

MINUTES OF FINAL, REGULAR MEETING
CLEVELAND UTILITIES BOARD
October 27, 2023

The final, regular meeting of the Board of Public Utilities was called to order at 12:30 p.m. in Cleveland Utilities' Tom Wheeler Training Center (TWTC).

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

Others in attendance were Tim O. Henderson, President/CEO; Amy Ensley, Utility Board Secretary; John Corum, Administrative Services VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; Walt Vineyard, Executive VP; Kenny Longley, Electric Engineering Manager; John Miles, Customer Service Supervisor; Mayor Kevin Brooks, Utility Authority Board Member; and Tim Siniard, *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag, John Miles delivered the invocation.

PUBLIC COMMENTS - NONE

MANAGER'S UPDATE AND ANNOUNCEMENTS

CU Picnic Report

CU's Annual Picnic was held last Thursday, October 19, and was a success. The weather turned out to be perfect, and there were around 430 in attendance. This is the largest crowd to date. A slideshow highlighting the evening was shown.

CU Service Project Report

Last week, CU's Customer Service, Billing and Call Center teams participated in Service Projects at The Caring Place, New Hope Pregnancy Center, the YMCA YCAP, and City Fields. These are some of the United Way's agency partners, and Kayla Shugart at the United Way helped coordinate these events. Another brief video was shown, and John Miles expounded on the projects. Henderson communicated the importance of employees engaging with community.

Annual United Way Campaign

CU has been a pacesetter company for the United Way (UW) for many years, and campaign employee meetings were held this week. CU was blessed to have Mrs. Kim Brooks and Mr. Andrew Dinsmore in attendance, who are co-chairing this year's United Way fundraising campaign. Doug Berry also spoke to employees about economic development and the impact UW has on the community. CU's committee has set a goal of \$62,000. Last year, employees raised a total of \$64,327.38.

CONSENT AGENDA

Councilman David May, Jr., made a motion to approve the following items from the Consent Agenda. The motion was seconded by Vice Chairman Joe Cate, and the Utility Board voted unanimously to approve the Consent Agenda.

A. Approval of the minutes from September 22, 2023

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

FINANCIAL REPORT

1. **Electric Division September 2023** – During September, the cost of purchased power as a percentage of retail sales was 74.1 percent and can be compared to the budgeted percentage of 74.5 percent for FY 2024. The results for September are electric sales revenue of \$8,853,115, which was offset by a purchased power expense of \$6,556,944. This resulted in an operating margin of \$2,296,172 and can be compared to a budgeted margin of \$2,317,654 for the month. Operating expenses were \$1,866,846. This is compared to a budgeted operating expense of \$2,009,166. The division serviced 33,596 customers during the month. The net income was \$732,909 and can be compared to a budgeted net income of \$585,694.
2. **Water Division September 2023** - For the month of September, water sales revenue was \$1,963,159. This is compared to the budgeted amount of \$2,038,247. Other revenue sources contributed an additional \$294,630 for the month. The division serviced 34,136 customers during the month. Operating expenses were \$1,565,714. This is compared to the budgeted amount of \$1,730,851. The division recorded an operating income of \$692,076, which is compared to a budgeted operating income of \$486,222.
3. **Wastewater Division September 2023** - For the month of September, wastewater treatment revenue was \$1,319,970. This is compared to the budgeted amount of \$1,433,603. Other revenue sources contributed an additional \$191,857 for the month. The division serviced 20,731 customers. Operating expenses were \$1,184,914. This is compared to the budgeted amount of \$1,344,928. The division recorded an operating income of \$326,914, which is compared to a budgeted operating income of \$217,448 for the month.

ELECTRIC REPORT

1. Construction of the new Lang Street Substation continued in September with the installation of the aluminum bus and switches. Next, the 13 kV breakers will be installed as well as the control wiring to the control building and the 13 kV underground primary conductor feeding each outgoing circuit. An issue was experienced with the interrupters for the 69 kV switches located on the incoming 69 kV switch structure. The factory has recalled the SF6 gas arc interrupters on those switches. They were sent back to the factory for replacement; however, during the dialog between CU engineering staff and the factory, CU decided to make the change to their newly available vacuum interrupters. This new design will eliminate the need to maintain and test the interrupters for leaks on a gas that is a government regulated substance. Vacuum has been available for some time at the lower voltages but has only recently been offered for 69 kV applications. The only downside to this decision is that the delivery for these replacements is February of 2024. Since the old adjacent station is still functioning well, there is no immediate need of taking it out of service. The new substation will be finished by the end of the year and once the new interrupters are installed, the old station will be de-energized. The new 69 and 13 kV feeds will then be built, and the new station will be energized in the spring of 2024 while system load is down during milder weather.
2. The fourth building at IronCraft Manufacturing is still under construction. The contractor installed some primary conduit to prepare for the future electric service in September. Additionally, the contractor is preparing for two pad-mounted transformers to be installed for the fourth building, which should be ready for service in the summer or fall of 2024. Electric engineering released a work order to connect

the fire pump station at the site (the pump will have a 125-horsepower motor). CU crews installed a new 50-foot wood pole next to the pump station with a 130-foot, 3-phase overhead line. Three 50 kVA, 277/480-volt overhead transformers were installed on the pole. The contractor installed an underground service line between the pump building and the new pole. Because the pump will rarely run, the company was charged for the material and labor required to provide the electric service. The cost estimate was \$25,000.

3. Duracell Manufacturing has a project in process to add some electrical equipment to their facility on Mouse Creek Road. In September, engineering had several meetings onsite to discuss the conduit installation. A revision was made to the plans to connect the feed for the new 2000 kVA transformer to an existing PMH switchgear instead of a nearby utility pole. Conduit installation to the switchgear should be less complicated. Contractors will continue to work on the installation of the conduit through October. A plan is in place to install the new transformer the Friday following Thanksgiving.
4. The official groundbreaking for SK Food Group occurred at their site in Spring Branch Industrial Park in September. Shortly after the groundbreaking, CU electric engineering met with the contractors onsite to discuss the electric service. The first item discussed was temporary service for construction. The contractor needs a 480-volt, 3-phase service at the site to run construction equipment. A location for the service on the site was chosen, and a work order will be released in October for the installation of the temporary service. Second, the contractor needed some existing guy wires along Innovation Drive to be raised for dirt fill. A plan was formulated for CU crews to install extensions on the guy anchors at the same time as the temporary service installation. Lastly, the main electric service for the site was discussed. The contractor is planning for the site to be ready for electric service in the fall of 2024, and the only items of concern for the project are the 2000 kVA transformers on order. CU has been informed there may be delays in the shipment. Engineering is working with the supplier to make sure they arrive on time. They will also continue to work with the contractor over the next few months as the project progresses.
5. The new Zaxby's Restaurant on Stuart Road has been constructed, and contractors are working on the interior. In September, CU crews set the 75 kVA, 120/208-volt, 3-phase transformer at the site for electric service. The transformer will first be used for temporary power at the site. It was installed on the property line so it can be used to provide service to the lot next door. It will be a few months before the building is ready for electrical service. The total cost to install the 75 kVA transformers was approximately \$20,000.
6. Engineering released a work order to connect a new electric service for the former Discovery Outlet Building next to Don Ledford Automotive Center on North Lee Highway. The owner is splitting the building into two sections and separating the electric service for each. CU crews were able to connect the new service to the existing overhead service line at the building.
7. Improvements to the electric system are being made in preparation for the Distribution Automation Project. The Siemens CMRs (compact modular reclosers) communication gateway installation was completed in September on Clearwater Drive. The gateway communicates to SCADA in dispatch and provides live device status and allows for remote control. Dispatchers and engineers can keep track of

the line amps, fault currents, and operation counts. If the device does trip and lockout for a fault, a text message will be sent to dispatchers and linemen so they can respond quickly and restore power. This is the first installation site for the Siemens CMRs on CU's electric system. The performance of the devices will be monitored and evaluated.

8. An update was presented for traffic lighting:
 - CU engineering continued troubleshooting the interface of Oriux ATC-2000 traffic controller with the Econolite ATC traffic cabinets. The controller works but with too many communication bus errors to be deployed to the field. Several different I/O modules and other controller brands have also been tested. Once the testing is complete, the cabinets will be installed along Inman Street for the Road Diet Project.
 - CU engineering attended the monthly progress meeting for TDOT's SR-60 Road Widening Project. The traffic signal mast-arm foundations will be installed in the coming weeks at several of the intersections. A temporary signal design will be necessary at Paul Huff Parkway and Georgetown Road.
 - CU engineering completed testing of the TS2-2 cabinet that will be set at Paul Huff Parkway and Mouse Creek Road. All the components that do not transfer from the existing cabinet have been installed and tested as well.
 - CU engineering released a work order to install Wavetronix radar detection for the eastbound approach of Paul Huff Parkway at North Lee Highway. This approach was the last one using loop detection at this intersection. The loop detection failed in one of the lanes, prompting the installation of radar.

WATER & WASTEWATER REPORT

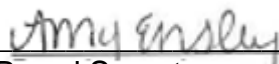
1. The Ultraviolet Disinfection Project at the Wastewater Treatment Plant (WWTP) is ongoing. The contractor is nearing completion on the concrete work and installation of large diameter (48-inch and 64-inch) ductile iron pipe. They are working towards making the critical dry weather tie-in to the existing infrastructure.
2. The Sodium Permanganate Conversion Project at the Cleveland Filter Plant (CFP) Raw Water Intake is approximately 23 percent complete. The building is dried-in, and the interior/exterior painting is complete.
3. The SRF and TDEC have completed the technical review for the CFP Sodium Hypochlorite Project. The SRF loan application has been received, and a resolution is being presented to the Board for consideration in today's authority meeting.
4. The foundation for the Waterville Springs chlorine scrubber has been poured. The scrubber equipment is scheduled to arrive the last week of October.
5. The Dempsey Street Water Booster Pump Station upgrade is progressing. The foundation has been poured and is ready for the new station, which is expected to arrive in late October.
6. In reference to the Wilkinson Road Sewer Force Main and Pump Station Project, the pump station and generator start-ups are complete. Minor punch list items remain.
7. The 2010/2012 Annexation Benton Pike/Durkee Road Project is ongoing. The contractor has completed line D/E and is currently working on line F.
8. Engineering is reviewing the following plans:

- Minnis Road Townhomes (16 townhome units) with a scope of 527 feet of 2-inch PVC water main and 883 feet of 4-inch PVC sewer.
 - Belcourt Landing on Urbane Road & Hardwick Way. The project includes 15 single family lots, 91 townhome units, 308 feet of 2-inch PVC water main, 1,628 feet of 6-inch DIP water main, and 735 feet of 8-inch DIP water main.
9. An update was provided for the ongoing Wastewater Rehabilitation Project:
 - The 2022 Sewer Rehabilitation Project is ongoing. The contractor has completed 8,385 feet of mainline rehabilitation, 85 service lateral rehabilitations, 63 manhole rehabilitations, and 75 cleanout installations during this period. CIPP lining and pipe bursting will be complete the week of October 23rd. The contractors will continue to work on service lateral and manhole rehabilitations.
 10. The Meter Department set 81 meters through September 2023 compared to 40 for September 2022 and 53 for September 2021. Of the 81 sets, 61 were single family homes, 8 were townhomes, 6 were apartments, 2 were irrigation, and 4 were commercial.
 11. The total amount of rainfall recorded at the CFP as of October 26, 2023, was 0.17 inches for the month, bringing the current rainfall total for 2023 to 43.86 inches. This can be compared to 72.87 inches for the same period in 2020 (highest rainfall totals through October 1996-2023) and 23.09 inches in 2007 (lowest rainfall totals through October 1996-2023). Over the last 59 days, there has been no rainfall for 51 of those days. There was 1.2 inches of rainfall over the other 8 days.
 12. The MIB levels at both the 411 Bridge (EUB Intake) and Hiwassee River Intake are 2 ppt per the latest testing results. The levels have been below the threshold at which taste and odor are typically detected (10 ppt) since early August.

C. Approval of Resolution Memorializing the Final Meeting of the Board of Public Utilities of Cleveland, Tennessee.

ADJOURNMENT

There being no other business, Debbie Melton made a motion to adjourn the final meeting of the Board of Public Utilities. Eddie Cartwright seconded the motion, and the board unanimously voted to adjourn the meeting at 12:48 p.m.



 Board Secretary



 Board Chairman

December 1, 2023

 Date