

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
January 27, 2023

A regular meeting of the Board of Public Utilities was called to order at 12:30 p.m. in Cleveland Utilities' Tom Wheeler Training Center.

The following board members were present: Aubrey Ector, Chairman; Joe Cate, Vice Chairman; Eddie Cartwright, Cleveland Utilities Board; and Councilman David May, Jr., Cleveland Utilities Board. Absent: Debbie Melton.

Others in attendance were Tim O. Henderson, President/CEO; Amy Ensley, Utility Board Secretary; John Corum, Administrative Services VP; Jimmy Isom, Electric VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; Walt Vineyard, Executive VP; Greg Clark, Wastewater Rehabilitation Manager; Patti Pettitt, Director of Parks and Recreation for the City of Cleveland; and Adison Wilson, University of Tennessee, Chattanooga (UTC) Political Science Student. Following the Pledge of Allegiance to the American Flag, Greg Clark delivered the invocation.

MANAGER'S UPDATE AND ANNOUNCEMENTS

Candies Creek Interceptor Repair

On the afternoon of Friday, January 6, staff were reviewing data from some flow meters and detected a collapse in the Candies Creek Interceptor (a section of 24-inch spiro-lite sewer pipe). Greg Clark then provided highlights of the project and displayed photos. Crews began clearing the wooded area on January 9, excavation began on January 10, and repairs were completed on January 11. The excavation site measured 110 feet by 90 feet and was approximately 20 feet deep (the volume of material removed from the excavation was equivalent to 250 tandem dump truck loads). Bypass pumps were required that necessitated setting 950 feet of bypass piping. Work was completed by CU sewer crews, except for one operator and renting some larger equipment from Hampton Backhoe Service. Henderson advised it was imperative for crews to complete the repair work prior the start of a heavy rain/storm event in the forecast. The internal expertise CU has along with the equipment the organization has invested in to be able to do this work in-house as well as the time in which crews were able to execute the plan was incredible. Henderson and Mullinax commended Clark and employees for their expertise and dedication to getting the job done. Chairman Ector also expressed the board's appreciation to everyone involved.

Tour of Boys & Girls Club Tucker Unit

CU will be taking a tour of the Boys & Girls Club Tucker Unit on Thursday, February 16, at 3:45 p.m. The tour will be educational and provide an opportunity to highlight the work the club is doing. Board members were invited to attend.

Presidents' Day Holiday Office Closure

Cleveland Utilities will be closed Monday, February 20, to observe Presidents' Day. As always, the Call Center will be open and regular emergency/standby services will be maintained 24/7.

CONSENT AGENDA

David May, Jr., made a motion to approve the following items from the Consent Agenda. The motion was seconded by Eddie Cartwright, and the Utility Board voted unanimously to approve the consent agenda.

A. Approval of the minutes from January 6, 2023

B. Approval of the following written Financial, Electric, and Water/Wastewater Division Reports:

FINANCIAL REPORT

1. **Electric Division December 2022** - During the month of December, the cost of purchased power as a percentage of retail sales was 75.6 percent and can be compared to the budgeted percentage of 74.1 percent for FY 2023. The results for December are electric sales revenue of \$9,954,168, which was offset by a purchased power expense of \$7,521,253. This resulted in an operating margin of \$2,432,915. This is compared to a budgeted margin of \$1,956,259. Operating expenses for the month were \$2,259,128. This is compared to a budgeted operating expense of \$1,912,296. These revenue numbers were driven by a customer base of 33,109. The net income for the month was \$463,272; this can be compared with a budgeted net income of \$215,387.
2. **Water Division December 2022** - For December, water sales revenue was \$1,539,777. This is compared to the budgeted amount of \$1,459,549. Other revenue sources contributed an additional \$177,363 for the month. These revenue numbers were driven by a customer base of 33,661. Operating expenses for the month were \$1,521,093. This is compared to the budgeted amount of \$1,523,514. The division recorded an operating income of \$196,047, which is compared to a budgeted operating income of \$56,048.
3. **Wastewater Division December 2022** - For December, wastewater treatment revenue was \$1,198,046. This is compared to the budgeted amount of \$1,167,320. Other revenue sources contributed an additional \$117,822 for the month. These revenue numbers were driven by a customer base of 20,375. Operating expenses for the month were \$1,203,696. This is compared to the budgeted amount of \$1,221,028. The division recorded an operating income of \$112,172, which is compared to a budgeted operating income of \$27,496.

ELECTRIC REPORT

1. An update was provided for the ongoing Lang Street Substation Rebuild Project. Due to wet weather and the holiday season, not much progress was realized for the month of December. The underground 13 kV conduit system is anticipated to be installed in January followed by the concrete curbing around the perimeter of the site. Once complete, gravel will be spread over the entire substation yard. This will keep wet weather from hindering CU from working at the site and allow for the switch installations, bus work, and other remaining equipment.
2. Engineering released a work order to connect the service for the third building at the new Ironcraft facility on 20th Street NE. At this time, the electric demand is low as the buildings are mostly used for storage. The company has large equipment on order to be installed in the buildings in 2023. Once the equipment is installed, the transformer serving the three buildings will be upsized (the transformer providing service to the three buildings was originally sized for warehouses only). Engineering has also been working with the electrical contractor regarding the electric service to a larger fourth building, which is scheduled to have a 6000 amp, three phase, 277/480-volt service. For this large service, CU plans to install primary metering for the facility and at least one

additional large transformer. Details were still being worked out in December. It is anticipated crews will begin installing facilities at the site in the spring of 2023.

3. Engineering continues to purchase and install fiber optic cable hardware in CU's new bunker room. This will eventually allow for CU to relocate and secure its internal fiber network. Once all hardware and cable are in place, the fiber connections will be rerouted to the new room, which is in a more secure location with the ability to expand and survive severe weather events.
4. Engineering and operations personnel enacted Step 50 of the Emergency Load Curtailment Plan as mandated by TVA over the Christmas holiday weekend. Based on several years of training and mock scenarios, staff followed the plan as expected with 15-minute rolling blackouts and achieved the load curtailment needed by TVA. These steps were necessary to maintain overall grid system stability.
5. CMS Utility Solutions installed the last set of pole racks at the Harrison Building. All poles, except for some specialty poles, will now be located at the Harrison Building campus and can be found in a better arrangement to access with large trucks.
6. Terex submitted final drawings and pictures of the new Unit #117 "The General" line truck. These were reviewed with the Garage foreman and line crew to note changes, which were then submitted to Terex and approved on an official change order. This truck is tentatively scheduled to arrive late January or early February.
7. Al Butler, a long-term crew foreman, retired at the end of December. Butler's retirement reception will be at the Tom Wheeler Training Center on Monday March 6, from 2:30 p.m. to 3:30 p.m. His position was posted, and interviews will be conducted in January for his replacement.
8. A comprehensive Reliability Statistics report for 2020 through 2022 was presented:
 - The ASAI (Average Service Availability Index) statistic is the percentage of time the system was available through the year. CU achieved 99.9494 percent in 2022 compared to 99.9837 percent in 2021 and 99.9749 percent in 2020.
 - CAIDI (Customer Average Interruption Duration Index) is defined as the average length of time that a customer's outage lasts in minutes. CU per customer average was 96.32 minutes in 2022, 68.74 minutes in 2021, and 64.12 minutes in 2020.
 - SAIDI (System Average Interruption Duration Index) is the average outage duration for each customer served. CU's total was 264.96 minutes in 2022, compared to 77.90 minutes in 2021 and 131.53 minutes in 2020.
 - SAIFI (System Average Interruption Frequency Index) is the average number of interruptions that every customer would experience. The average for CU was 2.75 for 2022, compared to 1.13 in 2021 and 2.05 in 2020.
9. An update was presented on traffic lighting:
 - CU's Traffic Signal Coordinator completed five hours of Kinetic Signals training through a Q-Free webinar. This was an extensive overview of the functionalities of the central software used to manage the traffic signal network.
 - CU's Traffic Signal Coordinator submitted a grant application for TDOT'S Traffic Signal Modernization Program. The application seeks to install

Accessible Pedestrian Signals for an existing crosswalk at Keith Street and 17th Street.

- The Traffic Signal Coordinator participated in a focus group discussion for a planning study of Michigan Avenue Road. Several aspects of road safety were discussed. The intersections of 20th Street and Minnis Road were recognized for several needs as well as how heavy truck traffic impacts the narrow roadway.

WATER & WASTEWATER REPORT

1. A preconstruction conference for the Ultraviolet Disinfection Project at the Wastewater Treatment Plant (WWTP) was held on January 12.
2. The WWTP Sludge Management Facilities Project preliminary design is complete. A site visit was made to Lexington's WWTP to evaluate major equipment items.
3. The Sodium Permanganate Conversion at the Water Treatment Plant Raw Water Intake Project preconstruction meeting has been scheduled for January 30.
4. In reference to the Cleveland Filter Plant (CFP) Sodium Hypochlorite (Bleach) Project, TDEC has reviewed the comments. They are now being reviewed by the SRF and Cleveland Engineering Department.
5. Wright Industrial Group has completed 106 hydrants out of a total of 1,000 for phase 2 of the Fire Hydrant Painting Project.
6. A preconstruction meeting for the Dempsey Street Water Booster Pump Station upgrade has been scheduled for January 30.
7. In reference to the Wilkinson Road Sewer Force Main and Pump Station Project, the pump station submittals have been approved. The force main bid was rejected; the developer is contracting the force main construction.
8. The 2010/2012 Annexation Benton Pike/Durkee Road Project has been awarded to Talley Construction. A preconstruction conference has been scheduled for January 30.
9. Engineering is reviewing the following plans:
 - Villa Drive Townhomes – the development comprises 18 units and 165 feet of 8-inch gravity sewer main.
 - Minnis Road Townhomes – the project includes 24 units and 709 feet of 8-inch gravity sewer main.
10. An update was provided for the ongoing Wastewater Rehabilitation Project:
 - Small diameter CCTV work has begun for the Candies Creek SSES Project.
 - LJA crews have completed 1,000 manhole inspections and GPS located 1,494 manholes for the Sanitary System Modeling and Master Plan.
11. The Meter Department set 14 meters through December 2022 compared to 24 for December 2021 and 18 for December 2020. Of the 14 sets, 11 were single family homes and 3 were townhomes.
12. The total amount of rainfall recorded at the CFP as of January 25, 2023, was 5.20 inches for the month. This can be compared to 10.90 inches for the same period in 2013 (highest rainfall totals through January 1997-2023) and 1.45 inches in 2018 (lowest rainfall totals through January 1997-2023). The average rainfall total through January 2023 is 5.08 inches.

- C.** Approval of a purchase order to Southeast Industrial Development Association (SEIDA) in the amount of \$50,978 for the 2023 membership dues. TVA will reimburse CU for 50 percent of the total investment.
- D.** Approval of a change order with WESCO Distribution, Inc., in the amount of \$6,861.12 for 144 electric meters. The original purchase order amount was \$47,726.40. This brings the final purchase order amount after the increase to \$54,587.52. Honeywell has implemented a price increase on all open and new orders necessitating the change order.
- E.** Approval of a purchase order to Power Supply Company in the amount of \$72,520 for 28,000 feet of 2-inch PVC electrical conduit to replenish stock. Power Supply Company submitted the low bid.
- F.** Approval of Amendment No.1, Agreement for Engineering Services, with Consolidated Technologies, Inc., dba CTI Engineers, Inc., in the amount of \$140,000 for additional services as part of the Wilkinson Road Pump Station and Force Main Project. The contract increase is \$15,000 for added Bid and Award services and Construction Administration services. The original contract was approved by the Board on April 22, 2022, at an amount of \$125,000. The project is budgeted for FY 2023.
- G.** Approval to execute a contract with Croy Engineering, LLC, in the amount of \$96,900 for engineering design services for the Bigsby Creek Road Water Line Extension Project. The project will be funded by American Rescue Plan (ARP) funds with matching funds provided by Cleveland Utilities. The Board approved CU's matching funds with Bradley County on October 28, 2022, in the amount of \$681,890.33.
- H.** Approval to execute a contract with Croy Engineering, LLC, in the amount of \$117,600 for engineering design services for the Old Chattanooga Pike Water Line Extension Project. The project will be funded by American Rescue Plan (ARP) funds with matching funds provided by Cleveland Utilities. This is also part of CU's matching funds with Bradley County the Board approved on October 28, 2022.
- I.** Approval to execute a Task Order Agreement with Jacobs Engineering Group, Inc., in the amount of \$229,000 for engineering design services for the TDEC ARP Aging Water Main Replacement Project. The project will be funded by American Rescue Plan (ARP) funds with matching funds provided by Cleveland Utilities. The Board approved CU's matching funds with the City of Cleveland on October 28, 2022, in the amount of \$441,176.47.
- J.** Approval to execute Amendment No. 1 with J.R. Wauford & Company, Consulting Engineers, Inc., in the amount of \$96,000 for a Resident Project Representative during construction for the Ultraviolet Disinfection Facilities Project at the Hiwassee River WWTP. The project is funded by a State Revolving Fund Loan and co-funding provided by Cleveland Utilities.

- K. Approval to purchase I.T. related equipment and software from the National Cooperative Purchasing Alliance (NCPA) on contract #01-86.
- L. Approval to purchase I.T. related equipment and software from The Interlocal Purchasing System (TIPS) Purchasing Cooperative on contract #'s 200105, 200203, and 2105031.

NEW BUSINESS

On motion by Vice Chairman Joe Cate and seconded by Eddie Cartwright, the Board of Public Utilities unanimously voted to approve a quitclaim deed conveying a parcel of property on Candies Lane (Map and Parcel 041 005.08) from the Board of Public Utilities of Cleveland, Tennessee, to the City of Cleveland. The city plans to construct a park on this property named in honor of the late Jim Sharp.

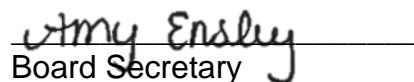
OTHER BUSINESS

Future Board Meeting Dates

Future, scheduled board meeting dates to be held in the Tom Wheeler Training Center are as follows:

- Friday, February 24, 12:30 p.m.
- Friday, March 24, 12:30 p.m.
- Friday, April 28, 12:30 p.m.
- Friday, May 26, 12:30 p.m.

There being no other business, Eddie Cartwright made a motion to adjourn the meeting. David May, Jr., seconded the motion, and the board unanimously voted to adjourn the meeting at 12:56 p.m.


Board Secretary


Board Chairman

February 24, 2023
Date