes
Thursday, March 20, 2014, 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, March 20, 2014, pursuant to the public notice published in the January 4, 2014, edition of the *News Sentinel*. Vice Chair Herbert called the meeting to order at 12:00 p.m.

Roll Call

Commissioners Present: Joel Connell, Kathy Hamilton, Celeste Herbert, and Nikitia Thompson

Commissioners Absent: Bruce Anderson, Sara Hedstrom Pinnell, and Eston Williams

Vice Chair Herbert welcomed the five KUB Leadership Development Program employees and the program facilitator attending the Board Meeting today and asked them to introduce themselves.

Approval of Minutes

The Minutes of the February 20, 2014, Board Meeting were approved as distributed upon motion by Commissioner Connell and second by Commissioner Thompson.

Old Business

None

New Business

Resolution 1305, A Resolution Authorizing the Transfer of Property of the Electric Division Located at 113 Wrinkle Avenue to the City of Knoxville

President Roach recommended adoption of Resolution 1305 on first and final reading. Her written recommendation is included in Attachment 1.

March 20, 2014

President Roach recognized Gabriel Bolas, Manager of Electric Systems Engineering and Assistant to the COO, who advised the Board that KUB had been approached by the City of Knoxville regarding their desire to obtain a tract of property on Wrinkle Avenue in South Knoxville for the Fort Dickerson Road realignment project. He stated the 0.7 acre site is not needed for the operation of the electric system or any other KUB utility system and it is in the best interest of KUB to transfer the property to the City.

Upon a motion by Commissioner Connell and a second by Commissioner Hamilton, Resolution 1305 (*Attachment 1*) was adopted by a roll call vote on first and final reading. The following Commissioners voted “aye”: Connell, Hamilton, Herbert, and Thompson. No Commissioner voted “nay”.

Resolution 1306, A Resolution Authorizing the Transfer of Certain Surplus Real Property of the Gas Division Located at 514 Bernard Avenue

President Roach recommended adoption of Resolution 1306 on first and final reading. Her written recommendation is included in Attachment 2.

President Roach recognized Mark Walker, Senior Vice President and Chief Financial Officer, who advised the Board that KUB has 3.7 acres of property on Bernard Avenue which is not needed for the continued operation of the gas system and has no use by any other KUB system. Mr. Walker said that any transfer of the property would include deed restrictions imposed by the Tennessee Department of Environment and Conservation and would be based on the fair market value of the property at the time of transfer.

Upon a motion by Commissioner Thompson and a second by Commissioner Hamilton, Resolution 1306 (*Attachment 2*) was adopted by a roll call vote on first and final reading. The following Commissioners voted “aye”: Connell, Hamilton, Herbert, and Thompson. No Commissioner voted “nay”.

President’s Report

Electric System Overview

President Roach recognized Paul Randolph, Vice President, and Gabriel Bolas, Manager of Electric Systems Engineering and Assistant to the COO, to provide an overview of the electric system. Mr. Randolph provided a review of the electric system, Century II capital components, and Century II operations and maintenance (O&M) programs. Mr. Bolas provided an overview of project coordination, a look ahead to 2021, and reviewed the status of electric reliability.

March 20, 2014

KUB's 75th Anniversary

President Roach recognized Tiffany Martin, Human Resources Analyst, who shared the events scheduled to commemorate KUB's 75-year history of service to the community.

Other Business

None

Adjournment

Vice Chair Herbert stated that following adjournment, the Board would continue with an open lunch session where KUB matters may be discussed. There being nothing further to come before the Board, Vice Chair Herbert declared the meeting adjourned at 1:05 p.m.

Bruce Anderson, Chair

Mark Walker, Board Secretary

Attachments

Attachment 1	Recommendation Letter and Resolution 1305, A Resolution Authorizing the Transfer of Property of the Electric Division Located at 113 Wrinkle Avenue to the City of Knoxville	<u>Page(s)</u> 5289 - 5291
Attachment 2	Recommendation Letter and Resolution 1306, A Resolution Authorizing the Transfer of Certain Surplus Real Property of the Gas Division Located at 514 Bernard Avenue	5292 - 5294



March 14, 2014

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

Commissioners:

KUB's Electric Division owns approximately 4.4 acres of land on Wrinkle Ave near Chapman Hwy, which is located south of downtown Knoxville. This site is the location of our South Knoxville electric substation. KUB was approached by the City of Knoxville about transferring a small portion of the property as part of the Ft. Dickerson Road realignment project. The area requested is approximately 0.7 acres and in an area which is outside the footprint of our substation.

State law and the bond resolutions of the Electric Division authorize the disposition of any real property of the electric system which the Board has determined to be no longer useful and necessary for the operation of the system. After consultation with Staff, I have determined that the 0.7 acres sought by the City for the Ft. Dickerson Road realignment project is not useful or necessary for the continued operation of the electric system and is not needed by any other KUB system.

Through Resolution 1305, which is attached for your information, the Board will approve the transfer of a portion of KUB's South Knoxville substation property to the City of Knoxville. I recommend adoption of Resolution 1305.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mintha Roach".

Mintha E. Roach
President and CEO

RESOLUTION NO. 1305

A Resolution Authorizing the Transfer of Property of the Electric Division Located at 113 Wrinkle Avenue to the City of Knoxville

Whereas, the Electric Division of the Knoxville Utilities Board (“KUB”) holds title to certain real estate, located at 113 Wrinkle Avenue, Knoxville, Tennessee and being all of CLT Map 109- I, Group A, Parcel 8, recorded in the Knox County Register’s Office as Instrument Number 201403120052487, consisting of approximately 4.40 acres of land and various appurtenances (the “Property”), where KUB’s electric South Knoxville substation is located; and

Whereas, the City of Knoxville seeks to acquire from KUB a small portion of the Property, approximately 0.7 acres in size and outside the footprint of the electric substation, as part of its Ft. Dickerson Road alignment project (the “City Project Parcel”); and

Whereas, KUB, pursuant to T.C.A. § 7-52-103(a)(6), has the authority, subject to the applicable provisions of any bonds or contracts, to dispose of real property or any right or interest in such property in connection with the operation of its electric system; and

Whereas, pursuant to T.C.A. §§ 6-56-304 and 12-9-110, and Section VI of KUB’s Procurement Procedures, public advertisement and competitive bidding is not required for the transfer of the City Project Parcel; and

Whereas, the City Project Parcel is not useful and necessary for the continued operation of the electric system substantially as it now exists, and has no potential use by any other KUB system; and

Whereas, pursuant to Section VII of the KUB Procurement Procedures the President and CEO has determined that the City Project Parcel is not needed by the electric system or any other KUB system; and

Whereas, the bond resolutions for the KUB Electric Division authorize the disposal of property of the electric system which the KUB Board of Commissioners (the “Board”) determines to be no longer necessary and useful in the operation thereof.

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

Section 1. That the City Project Parcel is not useful and necessary to the continued safe, efficient and economic operation of the KUB electric system, nor is it needed for the operation of any other KUB system.

Section 2. That it is in the best interest of KUB and the Electric Division to transfer the City Project Parcel.

Section 3. That the President and Chief Executive Officer or her authorized designee be, and hereby is, authorized and directed to transfer the City Project Parcel in a manner consistent with KUB's Procurement Procedures and state law, to execute a deed for the transfer of the City Project Parcel and to do all things that the President and CEO or her designee deems reasonable and necessary to effectuate such transfer.

Section 4. That this Resolution shall take effect upon its passage.

Celeste Herbert/s
Celeste Herbert, Vice Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 3-20-14
EFFECTIVE DATE: 3-20-14
MINUTE BOOK 32 PAGE 5290-5291



March 14, 2014

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

Commissioners:

KUB's Gas Division owns approximately 3.7 acres of land on Bernard Avenue, which is located north of downtown Knoxville. This site represents one of several parcels of land on Bernard Avenue on which KUB's gas system operations center was located until the late 1990's, when all underground utility operations were consolidated at Jackson Avenue (the current Fleming Operations Center). Two of the parcels, including associated structures, were previously sold upon approval by the Board, and one parcel was transferred to the Wastewater Division for the construction of a wastewater storage facility.

The remaining 3.7 acres of property on Bernard Avenue, which includes a vacant 7,440 square foot office and warehouse building, is not needed for the continued operation of the gas system and has no use by any other KUB system. The bond resolutions of the Gas Division authorize the disposition of any real property of the gas system which the Board has determined to be no longer necessary for the operation of the system.

Through Resolution 1306, which is attached for your information, the Board finds that the property is not needed for the continued operation of the gas system or any other KUB system, and authorizes the transfer of the property. Any transfer of the property would include deed restrictions imposed by the Tennessee Department of Environment and Conservation and would be based on the fair market value of the property at the time of transfer. I recommend adoption of Resolution 1306.

Respectfully submitted,

A handwritten signature in cursive script, reading "Mintha Roach".

Mintha E. Roach
President and CEO

RESOLUTION NO. 1306

A Resolution Authorizing the Transfer of Certain Surplus Real Property of the Gas Division Located at 514 Bernard Avenue

Whereas, the Gas Division of the Knoxville Utilities Board (“KUB”) holds title to certain real estate, located at 514 Bernard Avenue, Knoxville, Tennessee and being all of CLT Map 94-E, Group A, Parcel 21, recorded in the Knox County Register’s Office as Instrument Number 20070130-0061809, consisting of approximately 3.70 acres of land and various appurtenances (the “Property”); and

Whereas, KUB, pursuant to T.C.A. § 7-34-104 and Article XI, Section 1106(D) of the Charter of the City of Knoxville, Tennessee, has the authority, subject to the applicable provisions of any bonds or contracts, to transfer title of real property or any right or interest in such property in connection with the operation of its gas system; and

Whereas, pursuant to T.C.A. § 6-56-304 and Section VI of KUB’s Procurement Procedures, public advertisement and competitive bidding is not required for the transfer of the Property; and

Whereas, the Property is subject to certain Land Use Restrictions imposed by the Tennessee Department of Environment and Conversation and KUB’s transfer of the Property will be subject to such restrictions; and

Whereas, the Property is not useful and necessary for the continued operation of the gas system substantially as it now exists, and has no potential use by any other KUB system; and

Whereas, pursuant to Section VII of the KUB Procurement Procedures the President and CEO has determined that the Property is not needed by the gas system or any other KUB system; and

Whereas, the bond resolutions for the KUB Gas Division authorize the disposal of property of the gas system which the KUB Board of Commissioners (the “Board”) determines to be no longer necessary and useful in the operation thereof.

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

Section 1. That the Property is not useful and necessary to the continued safe, efficient and economic operation of the KUB gas system, nor is it needed for the operation of any other KUB system.

Section 2. That it is in the best interest of KUB and the Gas Division to transfer the Property.

Section 3. That the President and Chief Executive Officer or her authorized designee be, and hereby is, authorized and directed to transfer the Property in a manner consistent with KUB's Procurement Procedures and state law, to execute a deed for the transfer of the Property and to do all things that the President and CEO or her designee deems reasonable and necessary to effectuate such transfer.

Section 4. That the proceeds of the transfer shall be placed into the accounts of the Gas Division.

Section 5. That this Resolution shall take effect upon its passage.

Celeste Herbert/s
Celeste Herbert, Vice Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 3-20-14
EFFECTIVE DATE: 3-20-14
MINUTE BOOK 32 PAGE 5293-5294