

**MINUTES OF REGULAR MEETING**  
**CLEVELAND UTILITIES BOARD**  
**January 6, 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; Councilman David May, Jr., Cleveland Utilities Board; and Debbie Melton, Cleveland Utilities Board.

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; Kim Duncan, Electric Operations Manager; Adison Wilson, University of Tennessee, Chattanooga (UTC) Political Science Student; and Tim Siniard, *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag, Kim Duncan delivered the invocation.

**MANAGER'S UPDATE AND ANNOUNCEMENTS**

**Promotion**

Kim Duncan was recently promoted to Electric Operations Manager due to a vacancy in the position from Dean Watson's retirement. Duncan began at CU as a co-op student in 1996, became a full-time employee in 2000, and has a great deal of experience to prepare her for this role. She most recently served as the Operations Engineer and has worked with the crews and alongside Watson since 2012.

**Winter Storm Elliott TVA Load Reduction Events of December 23 & 24**

Henderson provided an update on the intermittent power interruptions that occurred the mornings of December 23 & 24 due to TVA initiating Step 50 of the Emergency Load Curtailment Plan (ELCP). This was the first time in history Step 50 had been instituted. TVA serves over 10 million customers in the Tennessee Valley in collaboration with 153 local power companies (LPC's). During the event, TVA set an all-time record for energy delivery. TVA also set an all-time winter peak power demand record. These record-setting energy demands, combined with the unexpected loss of some of TVA's generation assets, resulted in the necessity for TVA to enact Step 50.

On Friday, December 23, TVA implemented Step 50 and ordered LPC's to reduce electric load by 5 percent. CU began the rolling blackouts at approximately 11:20 a.m., and TVA terminated Step 50 at 12:43 p.m. Roughly one third of CU's customers were impacted on Friday's event. On Saturday, December 24, at 5:51 a.m., TVA again initiated Step 50 and requested for LPC's to reduce electric load by 10 percent. CU began the service interruptions at 6:25 a.m. At 10:30 a.m., TVA called for the load reductions to be reduced to 5 percent and terminated the order entirely at 11:24 a.m. CU's team followed an existing, carefully engineered plan to reduce system load in a controlled fashion. Although Step 50 had never been exercised before, it went really well. CU's team did an outstanding job in executing the plan and following the protocol.

Board members Cartwright and May advised Cleveland Utilities shouldered the responsibility for the curtailments with the public initially. Henderson advised Cleveland Utilities didn't have much notice from TVA, and, therefore, was not able to provide a lot

of notice to customers on these events. However, CU provided the notice as quickly as possible. Henderson said, "It is never our desire not to be able to clearly communicate expectations to our customers." CU relied heavily on social media and local news outlets to communicate updates during the event.

Jimmy Isom then provided an overview of the ELCP and various steps (10, 20, 30, 40, and 50) of the plan. He advised as TVA progresses through these steps, the lower steps stay in effect. The steps progressed very quickly on these two mornings. There were only a few minor issues experienced with CU's equipment, but overall the system performed well under the circumstances. Isom explained cold load pickup and the reasoning for the duration of the curtailments lasting 15 minutes. He also expressed appreciation to the employees for their efforts during the event.

Chairman Ector advised more precursory communication would be beneficial during future extreme weather events.

### **Cold Weather Water Challenges**

There were also challenges associated with water during the cold weather event, and water crews were extremely busy as well. From December 23 to December 28, the temperature lows ranged from 24 to 32 degrees during the day and from 4 degrees to 19 degrees during the night. Overall, CU's system performed very well, and only seven water mains were affected during the period. Customers were also dealing with freezing pipes. As a result, water crews responded to 166 calls over the six-day period. Henderson expressed appreciation to all CU personnel who responded to calls. He said, "we are grateful for their willingness to work during holidays, overtime, and in extreme temperatures. This speaks volumes to quality of employees at CU."

### **Martin Luther King, Jr., Holiday Office Closure**

Cleveland Utilities will be closed Monday, January 16, to observe the Martin Luther King, Jr., holiday. As always, the Call Center will be open and regular emergency/standby services will be maintained 24/7.

### **Chamber of Commerce Annual Meeting**

The Cleveland/Bradley Chamber of Commerce Annual Meeting will be held on Tuesday, January 31, at Westmore Church of God, at 6:30 p.m.

## **CONSENT AGENDA**

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

- A. Approval of the minutes from December 2, 2022
- B. Approval of the following written Financial, Electric, and Water/Wastewater Division Reports:

### **FINANCIAL REPORT**

1. **Electric Division November 2022** - During the month of November, the cost of purchased power as a percentage of retail sales was 75.9 percent and can be compared to the budgeted percentage of 74.1 percent for FY 2023. The results for November are electric sales revenue of \$8,577,922, which was offset by a purchased power expense of \$6,514,286. This resulted in an operating margin of

\$2,063,706. This is compared to a budgeted margin of \$1,783,464. Operating expenses for the month were \$1,829,022. This is compared to a budgeted operating expense of \$1,907,250. These revenue numbers were driven by a customer base of 33,017. The net income for the month was \$519,586; this can be compared with a budgeted net income of \$40,264.

2. **Water Division November 2022** - For November, water sales revenue was \$1,703,292. This is compared to the budgeted amount of \$1,552,808. Other revenue sources contributed an additional \$166,577 for the month. These revenue numbers were driven by a customer base of 33,698. Operating expenses for the month were \$1,599,807. This is compared to the budgeted amount of \$1,542,905. The division recorded an operating income of \$270,062, which is compared to a budgeted operating income of \$137,585.
3. **Wastewater Division November 2022** - For November, wastewater treatment revenue was \$1,250,785. This is compared to the budgeted amount of \$1,206,427. Other revenue sources contributed an additional \$87,120 for the month. These revenue numbers were driven by a customer base of 20,354. Operating expenses for the month were \$1,190,881. This is compared to the budgeted amount of \$1,224,252. The division recorded an operating income of \$147,024, which is compared to a budgeted operating income of \$66,098.

### **ELECTRIC REPORT**

1. An update was provided for the ongoing Lang Street Substation Rebuild Project. Through the month of November, crews continued to assemble the steel structures at the substation. This part of the project will likely take two to three months. Additionally, engineering has been working on plans for the 69 kV and 13 kV circuit layouts around the new station.
2. Engineering was able to program the new remote (SEL RTAC) installed at Mouse Creek Substation. There were issues with the old remote, and funding was set aside this budget year to replace it with a new unit. The change went well and was completed in November.
3. Service to the Sanda Mills apartment complex on Edwards Street NE was connected in early December. The building is an old manufacturing building that has been converted to a 52-unit apartment complex. CU installed a new 3-phase, 150 kVA transformer at each end of the building to provide electric service.
4. Engineering released a work order to connect the electric service to a new Popeye's Restaurant in the Graystan Square Development on Paul Huff Parkway. To provide service, a new 3-phase, 112.5 kVA, 120/208-volt transformer will be installed on the property. The expected demand of the restaurant is 75 kVA.
5. Engineering released a work order to connect the electric service for a new Advance Auto Parts store located next to Popeye's in the Graystan Square Development. The same transformer set for Popeye's will be used to provide service to the Advance Auto Parts. The expected demand of the store is 25 kW.
6. Engineering released a work order to connect the electric service for a new Fast Pace Medical Facility in the Hunting Drive Development on Georgetown Road near the intersection of Paul Huff Parkway. The building requires a 120/240-volt, 400-amp, single-phase service. To provide electric service, secondary wire was installed by Cleveland Utilities from an existing 100 kVA transformer across the street in November.

7. Engineering has been working with a contractor regarding the electric service for the new Champy's Restaurant at Ocoee Crossing. Currently, operations is trying to find conduit to move forward with getting three-phase power to the lot.
8. Engineering has been working with Power Centric Engineering on developing the relay settings for a new recloser that will be installed on 25<sup>th</sup> Street NW (near the Speedway). This recloser will help improve the reliability on circuit M-214, which by customer count, is one of CU's largest circuits. The relay on the recloser is also being set up to accept reverse load in case the direction of current changes during emergency switching. The relay settings were finalized in November. Weather permitting, the plan is to have the recloser installed in December.
9. Engineering released a work order to replace a non-repairable wooden transmission pole at 2201 Blue Springs Road. The pole will be replaced with a 75-foot steel pole. The estimated cost of the project is \$28,166.03. Another work order was released to replace a non-repairable wooden transmission pole at the intersection of Blue Springs Road and 20<sup>th</sup> Street SE. The pole will be replaced with a 70-foot steel pole. The estimated cost of the project is \$23,098.41.
10. Engineering and Operations personnel participated in an ELCP webinar with TVA. After the webinar, CU made changes to the plan, obtained TVA's approval on the changes, and updated all CU manuals. This training was valuable in being able to smoothly implement TVA's recent power curtailment during the cold Christmas weekend.
11. Since the upgrade of the Connexo System, CU's Meter Lab has been working to upgrade the meters in storage to the latest firmware version. However, the lab is limited to performing four upgrades at a time due to only having four test boards. Last week, Honeywell provided a technician to perform these upgrades. While the meter lab's assistance is still needed, the bulk of labor is now being provided by Honeywell.
12. An update was presented on traffic lighting:
  - Engineering released a bid for black traffic signal mast-arm poles at two intersections along Inman Street. Transportation Control Systems, Inc., was the low bid at \$76,923 with a 23-to-25-week delivery. The poles will be installed as part of the Inman Street Road Diet Project.
  - Engineering released a work order to install Wavetronix radar detection for the McGrady Drive approach at Dalton Pike. The existing vehicle loop detection for the dual-left lanes failed and needed to be replaced.
  - Engineering released a work order to replace the flashing LED warning sign on the eastbound approach to the Inman Street railroad overpass. The sign was recently damaged in a crash.

## **WATER & WASTEWATER REPORT**

1. The Wastewater Treatment Plant (WWTP) Spiral Lift Rehabilitation 2022 Project is complete, and the pump is back in service.
2. The design proposal for the Walker Brow Booster Pump Station Alternatives Evaluation Project is being negotiated.
3. In reference to the Wilkinson Road Sewer Force Main and Pump Station Project, the pump station has been awarded. An Amendment No. 1 to Supplemental Development Agreement regarding the sewer force main is on today's consent agenda for board consideration.

4. The 2010/2012 Annexation Benton Pike/Durkee Road Project is to be awarded to Talley Construction in the contract amount of \$3,533,842 pending approval to award from the State Revolving Fund (SRF).
5. The water and sewer main installations are now complete for Hillcrest Landing Subdivision on Pleasant Grove Trail SW and Parkstone Village on Westside Drive at Norman Chapel Road.
6. An update was provided for the ongoing Wastewater Rehabilitation Project:
  - In reference to the Candies Creek SSES Project, night-time flow isolations were performed on two nights recently. Small diameter CCTV work is being assigned based off flow isolation results.
  - The project design for the Candies Creek Rehabilitation Project is complete. LJA is finalizing plans for SRF submittal.
  - LJA crews have completed 862 manhole inspections and GPS located 1,483 manholes for the Sanitary System Modeling and Master Plan.
7. The Meter Department set 29 meters through November 2022 compared to 59 for November 2021 and 29 for November 2020. Of the 29 sets, 18 were single family homes, 8 were townhomes, and 3 were commercial.
8. The total amount of rainfall recorded at the CFP as of December 31, 2022, was 6.02 inches for the month, which brings the total to 58.54 inches for the calendar year. This can be compared to 79.25 inches for the same period in 2020 (highest rainfall totals thru December 1996-2022) and 32.74 inches in 2007 (lowest rainfall totals thru December 1996-2022).

**C. Approval and Acceptance of the Fiscal Year 2022 Audit Report.**

**D. Approval of a purchase order with Dycho Chemical Company in the amount of \$213,544 for the purchase of a three (3) months' supply of chlorine gas and sulfur dioxide. Chlorine will be used at the Cleveland Filter Plant, Waterville Springs, and Wastewater Treatment Plant as a disinfectant for both potable water and wastewater. Sulfur dioxide will be used at the Wastewater Treatment Plant to dechlorinate the wastewater. Chlorine and sulfur dioxide are budgeted for FY 2023.**

**E. Approval of Amendment No.1 to the Supplemental Development Agreement between Cleveland Utilities and 4 Star, LLC. 4 Star, LLC, will act as the developer and will secure a construction contract with Hampton Backhoe Service, LLC, to install 2,750 lineal feet of sewer force main at a price of \$326,325. 4 Star, LLC, will pay \$167,078.40 or 51.2 percent and Cleveland Utilities will pay \$159,246.60 or 48.8 percent of the project cost. The proposed project replaces the previously approved Agenda Item G on the Board's December 2, 2022, meeting. The project is budgeted for FY 2023.**

**OTHER BUSINESS**

**Future Board Meeting Dates**

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

- Friday, January 27, 12:30 p.m.
- Friday, February 24, 12:30 p.m.
- Friday, March 24, 12:30 p.m.

There being no other business, Eddie Cartwright made a motion to adjourn the meeting. Debbie Melton seconded the motion, and the board unanimously voted to adjourn the meeting at 12:57 p.m.

Amy Ensley  
Board Secretary

[Signature]  
Board Chairman

January 27, 2023  
Date