

**Knoxville Utilities Board
Board Meeting
Minutes
Thursday, April 19, 2017, 10:00 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 19, 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 10:00 a.m.

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 March 15, 2018, Board Meeting were approved as distributed upon a motion by Commissioner Small and seconded by Commissioner Askew.

Old Business

None

New Business

Resolution 1375, A 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

President Roach recognized Chris Hood, Manager of Accounting and Budget and Assistant to the CFO, who advised the Board that state law allows for government entities like KUB to request the return of any unclaimed property previously remitted to the state after a period of 18 months. Mr. Hood noted that unclaimed property for KUB includes customer deposits, overpayments, and advances for construction. Mr. Hood further advised the Board that the request set forth in Resolution 1375 covers unclaimed property previously remitted to the state by KUB for the years 2012 through 2015.

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President Roach recommended adoption of Resolution 1375 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 1375 (*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

President Roach recognized Mike Bolin, Vice President of Utility Advancement, to provide a brief update on the TVA rate change the TVA Board will be considering at their May board meeting.

Official Action Concluded at 10:10 a.m.

Budget Workshop

President Roach provided an overview of this year's meeting format and reviewed the workshop agenda. She then introduced Mark Walker, Senior Vice President and Chief Financial Officer, who reviewed the proposed budget for fiscal year 2019. Mr. Walker advised the Board that resolutions for proposed bond issues and the fiscal year 2019 budget and commitment appropriations will be presented for consideration at the May meeting. Gabriel Bolas, Senior Vice President and Chief Engineer, discussed investments in the electric and natural gas systems. Derwin Hagood, Senior Vice President of Operations, discussed investments in the water and wastewater systems.

Public Comment

None

CEO Retirement Discussion

President Roach distributed a letter, Attachment 2, that announced her intentions to retire later this year and her willingness to support the Board in selecting the next President and CEO. Following the announcement, Chair Herbert asked the Board to engage in a discussion about the process for selecting the next President and CEO. The Board developed a consensus as follows;

- Limit search to qualified internal candidates
- Establish an applicant deadline of May 31, 2018. Applicants will submit a letter and resume directly to Chair Herbert. The Board reviewed a job description with minimum and maximum qualifications for preferred candidates.

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- The full Board will serve as the selection committee. Input may be sought from the three immediate past Board Chairs.
- The Board will meet on June 20, 2018 at 2 p.m. to discuss applicants and subsequent structured interviews which will be held in public.
- The Board agreed to establish additional meeting dates as needed in August.
- The Board agreed to issue a news release announcing President Roach's plans for retirement.

Adjournment

Chair Herbert declared the meeting adjourned at 1:20 p.m.



Mark Walker, Board Secretary



Celeste Herbert, Chair

Attachments

Attachment 1	Recommendation Letter and Resolution 1375, A 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	<u>Page(s)</u> 9031-9033
Attachment 2	President Roach's Retirement Letter	9034



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

RESOLUTION 1375

A 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/s
Celeste Herbert, Chair

Mark Walker/s
Mark Walker, Board Secretary

APPROVED ON 1st
& FINAL READING: 4-19-18
EFFECTIVE DATE: 4-19-18
MINUTE BOOK 40 PAGE 9032-9033



April 19, 2018

Commissioners:

After a long and gratifying career, I have made the decision to retire.

When I started working in the Human Resources Department at KUB, I never dreamed my career would culminate with me serving as President and CEO. Fourteen years as CEO sounds like a long time, but to me it has been like the blink of an eye.

It's probably obvious how much I love KUB. I hope you know that I admire all of you. I have been honored to have worked for you and I am grateful to all the board members who preceded you. Your leadership has made it possible for KUB to set very high goals and to meet them. I could go on and on about all the amazing things that have been accomplished.

As you know, our strength just as in sports is in the team – not the individual players. That's why diversity and inclusion are so important. It's why we focus on hiring the best, supporting their careers, and ensuring their safety. And we invest in KUB's future through leadership development and succession planning.

Change is good; it's how companies recharge and remain strong. That being said, KUB is special. KUB's culture is unique. While change is inevitable, I hope that doing the right thing will remain one of KUB's core strengths.

My tenure at KUB has been an honor and a privilege. You have my full support as you embark on selecting the next CEO.

Respectfully,

A handwritten signature in blue ink that reads "Mintta".

C: Bill Coley