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**MINUTES OF THE
 TENNESSEE ADVISORY COMMISSION
 ON INTERGOVERNMENTAL RELATIONS**

January 7, 2021

Meeting Called to Order

The Tennessee Advisory Commission on Intergovernmental Relations met virtually via GoToWebinar at 8:32 a.m., Chairman Mike Carter presiding.

Present 21	Absent 4
Mayor Rogers Anderson	Representative John Crawford
Assistant Commissioner Sammie Arnold	Senator Jon Lundberg
Mayor Tom Bickers	Mayor Larry Waters
Mayor Buddy Bradshaw	Senator Ken Yager
Mayor Kevin D. Brooks	
Representative Mike Carter	
Mr. Calvin Clifton	
Deputy Commission Paula Davis	
Mayor Terry Frank	
County Clerk Mary Gaither	
Mayor Jill Holland	
County Executive Jeff Huffman	
Representative Harold Love Jr	
Representative Susan Lynn	
Mayor A. Keith McDonald	
Representative Antonio Parkinson	
Mr. Jeff Peach	
Senator Katrina Robinson	
Senator Bo Watson	
Comptroller Justin Wilson ¹	
Senator Jeff Yarbro	

¹ Lauren Spires represented Justin Wilson.

1. Call to Order and Approval of the Minutes

Chairman Mike CARTER called the meeting to order at 8:32 a.m., at which time roll was called. Chairman CARTER then requested and received approval of the December 2020 meeting minutes. Executive Director Cliff LIPPARD read the statement of necessity for a remote meeting.

2. Commission and Staff Update

Before reviewing the commission and staff updates, Executive Director LIPPARD introduced Mr. Curtis Sutton, executive director of the Tennessee Emergency Communications Board (ECB), to provide an update on the state's Next Generation 911 (NG911) system in light of the explosion in Nashville on December 25, 2020, and the subsequent outages that occurred at 911 call centers in the state. Executive Director SUTTON said that ECB has run Tennessee's NG911 system since 2010 through the state's existing contract with AT&T for the Net TN network. [Note: The Net TN network was developed to "provide a robust unified network infrastructure that leverages the buying power of all government stakeholders to drive down the cost of technology and help drive the deployment of broadband to all urban and rural Tennessee communities."] He clarified that ECB does not have a separate contract with AT&T for NG911. Director SUTTON said that ECB is moving away from using Net TN and toward using AT&T's nationwide NG911 platform for more resiliency and redundancy, though he said this is still covered under the state's existing contract with AT&T for Net TN. He said that ECB is also developing a request for proposals for a new contract for NG911 services to take effect after the state's contract for Net TN expires in 2023. He said that ECB determined in 2019 that a direct contract with an NG911 provider is needed for better accountability and to have more control over the services provided to the state under the contract.

Vice Chairman Kevin BROOKS said that Cleveland, like many communities, was affected by the outages that resulted from the bombing in Nashville. He said that the city was crippled for two days while its 911 service and its FirstNet phone service did not work. He said that although he is pleased to hear about ECB's plans going forward for NG911, he is gravely concerned about the current status of 911 systems and the redundancies in them that are intended to avoid outages like the one that just occurred. He said that governments pay a lot for these systems, but they did not work. Director SUTTON said that he too is concerned about the outages, though he clarified that the FirstNet phone service, which provides mobile wireless service for first responders, is not overseen by ECB and is separate from NG911 service. Mayor Jill HOLLAND said that two of the questions she hears from first responders about the outages are why there weren't more redundant systems in place to prevent them and why was the equipment not better protected.

Chairman Mike CARTER said that he has spoken with representatives for AT&T, and they understand the questions and concerns that have been expressed by state and local officials. Because of the ongoing criminal investigation of the bombing, he said that getting answers to some of the questions may take time. He said there will likely be discussions with not only AT&T but also a lot of different groups that are involved about how to prevent similar issues going forward.

Following Director Sutton’s presentation, Dr. Lippard discussed the staff’s updated analysis measuring the effect of the Basic Education Program on equity in education spending through school year 2017-18—20 years after full funding and asked the Commission to congratulate Research Manager David Lewis on his 30 years of service to the State of Tennessee. Dr. Lippard also acknowledged his own milestone of achieving 25 years of service.

3. Public Chapter 228, Acts of 2017 (Status of Broadband Internet Deployment, Availability, and Adoption)—Final Report for Approval

Policy Coordinator Matthew OWEN presented the final report on broadband deployment, availability, and adoption in Tennessee for approval. He described changes made to the report since the draft was presented at the December 2020 meeting, including the addition of maps in two appendixes, a revised staff estimate of the number of homes remaining in census blocks where no broadband provider reported service of at least 25 megabits per second download and three megabits per second upload as of December 2019 that are unlikely to receive service through existing state- or federally funded projects, and a new recommendation added to the report based on feedback from Commission members that the state should obtain improved broadband coverage data from providers and develop its own broadband maps. Vice Chairman Kevin BROOKS said that in contrast to the federal data, a recent study shows that 26% of Bradley County lacks broadband access and that obtaining better coverage data is important for the state and its local governments.

Vice Chairman BROOKS proposed that the report’s final recommendation be strengthened to recommend that the state should consider eliminating or easing existing territorial restrictions on electric cooperatives and municipal electric systems—which currently prevent them from providing broadband outside their electric service areas—and in doing so, the state should also consider ways it can protect electric ratepayers, for example, by prohibiting these cooperatives and utilities from pledging, loaning, or otherwise using electric system assets or revenues to finance broadband projects outside their electric service areas. In response to Chairman Mike CARTER’s question about whether the amended recommendation would direct the state to remove the territorial restriction or simply consider removing it, Vice Chairman BROOKS clarified that the recommendation is that the state consider removing the restriction. The amended recommendation was moved by Mayor Tom BICKERS, seconded by Mayor Rogers ANDERSON, and approved unanimously.

Vice Chairman BROOKS moved approval of the amended report with Mayor Terry FRANK seconding the motion. The amended report was approved unanimously.

4. Annual Report on Tennessee’s Public Infrastructure Needs—Final Report for Approval

Senior Research Associate Rabia CHAUDHRY presented the report for approval. Ms. CHAUDHRY said the report documents \$58.6 billion of needed infrastructure improvement projects, which were in development during the five-year period of July 2019 through June 2024.

Mayor Keith MCDONALD moved approval of the report with Vice Chairman Kevin BROOKS seconding the motion. The report was unanimously approved.

5. Tennessee Valley Authority's Payments in Lieu of Taxes—Annual Report for Approval

Senior research associate Bob MOREO presented the annual update on Tennessee Valley Authority (TVA) payments in lieu of taxes (PILOT) for approval. He said that while the Commission sees no immediate need for legislative changes, TVA's revenue from power sales fell by \$1 billion in federal fiscal year 2019-20—due in part to reduced demand for electricity amid the COVID-19 pandemic—leading to a sharp, unexpected drop in PILOT funding. The report says that the slowly recovering economy, along with long-term contract incentives for local power companies and pandemic relief credits for TVA's distributors and large commercial and industrial customers, could continue to have a negative effect on revenue and TVA's overall PILOT. Mr. MOREO said that TVA's largest customer, Memphis Light, Gas and Water (MLGW), is studying whether to leave the TVA system, which could reduce the PILOT significantly. The report explains the possible timeline for when these changes could begin to take effect, points out existing provisions in Tennessee law that could help the state recoup some of the potential loss, and notes that local governments served by MLGW would no longer receive PILOT funds through the state's allocation formula.

Mayor Jill HOLLAND moved approval of the report with Representative Susan LYNN seconding the motion. The report was unanimously approved.

After the vote, County Executive Jeff HUFFMAN asked whether staff were aware of any long-range studies of the potential impact electric vehicles might have on electricity consumption. Mr. MOREO shared that the TVA board had recently adopted a policy regarding electric vehicles, and that staff will look into it and include something in next year's report. County Executive HUFFMAN expressed his concern that revenue for local governments from fuel taxes will decrease as electric vehicles replace gasoline-fueled ones. He wonders whether there would be an increase in the TVA PILOT from the electricity used to charge these vehicles. Mr. MOREO said he had not read anything yet that would indicate enough electric vehicles were in use to affect overall electric demand, and that increased energy efficiency in other areas is driving demand downward in a way that might offset increases from electric vehicles. He said that many other states are concerned about decreased revenue from fuel taxes, but that the topic goes beyond the scope of this particular report.

County Executive HUFFMAN also asked Mr. MOREO to clarify the time it would take for the loss of revenue to affect the PILOT were MLGW to leave the TVA. Mr. MOREO said that in the case that MLGW decides to end its contract with TVA, it would continue to purchase its power from TVA through the five-year termination period. He explained that the TVA PILOT is determined by TVA's revenue from the previous fiscal year, using an example that if the termination period were to coincide with the end of TVA's fiscal year 2027-28, then TVA's revenue in 2028-29 would be lower without MLGW, meaning a lower PILOT in federal fiscal year 2029-30.

Mayor Keith MCDONALD said he supports County Executive HUFFMAN's questions and shares his concern about decreasing revenue for infrastructure. He also wants to be prepared for the possibility of MLGW leaving.

Vice Chairman Kevin BROOKS said he gets asked in his community about more support for electric vehicles and sees sales of EVs increasing. He supports further discussion of the issue.

Mayor Tom BICKERS echoed the concerns about the effects on revenue that increased electric vehicle use may have and thinks the Commission should work on the issue.

Executive Director Cliff LIPPARD suggested that staff can gather information and speak to various state agencies to see what research has already been done. If other work is in progress, then staff will share it with the Commission. If there is a need for more research, then staff will prepare a research plan for the next commission meeting. Anything relevant to the TVA report will be shared as an update. Mayor BICKERS supported the idea to prepare a plan for a new study.

Chairman Mike CARTER adjourned the meeting at 10:33 a.m.