

**Knoxville Utilities Board
Board Meeting
Minutes
Thursday, September 18, 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, September 18, 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, Sara Hedstrom Pinnell, Nikitia Thompson, and Eston Williams

Commissioners Absent: Bruce Anderson

Vice Chair Herbert welcomed the six 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 August 21, 2014, Board Meeting were approved as distributed upon motion by Commissioner Williams and second by Commissioner Thompson.

Old Business

None

New Business

Resolution 1316, A Resolution Endorsing the KUB Blueprint, Including a Vision Statement, Mission Statement, Measures of Success, Keys to Success and Shared Values

President Roach recommended adoption of Resolution 1316 on first and final reading. Her written recommendation is included in Attachment 1.

September 18, 2014

President Roach reminded Commissioners that we discussed with them last month, part of our leadership development initiative is to formalize KUB's Vision and Mission in a document we call the KUB Blueprint. She recognized Mark Walker, Senior Vice President and Chief Financial Officer, to present Resolution 1316 which seeks the Board's endorsement of the KUB Blueprint. Mr. Walker advised the Board that upon the Board's formal endorsement, staff would begin the process of communicating the KUB Blueprint to all levels of the organization and aligning KUB's operations and goals with the Blueprint.

Upon a motion by Commissioner Connell and a second by Commissioner Thompson, Resolution 1316 (*Attachment 1*) was adopted by a roll call vote on first and final reading. The following Commissioners voted "aye": Connell, Hamilton, Herbert, Pinnell, Thompson, and Williams. No Commissioner voted "nay".

President's Report

Workforce Strategy

President Roach advised Commissioners that the work that's required to maintain and grow our utility systems has changed over time. We've been a part of seasons of tremendous growth and very little growth. We've had regulatory drivers that required an exponential ramp up of existing programs within a very short timeframe. In all cases, KUB has been able to shift and change with those needs by using contractors and consultants to supplement our KUB workforce. Just as KUB has a long term financial plan, KUB has outlined a long-term work strategy to meet the needs of our customers. She recognized Tracy Hayes, Manager of Construction; Brooke Sinclair, Manager of Safety and Technical Services; and Dennis Upton, Vice President, to share KUB's workforce strategy.

Bond Sales

President Roach reminded Commissioners that last spring they authorized the sale of electric, water, and wastewater system bonds as part of the funding of the FY 2015 budget. She recognized Mark Walker, Senior Vice President and Chief Financial Officer, to report on the details of the bond sale. Mr. Walker advised the Board that \$78 million in bonds were sold August 20 at rates lower than budgeted. Mr. Walker noted that each system's bonds received high-quality credit ratings from each of the rating agencies, including the water system bonds receiving an upgrade to AAA from Standard and Poor's. Vice Chair Herbert advised the Board that the final official statement on the electric, water and wastewater bonds, and report on issuance costs was available at the meeting for review.

September 18, 2014

Downtown Century II Update

President Roach reminded Commissioners that KUB began working on Phase 1 of the Downtown Century II Project in July 2014 and the purpose of the project is to upgrade sections of the water and wastewater mains as well as an upgrade to the natural gas and underground electrical infrastructure. She recognized Gabriel Bolas, Manager of Electric Systems Engineering and Assistant to the Chief Operating Officer, to provide an update on the project.

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 1316, A Resolution Endorsing the KUB Blueprint, Including a Vision Statement, Mission Statement, Measures of Success, Keys to Success and Shared Values	<u>Page(s)</u> 6409 - 6412
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September 12, 2014

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

Commissioners:

As you know, KUB has undertaken a strategic planning initiative for the purpose of identifying current and future challenges facing KUB, developing strategies to address those challenges, and ensuring KUB will have strong, effective leadership in the future.

This strategic planning initiative includes the development of a formal statement of KUB's Vision and Mission in a document entitled the "KUB Blueprint." In addition to Vision and Mission statements, the KUB Blueprint also includes Measures of Success that serve as performance indicators for the Vision; Keys to Success that represent daily functions critical for accomplishing the Mission; and Shared Values that define KUB's organizational culture.

The KUB Blueprint reflects the legacy of the current Board and past Boards, with its focus on customer service and stewardship of utility system assets, customers' dollars, and the environment.

As you will recall, an overview of the KUB Blueprint was provided to the Board at last month's meeting. Through Resolution 1316, the Board formally endorses the KUB Blueprint and directs the President and CEO to communicate the KUB Blueprint to all employees and align KUB operations and initiatives with it to help ensure the success of KUB's Vision and Mission.

I recommend adoption of Resolution 1316 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. 1316

A Resolution Endorsing the KUB Blueprint, Including a Vision Statement, Mission Statement, Measures of Success, Keys to Success and Shared Values

Whereas, under the direction of the Knoxville Utilities Board of Commissioners (“the Board”), the Knoxville Utilities Board (“KUB”) has undertaken a strategic planning initiative for the purpose of identifying current and future challenges facing KUB, developing strategies to address those challenges, and ensuring KUB will have strong, effective leadership in the future; and

Whereas, the strategic planning initiative includes the development of a formal statement of KUB’s Vision and Mission in a document entitled the “KUB Blueprint;” and

Whereas, the KUB Blueprint reflects the legacy of this Board and past Boards, with its focus on customer service and stewardship; and

Whereas, in addition to Vision and Mission statements, the KUB Blueprint includes Measures of Success, to serve as performance indicators for the Vision; Keys to Success, representing daily functions critical to accomplishing the Mission; and Shared Values that define KUB’s organizational culture; and

Whereas, the KUB Blueprint will be used throughout KUB to identify initiatives, align goals and develop employees for the purpose of accomplishing the Mission and fulfilling the Vision; and

Whereas, the Board feels it is responsible and reasonable to adopt a resolution endorsing the KUB Blueprint.

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

Section 1. That the Board hereby formally endorses the KUB Blueprint, as reflected in Exhibit 1 to this Resolution.

Section 2. That the Board hereby directs the President and CEO to communicate the KUB Blueprint to all KUB employees, and to align KUB operations and initiatives with it so that the Vision and Mission can be achieved.

Section 3. 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: 9-18-14
EFFECTIVE DATE: 9-18-14
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Our Vision:

KUB exists to serve its customers, improving their quality of life by providing utility services that are safe, reliable and affordable.

Shared Values:

- We value the safety and well-being of our customers and employees.
- We value fairness, and try always to make decisions that provide the greatest good for the most people.
- We are in a position of trust and hold ourselves to high ethical standards.
- We improve the value of our services through efficiency, innovation and communication.
- We value the commitment and hard work of our employees.
- We are environmentally responsible in our operations and support the sustainability of our communities' natural resources.
- We participate in the communities we serve.

Our Mission:

Our mission is to act as good stewards of our communities' resources: utility assets, customer dollars, and the environment. We work to safeguard those resources and enhance their value for the people of the communities we serve and generations to come.

We Measure Our Success by:



Keys to Success:

