



**Board Meeting Agenda
Thursday, May 18, 2017
Noon**

Call to Order

Roll Call

Approval of Minutes

Official Action

Resolution 1360 – Amending fiscal year 2017 budget appropriations

Resolution 1361 - Replacing the existing rate schedules of the Electric, Gas, Water, and Wastewater Divisions

Resolution 1362 – Requesting City Council approval of bond issues for the Electric, Gas, Water, and Wastewater Divisions

Resolution 1363 - Requesting authorization for a short-term line of credit for the Gas Division

Resolution 1364 - Requesting approval for the fiscal year 2018 budget appropriations

Resolution 1365 - Requesting approval for fiscal year 2018 commitment appropriations

Resolution 1366 – Expressing continued commitment to KUB’s Century II Utility System Asset Management Programs and its intent to fund the next ten years of Century II programs for the Electric, Natural Gas, Water and Wastewater Systems

Resolution 1367 – Authorizing the Condemnation and the Taking of Electric Utility Easements as May Be Necessary in Support of KUB’s Heiskell Road Distribution Line Improvement Project

Resolution 1368 – Authorizing the Condemnation and the Taking of Electric Utility Easements as May Be Necessary in Support of KUB’s Strawberry Plains to Trentville 69kV Transmission Line Project

President’s Report

Public Comments

Adjournment

**Knoxville Utilities Board
Board Meeting
Minutes
Thursday, April 20, 2017, 9:00 a.m.**

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, April 20, 2017, pursuant to the public notice published in the January 7, 2017, edition of the *News Sentinel*. Chair Herbert called the meeting to order at 9:00 a.m.

Roll Call

Commissioners Present: Jerry Askew, Kathy Hamilton, Celeste Herbert, Sara Pinnell, Tyvi Small, Nikitia Thompson, and John Worden

Commissioners Absent: None

Approval of Minutes

The Minutes of the March 16, 2017, Board Meeting were approved as distributed upon a motion by Commissioner Askew and seconded by Commissioner Small.

Old Business

None

New Business

Resolution 1359, A Resolution Authorizing the sale of Property of the Knoxville Utilities Board Located at 401 State Street to the City of Knoxville

President Roach advised Commissioners that KUB was contacted by the City of Knoxville last year about the possibility of obtaining a portion of property on which the Promenade Garage is located for use as a public street right-of-way. The new roadway will be used by a proposed development on Gay Street that needs access to the rear of their property for a below-ground parking area. The City will compensate KUB \$50,000 for loss of revenue associated with fewer parking spaces at the Promenade Garage. The City will also reimburse KUB for survey and other associated costs. As part of the agreement with the City, KUB will retain air rights for the property in question. She recognized Julie Childers,

April 20, 2017

Vice President of Water Systems Engineering, to provide details of the proposed transfer to the City of Knoxville.

President Roach recommended adoption of Resolution 1359 on first and final reading. Her written recommendation is included in Attachment 1.

Upon a motion by Commissioner Pinnell and a second by Commissioner Hamilton, Resolution 1359 (*Attachment 1*) was adopted by a roll call vote on first and final reading. The following Commissioners voted "aye": Askew, Hamilton, Herbert, Pinnell, Small, Thompson, and Worden. No Commissioner voted "nay".

President's Report

None.

Other Business

None.

Adjournment

There being nothing further to come before the Board, Chair Herbert declared the regular meeting adjourned at 9:10 a.m.

Financial Workshop

President Roach provided an overview of this year's meeting format and reviewed the workshop agenda. She then introduced Gabriel Bolas, Senior Vice President and Chief Engineer, who discussed the electric and natural gas system's infrastructure. Derwin Haygood, Senior Vice President of Operations, discussed the water and wastewater system's infrastructure. Mark Walker, Senior Vice President and Chief Financial Officer, concluded the meeting with a review of the ten-year funding plans for each utility system, including proposed rate increases for the next three fiscal years and an overview of the proposed budget for fiscal year 2018. Mr. Walker advised the Board that resolutions for the proposed rate increases, long-term bonds, gas system line of credit, fiscal year 2018 budget and commitment appropriations, and a resolution endorsing the Board's commitment of Century II funding will be presented for consideration at the May meeting. Mr. Walker also noted that a request for additional budget appropriations for the Water Division for fiscal year 2017 will be presented for Board consideration at the May meeting.

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Public Comment

None

Adjournment

Chair Herbert declared the meeting adjourned at 12:30 p.m.

Celeste Herbert, Chair

Mark Walker, Board Secretary

Attachments

Attachment 1	Recommendation Letter and Resolution 1359, A Resolution Authorizing the sale of Property of the Knoxville Utilities Board Located at 401 State Street to the City of Knoxville	<u>Page(s)</u> 7965 – 7967
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Knoxville Utilities Board

April 14, 2017

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

Commissioners:

KUB owns the Promenade Parking Garage at 401 State Street, on a parcel of property that is slightly over 1 acre. There is a 16-foot wide strip of property along the northern property line, which KUB does not need for operation of the parking garage. KUB has been approached by the City of Knoxville with a request to purchase this strip of property for public use as road right-of-way, to support continued downtown redevelopment.

State law and bond resolutions authorize the disposition of any real property of KUB which the Board has determined to be no longer useful and necessary for its operations. After consultation with Staff, I have determined that the 0.072 acres sought for public purpose is not useful or necessary for KUB's continued operation of its systems, with the exception that KUB will retain easements for the utility lines that cross the property, as well as air rights over the property.

Through Resolution 1359, which is attached for your information, the Board will approve the sale of a portion of KUB's Promenade Parking Garage property to the City of Knoxville. I recommend adoption of Resolution 1359.

Respectfully submitted,

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

Mintha E. Roach
President and CEO

RESOLUTION NO. 1359

A Resolution Authorizing the sale of Property of the Knoxville Utilities Board Located at 401 State Street to the City of Knoxville

Whereas, the Knoxville Utilities Board (“KUB”) holds title to certain real estate, located at 401 State Street, Knoxville, Tennessee, and being all of CLT Map 095-I, Group A, Parcel 023 recorded in the Knox County Register of Deed’s Office at Instrument No. 200005010028815, consisting of approximately 1.125 acres of land and appurtenances (the “Property”), where KUB’s Promenade Parking Garage is located; and

Whereas, the City of Knoxville (“City”) seeks to acquire from KUB a portion of the Property, approximately 0.072 acres in size (the “Surplus Property”) for use as a City street right-of-way, a public purpose; and

Whereas, KUB, pursuant to Article XI, sections 1106(D) and (T) of the Charter of the City of Knoxville and Section VII of the KUB Procurement Procedures, 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 systems; and

Whereas, pursuant to T.C.A. § 12-9-110, public advertising and competitive bidding is not required for the transfer of the Surplus Property where it will be used for a public purpose; and

Whereas, the Surplus Property is not useful and necessary for the continued operation of KUB’s systems substantially as they now exist, with the exception that KUB will retain easements for its utility lines and facilities, as well as air rights above sixteen (16) feet from current grade, across the Surplus Property; and

Whereas, pursuant to Section VII of the KUB Procurement Procedures, the President and CEO has determined that the Surplus Property is not needed by any of KUB’s systems; and

Whereas, the bond resolutions for KUB authorize the disposal of KUB property 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 Surplus Property is not useful and necessary to the continued safe, efficient and economic operation of any of KUB's systems.

Section 2. That it is in the best interest of KUB to sell the Surplus Property to the City of Knoxville.

Section 3. That the terms and conditions of the sale, including the purchase price of \$50,000.00, the City's payment of certain expenses associated with the transfer, the City's representation that the Surplus Property will be used for a public purpose, and KUB's retention of Utility Easements for its lines and other facilities and air rights above sixteen (16) feet from current grade across the Surplus Property are fair, reasonable and appropriate.

Section 4. That the President and Chief Executive Officer or her authorized designee be, and hereby is, authorized and directed to sell the Surplus Property to the City in a manner consistent with KUB's Procurement Procedures and the City Charter, to execute a deed for the transfer of the Surplus Property and to do all things that the President and CEO or her designee deems reasonable and necessary to effectuate such sale.

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

Celeste Herbert/s
Celeste Herbert, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 4-20-17
EFFECTIVE DATE: 4-20-17
MINUTE BOOK 37 PAGE 7966-7967

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