



**Thursday, April 19, 2018
10:00 a.m.
April Board Meeting Agenda**

Call to Order

Roll Call

Approval of Minutes

Official Action

Resolution 1375 – 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

Public Comments

Adjournment



Knoxville Utilities Board

April 13, 2018

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

Commissioners:

Resolution 1375 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 Uniform 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 year of service termination or vendor payments that have not been settled within three years of payment. 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.

I recommend adoption of Resolution 1375 on first and final reading.

Respectfully submitted,

A handwritten signature in cursive script that reads 'Mintha E. Roach'.

Mintha E. Roach
President and CEO

Overview of Unclaimed Property Resolution 1375

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 one (1) year after the termination of service for which the deposit, overpayment, or advance payment was made. It also includes payments to vendors that have been outstanding for more than three (3) years.

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 180 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 2014 for unclaimed funds as of December 2011. 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 1375 requests the return of unclaimed funds submitted for the years 2012 through 2015, which totaled \$132,147. Although it is difficult to predict the amount of unclaimed funds that may be returned, historical experience indicates approximately 80 percent is reasonable.

RESOLUTION 1375

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 the Uniform 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 and Section 66-29-102 and Section 66-29-146, as amended by Public Chapter 457, Acts of 2017, 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 Unclaimed Property Act; 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 by September 1 each year; and

Whereas, it is agreed that KUB will retain a sufficient amount to insure 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 2012 - 2015 report years in accordance with the provisions of the applicable state statute. A list of remittances made by KUB is as follows:

2015	\$26,001.94	2013	\$66,753.42
2014	\$34,053.17	2012	\$ 5,338.86

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 by the applicable state statute.

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

Celeste Herbert, Chair

Mark Walker, Board Secretary

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

**Knoxville Utilities Board
Board Meeting
Minutes
Thursday, March 15, 2018, 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 15, 2018, pursuant to the public notice published in the January 6, 2018, edition of the *News Sentinel*. Chair Herbert called the meeting to order at 12:00 p.m.

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

Roll Call

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

Commissioners Absent: None

Approval of Minutes

The Minutes of the February 15, 2018, Board Meeting were approved as distributed upon a motion by Commissioner Small and seconded by Commissioner Hamilton.

Old Business

None

New Business

Resolution 1374, A Resolution Authorizing the Knoxville Utilities Board (“KUB”) to Implement an Ongoing Voluntary Round It Up Program to Provide Additional Funding for Low-Income Residential Weatherization in KUB’s Service Area, and Accept and Distribute Additional Voluntary Contributions to the Program

March 15, 2018

President Roach reminded Commissioners that an update on the success of KUB's Round It Up Pilot Program was presented last month. She recognized Dawn Mosteit, Vice President of Customer Service, to request approval to continue the program.

President Roach recommended adoption of Resolution 1374 on first and final reading. Her written recommendation is included in Attachment 1.

Upon a motion by Commissioner Askew and a second by Commissioner Pinnell, Resolution 1374 (*Attachment 1*) 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".

President's Report

Cost of Service Study

President Roach reminded Commissioners that Staff committed during last year's rate discussions to conduct a cost of service study on each utility system before the consideration of rate adjustments beginning fiscal year 2021. She advised the Board that the Electric system's cost of service study has been completed and recognized Mike Bolin, Vice President of Utility Advancement, to summarize the results of the study.

Customer Counselors

President Roach advised Commissioners that KUB is unique among utility companies in that KUB has full-time customer counselors who work to help customers manage their utility bills and directing them to social agencies for other assistance as needed. She recognized Veronica Andrews, a full-time Customer Counselor and 2015 Leadership Development Program graduate, to share with the Board the work the counselors do to assist customers. She also recognized Customer Counselors, Anna Freshour and Pam Chambers who were attending the meeting and thanked them for the important work they do for KUB customers.

Environmental Update

President Roach reminded Commissioners a member of the public inquired about the status of KUB's environmental report last month. She recognized Liz Hannah, Manager of Executive Services and Environmental Stewardship, to share the highlights of the report.

March 15, 2018

Other Business

Chair Herbert reminded the Board that a 10-year plan was formally endorsed and three years of rate increases through fiscal year 2020 were adopted last year and that this year's financial workshop will focus on the fiscal year 2019 budget. The business meeting will begin at 10:00 a.m. and will be brief. Public comments will be welcome before the business meeting is adjourned. Following the conclusion of the business meeting, we will begin the fiscal year 2019 budget presentation. That session should conclude around noon and boxed lunches will be provided for Commissioners.

Public Comment

Laura Humphrey – 328 Taliwa Drive – Knoxville, TN 37920

Adjournment

There being nothing further to come before the Board, Chair Herbert declared the meeting adjourned at 1:08 p.m.

Celeste Herbert, Chair

Mark Walker, Board Secretary

Attachments

Attachment 1	Recommendation Letter and Resolution 1374 – A Resolution Authorizing the Knoxville Utilities Board (“KUB”) to Implement an Ongoing Voluntary Round It Up Program to Provide Additional Funding for Low-Income Residential Weatherization in KUB’s Service Area, and Accept and Distribute Additional Voluntary Contributions to the Program	<u>Page(s)</u> 9023 – 9025
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Knoxville Utilities Board

March 9, 2018

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

Commissioners:

In May 2015, KUB began a voluntary utility bill round up pilot program to provide additional funding for low-income home weatherization in KUB's service area. The duration of the pilot program was set for three years by the KUB Board.

During the past three years, KUB has successfully partnered with the Knoxville Knox County Community Action Committee (CAC) to administer the pilot utility bill round up program. Customer contributions have totaled \$2.2 million and provided weatherization for 178 homes. The weatherization of those homes has enabled low-income KUB customers to reduce their monthly utility bills and alleviated the strain on community utility bill payment assistance resources.

Although the pilot program has been successful, there remains a substantial need for low-income residential weatherization in KUB's service area. Therefore, it is Staff's recommendation the Board authorize the implementation of an ongoing voluntary Round It Up Program, and allow KUB to accept and distribute additional voluntary contributions to the Program.

Resolution 1374 authorizes KUB to implement an ongoing voluntary Round It Up Program to provide additional funding for low-income residential weatherization in KUB's service area, and accept and distribute additional voluntary contributions to the Program, with the Program to be administered by CAC on KUB's behalf.

I recommend the adoption of Resolution 1374 on first and final reading.

Respectfully submitted,

A handwritten signature in cursive script that reads 'Mintha E. Roach'.

Mintha E. Roach
President and CEO

RESOLUTION NO. 1374

A Resolution Authorizing the Knoxville Utilities Board (“KUB”) to Implement an Ongoing Voluntary Round It Up Program to Provide Additional Funding for Low-Income Residential Weatherization in KUB’s Service Area, and Accept and Distribute Additional Voluntary Contributions to the Program

Whereas, in 2014 the KUB Board of Commissioners (“Board”) adopted Resolution 1318, authorizing a three-year voluntary pilot utility bill round up program (“Pilot Program”) to provide funding for low-income residential weatherization in KUB’s service area; and

Whereas, KUB successfully partnered with the Knoxville-Knox County Community Action Committee (CAC), an agency with over 50 years of experience in administering weatherization programs, to administer the Pilot Program on KUB’s behalf; and

Whereas, the Pilot Program has demonstrated success in raising \$2.2 million to weatherize the homes of more than 170 low-income customers; and

Whereas, the Pilot Program has resulted in lower utility bills for those low-income customers due to more energy efficient homes, and alleviated the strain on community utility bill payment assistance resources; and

Whereas, the Pilot Program has allowed CAC to substantially increase the number of weatherization services available; and

Whereas, the Pilot Program has supported KUB’s environmental stewardship goals of promoting energy efficient homes; and

Whereas, the Pilot Program is scheduled to end in May 2018; and

Whereas, the need for weatherization assistance remains high with approximately 2,000 customers on the waiting list for CAC’s home weatherization assistance in KUB’s service area; and

Whereas, the continuation of the utility bill round up program will allow for sustainable weatherization funding for low-income residential customers, and is in the best interest of KUB and its customers; and

Whereas, based on the success of the Pilot Program, the Board desires for KUB to maintain an ongoing voluntary Round It Up Program (“Program”) to provide additional funding for low-income residential weatherization in KUB’s service area, and accept and distribute additional voluntary contributions to the Program.

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

Section 1. That the Board authorizes KUB to implement an ongoing voluntary Round It Up Program (“Program”) to provide additional funding for low-income residential weatherization in KUB’s service area, and accept and distribute additional voluntary contributions to the Program, all in accordance with state law.

Section 2. That the Program be administered by CAC on KUB’s behalf.

Section 3. That this resolution shall take effect immediately upon its passage.

Celeste Herbert/s
Celeste Herbert, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 3-15-18
EFFECTIVE DATE: 3-15-18
MINUTE BOOK 40 PAGE 9024-9025

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