



Knoxville Utilities Board

**Board Meeting Agenda
Thursday, January 20, 2022
Noon**

Call to Order

Roll Call

Approval of Minutes

Official Action

Oath of Office for Ron Feinbaum

Election of 2022 Officers

President's Report

Other Business

Public Comments

Adjournment

Note: The Chair may declare a periodic recess in these proceedings as may be necessary for comfort or convenience.

**Knoxville Utilities Board
Board Meeting
Minutes
Thursday, December 16, 2021 Noon**

Call to Order

The Knoxville Utilities Board met in regular session in the Mintha E. Roach Corporate Services and Conference Center at 4505 Middlebrook Pike, on Thursday, December 16, 2021, pursuant to the public notice published in the January 2, 2021, edition of the *News Sentinel*. Chair Jerry Askew called the meeting to order at 12:00 p.m.

Roll Call

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

Commissioner Absent: None

Approval of Minutes

Upon a motion by Commissioner Small and a second by Commissioner Simpson-Brown, the November 18, 2021 Board Meeting minutes were approved by a roll call vote. The following Commissioners voted “aye”: Askew, Caballero, Hamilton, Herbert, Small, Simpson-Brown, and Worden. No Commissioner voted “nay”.

Old Business

Resolution 1448, A Resolution Amending the Existing Purchased Power Adjustment of the Electric Division, as Previously Established by Resolution No. 1065, as Heretofore Amended, to Further Address Changes to Wholesale Power Supply Costs Provided by the Tennessee Valley Authority’s Pandemic Recovery Credit Program

President Gabriel Bolas advised Commissioners that at last month’s meeting the Board approved on first reading, a second amendment to the PPA to set aside all of the remaining \$6M Pandemic Recovery Credits to provide funding for customer assistance programs. \$1M will be used for weatherization, \$5M for emergency utility bill customer assistance, and the \$1.3M previously set aside through Resolution 1446 at the October Board meeting will be used to provide utility bill assistance for customers with outstanding payment arrangements for past due balances.

December 16, 2021

President Bolas recommended adoption of Resolution 1448 on second and final reading. His written recommendation is included in Attachment 1.

Upon a motion by Commissioner Herbert and a second by Commissioner Worden, Resolution 1448 was adopted by a roll call vote on second and final reading. The following Commissioners voted “aye”: Askew, Caballero, Hamilton, Herbert, Simpson-Brown, Small, and Worden. No Commissioner voted “nay”.

New Business

Resolution 1449, A Resolution Requesting the City Council of the City of Knoxville to Adopt a Resolution Setting the Tax Equivalent Payments for the Electric and Gas Systems for the Fiscal Year Beginning July 1, 2021 and Providing for the Allocation and Distribution of Such Payments to the Affected Taxing Jurisdictions

President Bolas recognized Chris Hood, Director of Finance, who reviewed the proposed tax equivalent payments and distribution of payments for the electric and gas systems for fiscal year 2022. He advised that state law requires that City Council adopt a resolution setting the amount of the electric and gas payments and providing for their distribution. Mr. Hood noted that the proposed electric and gas payments were the maximum amounts permitted by state law. Mr. Hood also reviewed the water and wastewater systems in lieu of tax payments for fiscal year 2022.

President Bolas recommended adoption of Resolution 1449 on first and final reading. His written recommendation is included in Attachment 2.

Upon a motion by Commissioner Hamilton and a second by Commissioner Caballero, Resolution 1449 was adopted by a roll call vote on first and final reading. The following Commissioners voted “aye”: Askew, Caballero, Hamilton, Herbert, Simpson-Brown, Small, and Worden. No Commissioner voted “nay”.

Resolution 1450, A Resolution to Amend Resolution No. 1444, the Caption of Which is as Follows: “A Resolution Making and Fixing the Annual Budget Appropriations of the Knoxville Utilities Board from the Funds of the Fiber Division Beginning August 19, 2021, Providing for Expenditures Paid for the Period Beginning August 19, 2021, and Ending June 30, 2022”

President Bolas recognized Jamie Davis, Vice President of Fiber and Chief Technology Officer, to provide details of requested additional budget appropriations for the Fiber Division for this fiscal year.

President Bolas recommended adoption of Resolution 1450 on first and final reading. His written recommendation is included in Attachment 3.

December 16, 2021

Upon a motion by Commissioner Worden and a second by Commissioner Hamilton, Resolution 1450 was adopted by a roll call vote on first and final reading. The following Commissioners voted “aye”: Askew, Caballero, Hamilton, Herbert, Simpson-Brown, Small, and Worden. No Commissioner voted “nay”.

President’s Report

Employee Excellence Awards

Elba Marshall, Director of Corporate Services & Diversity, provided an overview of the Employee Excellence Awards program and recognized Derwin Hagood, Senior Vice President of Operations, who presented an award to the Utility Location Services Evaluation Team: David Kyle, Andre Blake, Conor Duff, Nick Langstaff, Kelsey Campbell, and Julie Childers; John Williams, Senior Vice President of Engineering and Construction who presented an award to members of the COVID Response team: Emily Smith, Jennifer Hobbs, Deanna Unger, Cortney Roark, Anna Freshour, Veronica Andrews, David Reppert, and Jay Miller; and Jamie Davis, Vice President of Fiber and Chief Technology Officer, who presented the Board Chair award to certain employees who performed exceptional actions assisting our community neighbors: Justin Clifton, Dakota Wright, Brad Hall, Rachel Everence, Lee Plumlee, and Jimmy England.

Storm Response – December 11, 2021

President Bolas reminded Commissioners the Southeast region was impacted by severe weather this past weekend, and our thoughts are with the communities and families in the areas that have experienced tremendous loss. He recognized Derwin Hagood, Senior Vice President of Operations, to share an update about storm response in our area.

Other Business

Commissioner Simpson-Brown, Chair of the Board’s Nominating Committee, announced that from the nominees selected by the Board, Mayor Kincannon recommended Ron Feinbaum for City Council approval, and that action was recently taken by Council to approve Mr. Feinbaum’s appointment. She also said the Committee met today to nominate a slate of officers for 2022. The following individuals were nominated: Jerry Askew, Chair; Adrienne Simpson-Brown, Vice-Chair; and Mark Walker, Secretary. She also announced that the election of officers would be conducted in January 2022, as required by the Charter.

December 16, 2021

Public Comment

Erin Rose – 1140 Farrington Drive – Knoxville, TN

New Business

Resolution 1451, A Resolution of the Knoxville Utilities Board Honoring John Worden, who is Concluding Service as a Commissioner

Chair Askew offered Resolution 1451 for the Board's consideration recognizing John Worden for his service to the KUB Board of Commissioners. Bill Coley, Board's General Counsel, read Resolution 1451.

President Bolas recommended adoption of Resolution 1451 on first and final reading.

Upon a motion by Commissioner Herbert and second by Commissioner Hamilton, Resolution 1451 (*Attachment 4*) was adopted by a roll call vote on first and final reading. The following Commissioners voted "aye": Askew, Caballero, Hamilton, Herbert, Simpson-Brown, and Small. No Commissioner voted "nay".

Commissioner Worden thanked the Board and current and former KUB staff and expressed his appreciation for all KUB employees.

Announcement

Susan Edwards, Senior Vice President and Chief Administrative Officer, announced that KUB will be holding a community job fair on January 13 and 14, 2022 at the Pellissippi State Community College: Magnolia Avenue Campus.

Adjournment

There being nothing further to come before the Board, Chair Askew declared the Board meeting adjourned at 1:05 p.m.

Jerry Askew, Chair

Mark Walker, Board Secretary

Attachments

Attachment 1	Recommendation Letter and Resolution 1448 – A Resolution Amending the Existing Purchased Power Adjustment of the Electric Division, as Previously Established by Resolution No. 1065, as Heretofore Amended, to Further Address Changes to Wholesale Power Supply Costs Provided by the Tennessee Valley Authority's Pandemic Recovery Credit Program	<u>Page(s)</u> 11284 – 11287
Attachment 2	Resolution 1449 – A Resolution Requesting the City Council of the City of Knoxville to Adopt a Resolution Setting the Tax Equivalent Payments for the Electric and Gas Systems for the Fiscal Year Beginning July 1, 2021 and Providing for the Allocation and Distribution of Such Payments to the Affected Taxing Jurisdictions	11288 – 11292
Attachment 3	Resolution 1450 – A Resolution to Amend Resolution No. 1444, the Caption of Which is as Follows: "A Resolution Making and Fixing the Annual Budget Appropriations of the Knoxville Utilities Board from the Funds of the Fiber Division Beginning August 19, 2021, Providing for Expenditures Paid for the Period Beginning August 19, 2021, and Ending June 30, 2022"	11293 – 11296
Attachment 4	Resolution 1451 – A Resolution of the Knoxville Utilities Board Honoring John Worden, who is Concluding Service as a Commissioner	11297 – 11298



December 10, 2021

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

Commissioners:

The December 16 Board meeting agenda includes consideration of the following official action items:

- Amendment to the Electric Division's Purchased Power Adjustment (PPA) related to the use of Pandemic Recovery Credits from TVA on second and final reading
- Fiscal year 2022 tax equivalents for the electric and natural gas systems
- Amendment increasing Fiber Division budget appropriations for fiscal year 2022

An overview of each resolution is provided below.

Resolution 1448 (Second and Final Reading)

Resolution 1448 further amends the Electric Division's Purchased Power Adjustment (PPA) related to the use of Pandemic Recovery Credits from TVA.

KUB will receive its estimated \$7.3 million in standard service credits from TVA through its monthly wholesale power invoice from TVA over a period of twelve months beginning with the October 2021 invoice. In a prior amendment to the PPA, the Board authorized \$1.3 million be set aside, which will be used to provide utility bill assistance to customers with outstanding payment arrangements for past due balances. Resolution 1448, passed on first reading in November, sets aside the remainder of the credits, which will be used to provide additional funding for customer assistance programs.

If approved on second and final reading, Staff will apply the estimated remaining \$6 million in credits toward emergency utility bill assistance (\$5 million) and home weatherization (\$1 million).

Resolution 1448 is enclosed for your review. I recommend its adoption on second and final reading.

Resolution 1449

State law requires City Council, as the municipality's governing body, to pass a resolution setting the in lieu of tax payments for KUB's electric and gas systems each fiscal year and providing for their distribution to the appropriate taxing jurisdictions.

Tax equivalents for the electric system for fiscal year 2022 are \$16,791,348. Tax equivalents for the gas system for fiscal year 2022 are \$7,082,386. Both electric and gas tax equivalent payments are the maximum amounts provided for under state law. Electric and gas tax equivalent payments will be made to the respective taxing jurisdictions on the last business day of June. A summary of all tax equivalent payments for fiscal year 2022 is enclosed for your information. Although it doesn't require official action by the Board or City Council, our presentation will also cover the in lieu of tax payments for the water and wastewater systems.

Resolution 1449, enclosed for your information, requests the City Council of Knoxville to set the in lieu of tax payments for KUB's electric and gas systems and to establish the allocation of payments to the various taxing jurisdictions for the fiscal year ending June 30, 2022. I recommend its adoption on first and final reading.

Resolution 1450

Resolution 1450 amends budget appropriations for the Fiber Division for the period beginning August 19, 2021 and ending June 30, 2022.

The Board initially approved budget appropriations of \$6 million for the Fiber Division at its meeting on August 19 to fund operating and capital expenditures related to the fiber system communication network for the provision of broadband services.

Since the August meeting, staff has identified the need to accelerate the purchase of internet protocol address licenses necessary for connecting to the web and routing internet traffic. The value and market for internet address licenses has risen sharply in recent months and market conditions indicate costs will continue to rise with potential availability limitations in the future. Accelerating the timing of the purchases will save costs over the long-term. Staff is recommending the Fiber Division budget be amended by adding \$4 million in budget appropriations for the fiscal year ending June 30, 2022.

A letter from Mark Walker, Senior VP and CFO, certifying the availability of funds for the proposed additional Fiber Division budget appropriations is enclosed.

Resolution 1450 is also enclosed for your information. I recommend its adoption on first and final reading.

Respectfully submitted,



Gabriel J. Bolas II
President and CEO

RESOLUTION NO. 1448

A Resolution Amending the Existing Purchased Power Adjustment of the Electric Division, as Previously Established by Resolution No. 1065, as Heretofore Amended, to Further Address Changes to Wholesale Power Supply Costs Provided by the Tennessee Valley Authority's Pandemic Recovery Credit Program

Whereas, Knoxville Utilities Board of Commissioners (the "Board") has rate setting authority pursuant to Article XI of the Charter of the City of Knoxville; and

Whereas, the Board previously adopted Resolution No. 1065, as heretofore amended, providing for a Purchased Power Adjustment ("PPA") for the Electric Division; and

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

Whereas, the communities in KUB's service territory continue to be impacted by the worldwide COVID-19 pandemic; and

Whereas, the TVA Board of Directors recently approved a one-year extension of pandemic relief financial assistance ("Pandemic Recovery Credits") for local power companies to invest in their communities and support those they serve; and

Whereas, TVA's Pandemic Recovery Credits include two categories, one based on Standard Service volumes, and the other based on the volumes of each Non-Standard Service customer; and

Whereas, KUB will receive Pandemic Recovery Credits from TVA on the monthly wholesale power invoice for the period October 2021 to September 2022; and

Whereas, it is estimated the Standard Service Pandemic Recovery Credits to be received by KUB will total \$7,300,000; and

Whereas, at the October 21, 2021 meeting of the Board, the Board adopted Resolution 1446 which set aside \$1,300,000 of Pandemic Recovery Credits to provide utility bill assistance to KUB customers, particularly those with outstanding payment arrangements for past due balances; and

Whereas, at the October 21, 2021 meeting of the Board, the Board adopted a motion directing KUB staff to present a resolution for Board consideration at the November 18, 2021 meeting of the Board setting aside all of the Pandemic Recovery Credits for uses determined to be in the best interest of KUB and its customers; and

Whereas, in accordance with Section 1107(L) of the Charter of the City of Knoxville, KUB has provided the required public notice of not less than five (5) days prior to a meeting of the Board when a rate schedule change is to be considered.

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

Section 1. That all Pandemic Recovery Credits provided by TVA to KUB on the monthly wholesale invoice for the period October 2021 to September 2022 shall be excluded from the Unrecovered Purchased Power Adjustment Accounts (EL 191010 and EL 191020.

Section 2. That this Resolution shall be effective upon second and final reading.

Jerry Askew/s
Jerry Askew, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
READING: 11-18-21
APPROVED ON 2nd
READING: 12-16-21
EFFECTIVE DATE: 12-16-21
MINUTE BOOK 45 PAGE 11286-11287

RESOLUTION NO. 1449

A Resolution Requesting the City Council of the City of Knoxville to Adopt a Resolution Setting the Tax Equivalent Payments for the Electric and Gas Systems for the Fiscal Year Beginning July 1, 2021 and Providing for the Allocation and Distribution of Such Payments to the Affected Taxing Jurisdictions

Whereas, in accordance with Section 1101 of the Charter of the City of Knoxville, the purchase, sale, and distribution of electric and gas services by the City of Knoxville are under the jurisdiction, control, and management of the Knoxville Utilities Board (“KUB”); and

Whereas, the state of Tennessee adopted electric and gas tax equivalent statutes in 1987 (TCA Sections 7-52-301 et seq. and Sections 7-39-401 et seq.) in order to gain uniformity with respect to payments in lieu of taxes on the property and operations of all electric and gas systems owned and operated by incorporated cities or towns, by counties, and by metropolitan governments in the state of Tennessee; and

Whereas, the statutes provide that every municipality may cause an amount to be paid from its electric and/or gas system revenues for tax equivalents which, in the judgment of the municipality’s governing body (i.e. City Council of Knoxville), after consultation with the supervisory body (i.e. KUB), represents the fair share cost of government to be borne by the electric system and/or gas system; and

Whereas, the statutes include formulas which establish the maximum annual tax equivalent payment for electric and gas systems; and

Whereas, the statutes provide the basis for the allocation and distribution of tax equivalent payments to the various taxing jurisdictions, except to the extent any such payments were allocated and distributed under established arrangements in existence immediately prior to the adoption of the statutes; and

Whereas, KUB had an established arrangement for the allocation and distribution of electric and gas system tax equivalent payments, as defined by the statutes, in existence immediately prior to the adoption of said statutes; and

Whereas, KUB has prepared a proposed resolution for passage by the City Council of Knoxville, a copy of which resolution is attached hereto and made a part hereof (hereinafter referred to as the “Proposed Resolution”).

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

Section 1. That the KUB Board of Commissioners (the “Board”), after due consideration, finds that it is in the best interest of KUB and the City of Knoxville to make electric and gas tax equivalent payments for the fiscal year beginning July 1, 2021, totaling \$16,791,348 for the electric system and \$7,082,386 for the gas system (hereinafter referred to as “Tax Equivalents”), with the aforesaid Tax Equivalents being the maximum amounts permitted by law.

Section 2. That this Board, after due consideration, finds that the following allocation and distribution of the aforesaid Tax Equivalents to the following taxing jurisdictions is required under the applicable statutes:

	<u>Electric Tax Equivalents</u>	<u>Gas Tax Equivalents</u>	<u>Total Tax Equivalents</u>
City of Knoxville	\$ 8,702,736	\$4,029,886	\$12,732,622
Knox County	7,067,434	3,048,108	10,115,542
Union County	369,292		369,292
Sevier County	369,386		369,386
Grainger County	176,924		176,924
Jefferson County	84,171		84,171
Blount County	9,900		9,900
Anderson County	11,505	2,983	14,488
Loudon County		1,409	1,409
Total	\$16,791,348	\$7,082,386	\$23,873,734

Section 3. That this Board hereby formally requests City Council to pass the Proposed Resolution, and this Board does hereby adopt, ratify, approve, consent and agree to each and every recital and provision contained in the Proposed Resolution.

Section 4. That this Board finds that the statutory obligation for consultation with the supervisory body (KUB) will be fulfilled by the delivery of this resolution to City Council.

Section 5. That upon City Council’s passage of the Proposed Resolution, the President and Chief Executive Officer, or the Chief Financial Officer, is hereby authorized and directed to distribute the Tax Equivalents to the respective taxing jurisdictions in accordance with the Proposed Resolution; provided, however, that the amount of such Tax Equivalents to be paid to any taxing jurisdiction specified in the Proposed Resolution shall be appropriately reduced by the aggregate amount of any qualified state, county, city and other local taxes or charges imposed for such fiscal year by or for the benefit of such taxing jurisdiction, said reduction being required by the statutes.

Section 6. That the President and Chief Executive Officer is authorized to deliver copies of this Resolution to the Mayor and City Council as formal evidence of this Board’s action in connection therewith.

Section 7. BE IT FURTHER RESOLVED that this Resolution shall take effect from and after its passage.

Jerry Askew/s
Jerry Askew, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 12-16-21
EFFECTIVE DATE: 12-16-21
MINUTE BOOK 45 PAGE 11288-11292

RESOLUTION

A Resolution of the Council of the City of Knoxville Setting the In Lieu of Tax Payments for the Electric and Gas Systems of the Knoxville Utilities Board for the Fiscal Year Beginning July 1, 2021 and Providing for the Allocation and Distribution of Such Payments to the Affected Taxing Jurisdictions

Whereas, under the state of Tennessee electric and gas tax equivalent statutes (TCA Section 7-52-301 et seq. and Section 7-39-401 et seq.), the Council of the City of Knoxville, after consultation with the Knoxville Utilities Board (hereinafter referred to as “KUB”), may cause to be paid from KUB’s Electric and Gas Divisions an amount for payments in lieu of taxes (hereinafter referred to as “Tax Equivalents”) on KUB’s electric and gas systems and operations which, in the judgment of City Council, shall represent the fair cost of government properly to be borne thereby; and

Whereas, the amount of Tax Equivalents that may be set by City Council is to be in lieu of all state, county, city and other local taxes or charges imposed on KUB’s Electric and Gas Divisions for the fiscal year by the various taxing jurisdictions in which the properties of the electric and gas systems are situated, said amount being subject to a maximum limitation that may be paid for a fiscal year; and

Whereas, the Tax Equivalents are to be distributed to the respective taxing jurisdictions in accordance with a mandatory distribution formula or under established arrangements with taxing jurisdictions in effect immediately prior to the adoption of the statutes, both as provided for in the statutes; and

Whereas, KUB had established arrangements in place with taxing jurisdictions for the allocation and distribution of in lieu of tax payments on KUB’s electric and gas systems immediately prior to the adoption of the statutes; and

Whereas, KUB, by its passage of Resolution No. 1449 on December 16, 2021, and the delivery of same to City Council, has requested City Council pass a resolution setting the Tax Equivalents for the fiscal year beginning July 1, 2021, and providing for the allocation and distribution of the Tax Equivalents to the affected taxing jurisdictions (hereinafter referred to as “Proposed Resolution”); and

Whereas, City Council, having consulted with KUB regarding the setting of the Tax Equivalents and the allocation and distribution thereof to the affected taxing jurisdictions, hereby finds that KUB’s Proposed Resolution is in the best interests of the City of Knoxville and KUB.

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

Section 1. That pursuant to T.C.A. Sections 7-52-301 et seq. and Sections 7-39-401 et seq., the Council of the City of Knoxville hereby sets the Tax Equivalents for KUB's electric and gas systems for the fiscal year beginning July 1, 2021, at a total of \$23,873,734, representing \$16,791,348 in electric Tax Equivalents and \$7,082,386 in gas Tax Equivalents, said amounts being the maximum amount of Tax Equivalents that may be paid from KUB's Electric and Gas Divisions under law.

Section 2. That the aforesaid Tax Equivalents be distributed in accordance with law to the following taxing jurisdictions in the amounts specified below:

	<u>Electric Tax Equivalents</u>	<u>Gas Tax Equivalents</u>	<u>Total Tax Equivalents</u>
City of Knoxville	\$ 8,702,736	\$4,029,886	\$12,732,622
Knox County	7,067,434	3,048,108	10,115,542
Union County	369,292		369,292
Sevier County	369,386		369,386
Grainger County	176,924		176,924
Jefferson County	84,171		84,171
Blount County	9,900		9,900
Anderson County	11,505	2,983	14,488
Loudon County		1,409	1,409
	<hr/>	<hr/>	<hr/>
Total	\$16,791,348	\$7,082,386	\$23,873,734

Section 3. That the statutory obligation for City Council to consult with the supervisory body (KUB) was satisfied by the delivery of KUB Resolution No. 1449 to City Council.

Section 4. That KUB be and hereby is authorized and directed to aforesaid amounts of Tax Equivalents to the respective taxing jurisdictions specified above; provided, however, that the amount of such Tax Equivalents to be paid to any taxing jurisdiction shall be appropriately reduced by the aggregate amount of any qualified state, county, city and other local taxes or charges imposed for such fiscal year by or for the benefit of such taxing jurisdiction, said reduction being required by law.

Section 5. That this resolution shall take effect immediately upon its passage, the public welfare requiring it, and a certified copy hereof shall be delivered to the President and Chief Executive Officer of KUB as formal evidence of this Council's action in connection therewith.

Mayor

City Recorder

RESOLUTION NO. 1450

**A Resolution to Amend Resolution No. 1444, the Caption of Which is as Follows:
“A Resolution Making and Fixing the Annual Budget Appropriations of the
Knoxville Utilities Board from the Funds of the Fiber Division Beginning August
19, 2021, Providing for Expenditures Paid for the Period Beginning August 19,
2021, and Ending June 30, 2022”**

Whereas, Section 1109 of the Charter of the City of Knoxville provides that “No money shall be drawn from the treasury of the system nor shall any obligation for the expenditure of money be incurred except in pursuance of appropriations made by the board”; and

Whereas, the Knoxville Utilities Board of Commissioners (hereinafter referred to as the “Board”) adopted Resolution No. 1444, making and fixing the annual budget appropriations for the Fiber Division of the Knoxville Utilities Board (hereinafter referred to as “KUB”) for the period beginning August 19, 2021 ending June 30, 2022; and

Whereas, the Board has determined it is appropriate to amend the budget appropriations for the Fiber Division for the current fiscal year, by increasing the amount of expenditures authorized to be paid on or before June 30, 2022; and,

Whereas, the Chief Financial Officer has certified to the Board the availability of funds to fund the proposed increase in budget appropriations.

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

Section 1. That Section 1 of Resolution No. 1444 previously approved by this Board, be amended by adding **\$4,000,000** to the budget appropriations of the Fiber Division for expenditures to be paid on or before June 30, 2022, thereby increasing the existing budget appropriations of the Fiber Division from **\$6,000,000** to **\$10,000,000**.

Section 2. That funds will be available for the Fiber Division to fund the expenditures to be paid for the fiscal year beginning August 19, 2021, as noted in Section 1 of this resolution. The availability of funds has been certified by letter from the Senior Vice President and Chief Financial Officer, whereby said letter is attached to and incorporated by reference as part of this Resolution.

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

Jerry Askew/s
Jerry Askew, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 12-16-21
EFFECTIVE DATE: 12-16-21
MINUTE BOOK 45 PAGE 11293-11296



Knoxville Utilities Board

December 10, 2021

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

Commissioners,

I hereby certify that within the meaning of Section 1109 of the City of Knoxville Charter and Article IX.B.2.e. of the Board's By-Laws there are sufficient funds adequate to fund the proposed additional budget appropriations.

\$4,000,000 for the Fiber Division, thereby increasing the existing budget appropriations from \$6,000,000 to \$10,000,000 for the Division's initial fiscal year beginning August 19, 2021.

The availability of funds for budget appropriations is based on general fund cash and all available cash reserves of the Fiber Division as of August 19, 2021, and all monies anticipated to come into the general fund of the Fiber Division on or before June 30, 2022 from utility sales at rates approved by the KUB Board; from other fees, charges, sales proceeds, accounts and notes receivable, or other credits in the process of collection; and from proceeds of authorized debt issues and interdivisional loans.

Please see the enclosed worksheet which demonstrates the availability of funds to support the proposed additional budget appropriations.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Mark A. Walker'.

Mark A. Walker
Senior Vice President and CFO

Enclosure

Dec 2021: Certification of Available Funds - FY 2022 Budget Appropriations

Fiber Division: Certification of Available Funds

	FY 2022
Beginning General Fund Cash	\$0
Sales Revenues	\$0
Other Revenues/Receipts	\$0
Cash Reserves	\$0
Inter-Divisional Loan Proceeds - Electric	\$10,000,000
Total	\$10,000,000
FY 2022 Budget Appropriations (Res. 1444)	\$6,000,000
FY 2022 Budget Appropriations (Res. 1450)	\$4,000,000
Available Funds	\$0

RESOLUTION 1451

A Resolution of the Knoxville Utilities Board Honoring John Worden, who is Concluding Service as a Commissioner

Whereas, John Worden became a member of this Board in January 2015 and has now served faithfully for seven years; and

Whereas, Commissioner Worden's expertise in finance and risk management has been of great value to the Board in supporting KUB's work and long-range funding plans to provide safe and reliable utility service in balance with affordable rates for current and future customers; and

Whereas, during his tenure on the Board, Commissioner Worden has helped KUB manage the unprecedented circumstances of the COVID-19 global pandemic while continuing to deliver uninterrupted service and support for customers facing hardships due to the pandemic; and

Whereas, as the pandemic highlighted the impacts of the digital divide in KUB's service territory, Commissioner Worden served the community through careful consideration and action to support one of the most significant actions to ever come before the KUB Board to create a fifth division of KUB to provide municipal high speed broadband for KUB's customers; and

Whereas, Commissioner Worden's action to support KUB's broadband initiative will result in positive impacts on quality of life, economic growth, and student performance, especially for underserved and unserved communities and customers, for many years to come; and

Whereas, Commissioner Worden's commitment to assisting customers in need has been demonstrated through his support for programs like the COVID Utility Relief fund and Round It Up, which have served thousands of customers; and

Whereas, through his encouragement and support for growth-related initiatives, Commissioner Worden has helped to keep rates affordable for all KUB customers; and

Whereas, Commissioner Worden has also demonstrated leadership in environmental stewardship through actions such as the first-of-its-kind purchase of 502 megawatts of solar energy on behalf of KUB's customers through the TVA Green Invest program, investment in Knoxville's first community solar project, and other initiatives resulting in KUB's achievement of sustainability awards, including two Governor's Environmental Stewardship Awards, the Tennessee Solar Energy Industries Association's 2020 Solar Champion, the American Public Power Association's Smart Energy Provider designation, and annual TVA EnergyRight awards; and

Whereas, Commissioner Worden's spirit of service and engagement in the community extends beyond his tenure on the KUB Board and is reflected through his service on University of Tennessee's Economics Advisory Council, the Boy Scouts of America Regional Board and National Council, and the Boards for Trinity Health Foundation, the Arts and Culture Alliance, the Community School of the Arts, East Tennessee Foundation, and YMCA of East Tennessee, and honors including the UT Chancellor's Citation for Leadership and Service, General Motors Volunteer Spirit Award, and Eagle Scout rank; and

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

Section 1. That this Board hereby gratefully acknowledges and commends John Worden for his dedicated service to KUB, its employees, customers, and our community.

Section 2. That the Board recognizes Commissioner Worden's meaningful and effective service and genuinely regrets that his time on the KUB Board of Commissioners has concluded.

Section 3. That this Resolution shall take effect from and after its passage and that a copy shall be provided to Commissioner Worden.

Jerry Askew/s
Jerry Askew, Chair

Claudia Caballero/s
Claudia Caballero

Kathy Hamilton/s
Kathy Hamilton, Commissioner

Celeste Herbert/s
Celeste Herbert, Commissioner

Tyvi Small/s
Tyvi Small, Commissioner

Adrienne Simpson-Brown/s
Adrienne Simpson-Brown, Commissioner

APPROVED ON 1st
& FINAL READING: 12-16-21
EFFECTIVE DATE: 12-16-21
MINUTE BOOK 45 PAGE 11297-11298