



Knoxville Utilities Board

**Board Meeting Agenda
Thursday, October 19, 2017
Noon**

Call to Order

Roll Call

Approval of Minutes

Official Action

Consideration of Nominees for Commissioner Term beginning January 1, 2018

President's Report

Public Comments

Adjournment

**Knoxville Utilities Board
Board Meeting
Minutes
Thursday, September 21, 2017, 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 21, 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 12:00 p.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 August 17, 2017, Board Meeting were approved as distributed upon a motion by Commissioner Askew and seconded by Commissioner Small.

Old Business

None

New Business

Resolution 1370, A Resolution Authorizing the transfer of Knoxville Utilities Board's Right, Title and Interest in Real Property Along Clifton Road, Sanderson Road and Chillicothe Street to the City of Knoxville

President Roach advised the Board that several vacant properties in the Clifton Road area had previously been needed for electric transmission lines. These lines have since been relocated and KUB now only requires an easement along the edge of the properties. KUB has been in discussion with the City of Knoxville regarding the transfer of title and interest in these properties to the City to be used for a public purpose to be determined by the City. She recognized Julie Childers, Vice President of Water/Wastewater Engineering, to provide the details of the proposed resolution.

September 21, 2017

President Roach recommended adoption of Resolution 1370 on first and final reading. Her written recommendation is included in Attachment 1.

Upon a motion by Commissioner Thompson and a second by Commissioner Hamilton, Resolution 1370 (*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

Grid Modernization: Distribution Automation and Network

President Roach reminded Commissioners that the Board voted to fund the Grid Modernization project in the spring of 2015 and that KUB is still on time and on budget to install 400,000 advanced meters throughout KUB’s system by July 2020. Today’s presentation focused on another aspect of Grid Modernization known as Distribution Automation. This is a 10-year effort that will modernize KUB’s internal communication networks and distribution system devices, and will result in more streamlined operations and fewer customer outages. She recognized Andrew Hmielewski, Business Management Analyst in Grid Modernization, who is heading up the Distribution Automation project to provide an update.

Supporting Our Community’s Growth

President Roach advised Commissioners that development activity is increasing in our service area. She recognized John Williams, Manager and Assistant to the Chief Financial Officer, to provide an update on KUB’s New Service Department and local development activities.

Bond Sale Results

President Roach advised Commissioners that KUB received very attractive rates for the sale of 30-year bonds and recognized Mark Walker, Senior Vice President and Chief Financial Officer, to report on the results of the sale.

Mr. Walker noted that a copy of the Official Statement describing each series of bonds was available at the meeting for public review, in addition to Form CT-0253 for each series of bonds.

September 21, 2017

Other Business

Nominating Committee

Commissioner Thompson advised the Board that the Nominating Committee received 16 applications for the term beginning in January 2018. The Nominating Committee has reviewed the applications and will conduct interviews later this month. Pursuant to City Charter, at least five candidates will be submitted to the Mayor, and those candidates will be nominated at next month's meeting.

Public Comment

John Vincenzo – 7301 Royal Springs Boulevard – Knoxville, TN 37918

Adjournment

There being nothing further to come before the Board, Chair Herbert declared the meeting adjourned at 1:00 p.m.

Celeste Herbert, Chair

Mark Walker, Board Secretary

Attachments

Attachment 1	Recommendation Letter and Resolution 1370, A Resolution Authorizing the transfer of Knoxville Utilities Board's Right, Title and Interest in Real Property Along Clifton Road, Sanderson Road and Chillicothe Street to the City of Knoxville	<u>Page(s)</u> 8985-8988
--------------	---	------------------------------------



Knoxville Utilities Board

September 15, 2017

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

Commissioners:

KUB owns and operates an electric substation located off Clifton Road in addition to electric transmission power lines crossing multiple vacant parcels of property along Clifton Road, Sanderson Road, and Chillicothe Street.

KUB recently approached the City of Knoxville regarding a potential transfer of the vacant parcels to the City for future public use, while reserving the necessary utility easements. KUB does not have a need for the vacant parcels and would save the cost of having to maintain the properties.

The City Charter, KUB's Procurement Procedures, and Electric System bond resolutions authorize the disposition of any real property of the electric system, which the KUB Board has determined to be no longer useful and necessary for the operation of the system. After consultation with Staff, I have determined the vacant parcels of property are not useful or necessary for the continued operation of the electric system and are not needed by any other KUB system, except for the necessary utility easements which will be retained by KUB.

Resolution 1370, which is attached for your information, authorizes the transfer of KUB's right, title, and interest in certain real properties along Clifton Road, Sanderson Road, and Chillicothe Street to the City. I recommend adoption of Resolution 1370 on first and final reading.

Respectfully submitted,

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

Mintha E. Roach
President and Chief Executive Officer

RESOLUTION NO. 1370

A Resolution Authorizing the transfer of Knoxville Utilities Board's Right, Title and Interest in Real Property Along Clifton Road, Sanderson Road and Chillicothe Street to the City of Knoxville

Whereas, the City of Knoxville ("City") acting by and through its Knoxville Utilities Board ("KUB") holds title to certain real estate along Clifton Road, Sanderson Road, and Chillicothe Street in Knoxville, Tennessee (the "Clifton Road Properties"), more particularly described as follows:

Knox County Parcel Assessor's Parcel #	City of Knoxville Ward 23 Lot and Block #
093ED001	Lot Nos. 209 and 210 in Block No. 13
093ED037	Lot Nos. 295, 296, 297, 298, 299 and 300 in Block No. 21
093EH001	Lot Nos. 385, 386, 387, 388, 389 and 390 in Block No. 29
093EH042	Lot Nos. 475, 476, 477, 478, 479 and 480 in Block No. 37
093EH041	Lot Nos. 556, 557, 558, 559, 560 and 561 in Block No. 44
093LB001	Lot Nos. 626, 627, 628, 629, 630 and 631 in Block No. 50
093LB012	Lot Nos. 683, 684, 685, 686, 687 and 688 in Block No. 56
093LB011	Lot Nos. 712, 713 and 714 in Block No. 60
093LC001	Lot Nos. 704, 705 and 706 in Block No. 59

Whereas, KUB owns and operates electrical lines and related facilities across the Clifton Road Properties and only requires utility easements across those properties; and

Whereas, subject to these restrictions, the City seeks to acquire from KUB all of KUB's right, title and interest in the Clifton Road Properties (the "Surplus Property") for use by the City for 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 interest in such property in connection with the operation of its utility 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 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 KUB utility system; and

Whereas, the bond resolutions for KUB's Electric Division authorize the disposal of property of the Electric Division, which the KUB Board of Commissioners (the "Board") has determined 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 the KUB electric system, with the exception that KUB will retain easements for its utility lines and facilities across the Surplus Property, nor is the Surplus Property needed for the operation of any other KUB system, and the revenues of the KUB electric system will not be reduced by its transfer.

Section 2. That it is in the best interest of KUB and the Electric Division to transfer the Surplus Property to the City of Knoxville.

Section 3. That the terms and conditions of the transfer, namely that the Surplus Property will be used for a public purpose, and that KUB will retain utility easements for its lines and other facilities 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 transfer all of KUB's right, title and interest in 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 KUB's interest in the Surplus Property and to do all things that the President and CEO or her designee deems reasonable and necessary to effectuate such transfer.

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: 9-21-17
EFFECTIVE DATE: 9-21-17
MINUTE BOOK 39 PAGE 8986-8988