

**MINUTES OF THE WORK SESSION
OF THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF STARKVILLE, MISSISSIPPI
SEPTEMBER 15, 2023**

Be it remembered that the Mayor and members of the Board of Aldermen met in a Work Session on Friday, September 15, 2023 at 11:00 a.m. in the second-floor conference room of City Hall located at 110 West Main Street, Starkville, MS. Present were Mayor D. Lynn Spruill, Alderwoman Sandra Sistrunk and Alderman Henry Vaughn. City Attorney Berk Huskison and City Clerk Lesa Hardin were also present.

Mayor Spruill opened the work session. The work session was properly noticed pursuant to Miss. Code Ann. §25-41-13 and a copy of that notice is included in the minutes. The work session was live streamed on Facebook. The public and media were welcomed and attended. The session is also available for viewing on the City website.

Mayor Spruill introduced John Wooten of TVA who, along with Starkville Utilities Manager Edward Kemp, presented an overview of TVA and Starkville Utilities development and growth over past years and well as future plans and the need for a rate increase. The presentation follows this page.

The Mayor and members of the Board discussed items on the upcoming September 19, 2023 agenda. Department Directors were available to answer questions related to the items. All agenda items were discussed.

SIGNED AND SEALED THIS THE 3rd DAY OF OCTOBER, 2023.

MAYOR D. LYNN SPRUILL

Attest:

Seal

LESA HARDIN, CITY CLERK/CFO



WORK SESSION

**CITY OF STARKVILLE, MISSISSIPPI
SEPTEMBER 15, 2023
11:00 a.m.**

- A. CALL THE MEETING TO ORDER**
- B. UPDATE FROM TVA ON THE UPCOMING RATE CHANGES**
- C. DISCUSSION OF THE AGENDA ITEMS FOR THE SEPTEMBER 19, 2023
MEETING OF THE BOARD OF ALDERMEN FOR THE CITY OF
STARKVILLE.**
- D. ADJOURN MEETING**



**THERE WILL BE A WORK SESSION OF THE
MAYOR AND BOARD OF ALDERMEN ON
FRIDAY, SEPTEMBER 15, 2023**

**AT 11:00 AM IN THE STARKVILLE CITY HALL
LOCATED AT 110 WEST MAIN STREET
IN THE SECOND FLOOR CONFERENCE ROOM**

The public and media are invited to attend.

The City of Starkville is accessible to persons with disabilities. Please call the ADA Coordinator at (662) 323-2525 ext. 3119, in advance for any services requested.



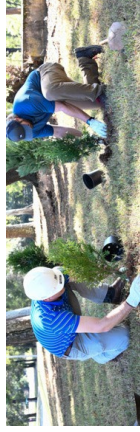
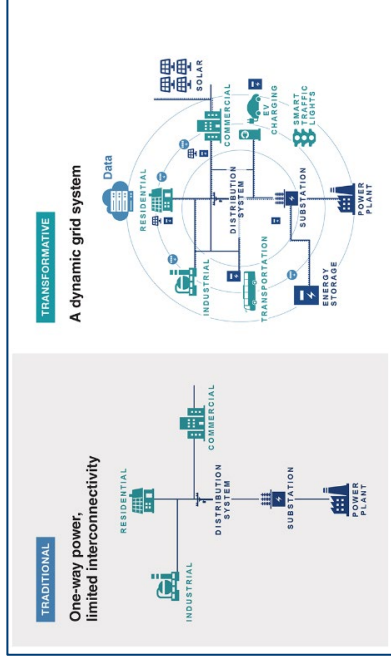
TVA Update

City of Starkville - Board of Alderman Meeting

September 15, 2023

TVA \ Starkville Utilities Partnership

- Energy Right Program
 - TVA Top EnergyRight Performer Award - New Homes Program and Home Energy Workshops
 - Home Energy Workshops – Discovery Center, Starkville Housing Authority, and After School Programs
 - Industrial Summit
- Comprehensive Services
- Electric Vehicle Fast Charger Project
- Tree Planting and Beautification Partnership

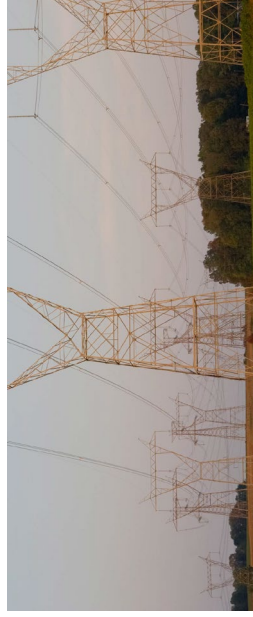
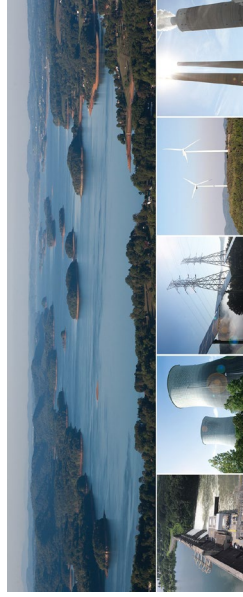


TVA EnergyRight



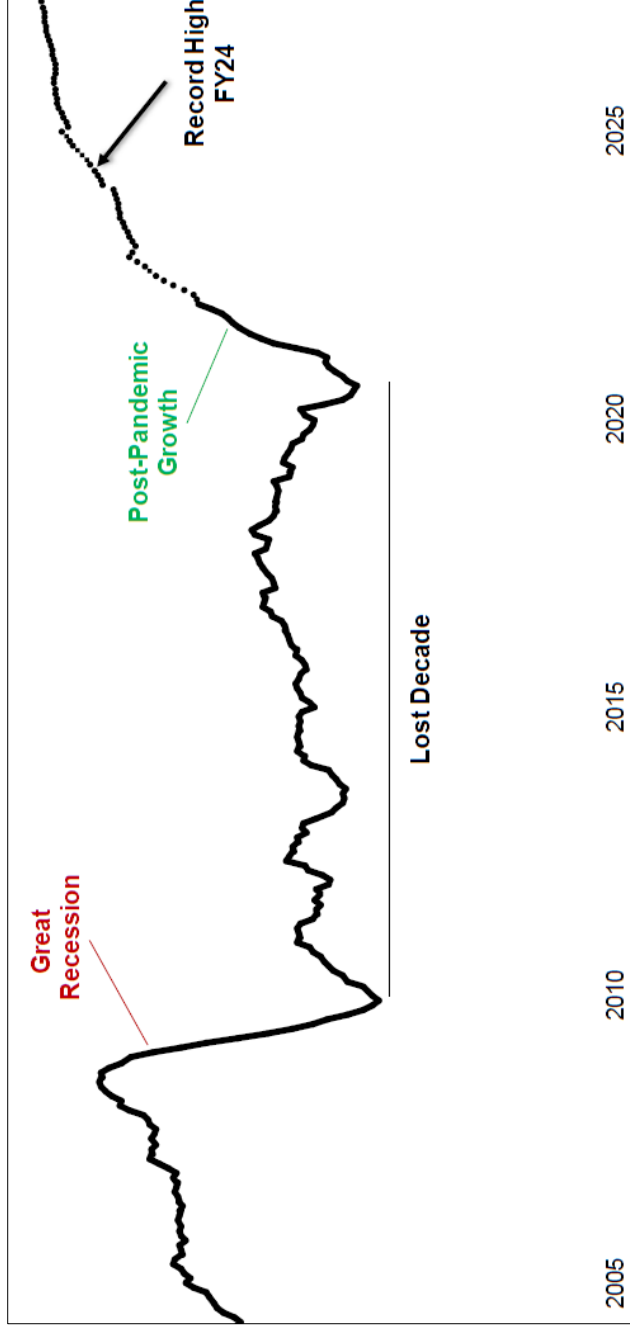
TVA Board Actions - FY24

- **Wholesale base rate** increase of 4.5% effective October 1st
- Invested **\$25 billion** over the past 10 years and will be investing **\$15 billion** over the next 3 years to build generation and continue upgrading the transmission system
 - Affordability, Reliability, Resiliency, and Sustainability
- Invest **\$100 million** in Energy Efficiency and Demand Response programs over the next 10 years
 - Offset 30% of new load growth and help residents and businesses lower their energy bills.



System Load Over Time

Load growth has jumped following a “flat” decade



Adjusted for weather and excludes USEC

Capacity and Load Growth

Problem/Opportunity

- Accelerated economic growth has challenged TVA's ability to balance new supply with pace and timing of electrically intensive heavy industry

Key Drivers

- Slow load growth for a decade followed by post-pandemic surge
- In-migration of residents into Valley
- Decarbonization and electrification across manufacturing, commercial and residential
- Manufacturing expansion and onshoring

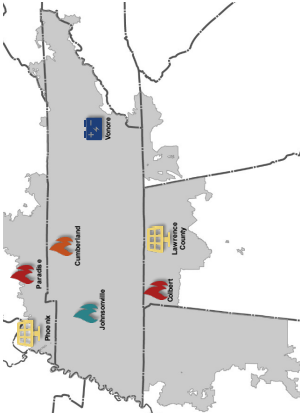
Key Impacts

- Peak reserve margins challenged
- Demand outside Valley affects Eastern Interconnect supply
- Customers and Economic Development prospects need additional planning information
- Increased risk to TVA and customers

Economic and Community Development are foundational elements of the TVA mission

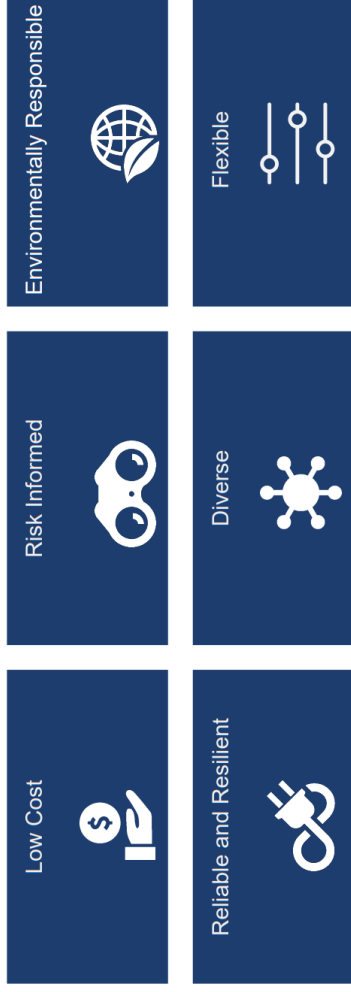
Capacity Additions

Approximately 3,800 MWs of new generation

750 MWs Simple cycle CTs at Colbert (3 – 250 MWs) Commercial CY 2023	750 MWs Simple cycle CTs at Paradise (3 – 250 MWs) Commercial CY 2023	1,500 MWs Combined Cycle at Cumberland Commercial CY 2026	500 MWs Peaking aero-derivative CTs at Johnsonville Commercial CY 2024
200 MWs Solar at Lawrence County Commercial CY 2025	20 MWs Battery at Vonore Commercial CY 2023	100 MWs Solar at Shawnee *pending environmental reviews Commercial CY 2027	

Next Steps \ Partnership Opportunities

- Capacity Growth –
 - Integrated Resource Plan
 - Evaluate generation locations and accelerate construction builds
 - Long Term - Small Modular Reactor, Energy Storage, and Innovation
- Load Management
 - Energy Efficiency and Demand Response Programs
 - Evaluate back-up generation program



TVA

**TENNESSEE
VALLEY
AUTHORITY**



Starkville UTILITIES

ELECTRIC RATES EVALUATION AND RECOMMENDATION

BOARD OF ALDERMEN WORK SESSION
SEPTEMBER 15, 2023

STABLE POSITION

FINANCIAL

SYSTEM

CHANGING LANDSCAPE

TVA WHOLESale RATES

INFLATIONARY PRESSURES

FORWARD POSITION

HIGH RELIABILITY

CAPITAL INVESTMENTS

CUSTOMER EXPECTATIONS

OPERATION AND MAINTENANCE INCREASES

INFLATIONARY PRESSURES



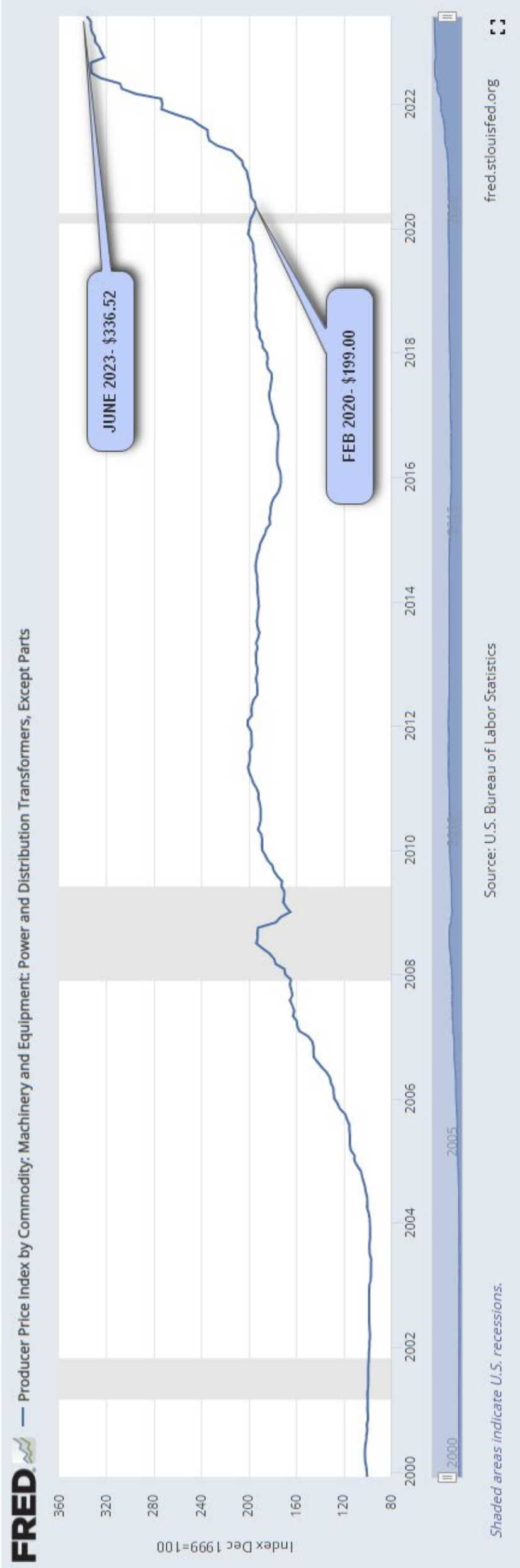
OPERATION AND MAINTENANCE INCREASES

ELECTRICAL DISTRIBUTION



OPERATION AND MAINTENANCE INCREASES

TRANSFORMERS



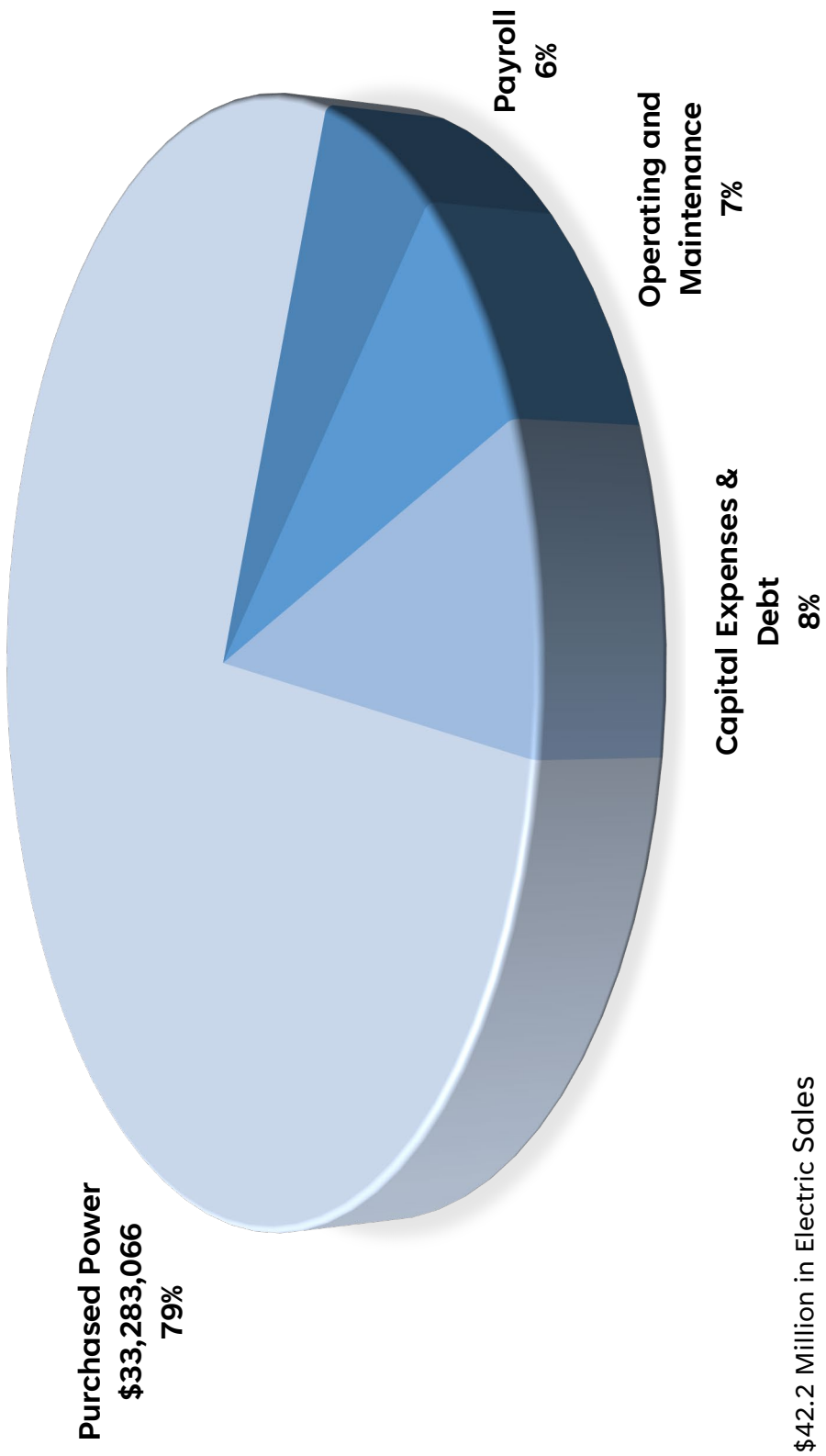
OPERATION AND MAINTENANCE- HISTORICAL PERSPECTIVE

Starkville Utilities
Operating and Maintenance Expenses





STARKVILLE UTILITIES ELECTRIC DIVISION EXPENSES



* Based on \$42.2 Million in Electric Sales

CAPITAL INVESTMENTS

COMPLETED

NEW SOUTHWEST SUBSTATION
OFF-CORRIDOR ELECTRIC PROJECT
CONTINUED POLE REPLACEMENT
SUBSTATION IMPROVEMENTS



IN-PROGRESS

COMPLETION OF FIBER LOOP
MAJOR SUBSTATION INVESTMENTS
NEW CIS/FIS SOFTWARE
REPLACEMENT OF AMI EQUIPMENT

TVA BASE RATE INCREASE

PASS-THROUGH

ENERGY CHARGE

2.9%

TVA PANDEMIC CREDIT

3 YEARS/ \$477,594

ENERGY CHARGE

1.5%

O&M (INFLATION)

\$336,180

CUSTOMER CHARGE

1.0%



HOW WILL THIS AFFECT MY ELECTRIC BILL?

2009- LAST LOCAL
RATE INCREASE

NET EFFECT: 5.4%

TVA BASE RATE: 2.9%

TVA PANDEMIC CREDIT: 1.5%

SUD O&M (INFLATION): 1%

AVERAGE RESIDENTIAL
CUSTOMER MONTHLY BILL

\$102.97

\$5.56 MONTHLY INCREASE

PROPOSED AVERAGE
RESIDENTIAL CUSTOMER
MONTHLY BILL

\$108.53

SUPPORT TVA

MAINTAIN HIGH
RELIABILITY

MEET CUSTOMER
EXPECTATIONS

INVEST FOR THE
FUTURE