

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
JANUARY 8, 2021

Pursuant to Governor Lee's Executive Order 71, the Board of Public Utilities met at 12:30 p.m. electronically through teleconference. In light of COVID-19 and to help prevent its spread and in order to protect the health, safety and welfare of the public, there was not a physical location for this meeting. The meeting had live audio capability and a recording was made available at www.clevelandutilities.com immediately following the meeting.

The following were present through teleconference: Aubrey Ector, Chairman; Joe Cate, Vice Chairman; Eddie Cartwright, Cleveland Utilities Board; Councilman David May, Jr., Cleveland Utilities Board; Debbie Melton, Cleveland Utilities Board; Tim O. Henderson, President/CEO; John Corum, Administrative Services VP; Amy Ensley, Utility Board Secretary; Jimmy Isom, Electric VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; Walt Vineyard, Executive VP; Brad Hunt, Safety Technician; Mark Lay, Wedgewood Accounting, PLLC; and Tim Rader.

Following the Pledge of Allegiance to the American Flag, Brad Hunt delivered the invocation.

APPROVAL OF MINUTES FROM DECEMBER 4, 2020

Debbie Melton made a motion to rescind her previous vote for the consent agenda on December 4, 2020, and correct the minutes to reflect the appropriate recording of her recusal. The motion was seconded by Eddie Cartwright, and the Board of Public Utilities voted unanimously to approve the minutes as corrected.

MANAGER'S UPDATE AND ANNOUNCEMENTS

Renovation Projects Update

Renovations to both the lobby and water/wastewater operations areas are nearing completion. Robert Roberts, LLC, has done an incredible job on the projects, and the improvements look outstanding. The water & wastewater operations area has not been updated since it was purchased from the former Colloms Plumbing business years ago.

Wastewater Support Building Update

Cherokee Construction continues to move forward on this project despite the inclement weather.

MLK Holiday Closure

Cleveland Utilities will be closed Monday, January 18, to observe the Martin Luther King, Jr., holiday. The Call Center will be open and regular emergency/standby services will be maintained.

CONSENT AGENDA

On motion by Joe Cate and seconded by David May, Jr., the Utility Board voted unanimously to approve the following items from the Consent Agenda.

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

FINANCIAL REPORT

1. **Electric Division November 2020** - During November, the cost of purchased power as a percentage of retail sales was 71.3 percent and can be compared to the budgeted percentage of 76.1 percent for FY 2021. The results for November are electric sales revenue of \$7,006,795, which was offset by a purchased power expense of \$4,994,690. This resulted in an operating margin of \$2,012,105. This is compared to a budgeted margin of \$1,701,274. Operating expenses for November were \$1,805,228. This is compared to a budgeted

operating expense of \$1,848,653. These revenue numbers were driven by a customer base of 32,125. The net income for the month was \$366,607 and can be compared to a budgeted net income of \$1,033.

2. **Water Division November 2020** - For November, water sales revenue was \$1,386,838. This is compared to the budgeted amount of \$1,347,420. Other revenue sources contributed an additional \$139,197. These revenue numbers were driven by a customer base of 32,724. Operating expenses for the month were \$1,382,817. This is compared to the budgeted amount of \$1,356,848. The division recorded an operating income of \$143,218, which is compared to a budgeted operating income of \$118,825.
3. **Wastewater Division November 2020** - For November, wastewater treatment revenue was \$1,129,949. This is compared to the budgeted amount of \$1,096,201. Other revenue sources contributed an additional \$68,864 for the month. These revenue numbers were driven by a customer base of 19,659. Operating expenses for the month were \$1,054,775. This is compared to the budgeted amount of \$1,067,739. The division recorded an operating income of \$144,038, which is compared to a budgeted operating income of \$113,424.

ELECTRIC REPORT

1. An update was provided for the ongoing Cherokee Gateway Substation Project:
Steel Structure: The crews worked to install the aluminum bus on the structure during November. The bus work is expected to be completed by the end of January.
Underground Cable & Pole Risers: The needed material for the underground cable risers has arrived except for the line arrestors. CU engineering is working with Tyco to schedule a training class in January to install the terminators on the 69 kV cable. It is critical for the cable to be terminated correctly for long service life. As part of the cost of the terminators, Tyco will assist with the installation.
 2. In reference to the Lang Street Substation upgrade, CU personnel are reviewing specifications for the power transformers, which will be bid in early 2021. Transformer delivery can range from six months to a year depending on demand. The grade work is anticipated to begin in the spring.
 3. The new conductor for the Lang Street to District transmission line upgrade has been pulled and crews are presently tying in the conductors and installing jumpers & connections. This project is expected to be completed and the line energized by the end of December.
 4. Engineering continued working with Blaine Construction on the future electric service to the new Cannon Automotive facility. In November, the switchgear location was finalized, and details for the conduit were discussed. Engineering issued a work order to install two utility poles on the property. The first pole will have a primary meter, and the second one will have an underground dip for the primary cable going to the switchgear. Installation of the poles will help the contractor with the conduit installation. It will be several months before the overhead/underground conductors and switchgear will be installed.
 5. Construction has commenced for the new Harbor Freight on lot 4 at Graystan Square. The electric conduit for the development has been installed. CU crews installed the #1/0 underground primary. The transformer was sized to provide service to lots 4 and 9. Additionally, the transformer will be used for a temporary construction service for Harbor Freight.
- In connection with Graystan Square, the city is widening a section of Mouse Creek Road near Paul Huff Parkway to add a turn lane. Engineering has been working with city engineering

officials concerning relocation of a utility pole and removal of down guy wires interfering with the project. A plan was formulated to replace the existing pole with a self-supporting one to eliminate the need for the down guys and slightly shift the position of the new pole. Due to the existing pole being several years old, the city will only be charged for the additional cost associated with the installation of the self-supporting pole and not for complete replacement. A work order was issued in November, and the pole is anticipated to be changed out in December.

6. To provide electric service to the new Taco Bell on Paul Huff Parkway near Target, engineering obtained an easement from the owner of the neighboring lot to run an underground electric line from the Electronics Express store to the Taco Bell property. Engineering released a work order to install the needed conduit, underground electric cable, and pad-mount transformer for the new restaurant. Crews began installing the conduit in November, but the underground cable and transformer will not be installed or needed for several weeks.
7. Engineering met with the site foreman for the new Wendy's on Stuart Road to discuss the electric service. Provisions will need to be put in place to serve any future businesses built to the north of the new restaurant along Hardwick Farms Parkway. Engineering is currently working with the contractor to determine the best solution for the electric conduit installation. Due to the low elevation of this lot compared to the Wendy's property near McGrady Drive, CU water and sewer required the developer to install a sewer lift station, which requires three-phase electric service. Engineering will be releasing a work order to install the transformers for the new lift station. The developer will be required to pay for the material and labor for installation of the transformers.
8. The Line Department implemented a crew change effective November 30. The manpower was manipulated to add an additional service crew currently working from the Harrison Building on Freewill Road. The addition of this service crew will hopefully lighten the load of the other service crew and handle smaller jobs not requiring an entire crew at this time. In addition, three members of the Meter Lab also began reporting to the Harrison Building on November 30. This change was made to further separate the crews during the COVID-19 pandemic.
9. The pole testing project began on November 16. The first section included circuits feeding out of the Appalachian, Chatata Creek and Burlington substations. Letters were sent with billing notices to all affected customers to notify of the upcoming work. During November, 588 poles were tested. 10 rejects were identified in this group, and 3 of the 10 were AT&T poles. Cleveland Utilities will make AT&T aware of their failing poles. CU is not treating the AT&T poles but is visually checking all that have CU attachments.
10. A report was presented for traffic lighting:
 - The Traffic Signal Coordinator attended two online training sessions hosted by the Tennessee Traffic Signal Users Group. The first was a basic traffic signal timing seminar and the second was for advanced signal timing.
 - The Traffic Signal Coordinator provided data and requested TDOT to consider a ramp widening project for Exit 27 northbound in December 2019. This project is currently being designed under a safety project, with the city only having to contribute 5 percent of the project cost and the state picking up the other 95 percent. The project will provide safer ramp queuing and provide timing benefits to help with traffic flow along Paul Huff Parkway.

WATER & WASTEWATER REPORT

1. The South Blower Building Motor Control Center (MCC) Replacement Project at the Wastewater Treatment Plant (WWTP) is complete. CU self-performed much of the work.
2. The HVAC improvements at the Cleveland Filter Plant (CFP) are complete except for a few small punch list items.
3. The painting project at the CFP is anticipated to be complete around the middle of February.
4. A project to replace the MCC drive for the raw water pump #1 at the CFP will begin in the near future. The contract amount for the equipment is \$215,497.
5. Hampton Backhoe Service (the subcontractor) has completed grading the access road and site for the Cherokee Gateway Boulevard Water Storage Tank. Stone has been placed on the road. The waterline has also been installed along the access road to the tank. Precon (the tank builder) is mobilizing and accepting materials as they arrive.
6. The easement acquisition is ongoing for the 2010/2012 Benton Pike/Durkee Road Annexation Project. 23 of the 33 easements have been acquired. The services of Cleveland Surveying have been terminated.
7. Hampton Backhoe has completed the sanitary sewer installation for the Veterans Home. The final contract amount of the project was \$73,701.
8. The bid opening for the Ocoee Coffeehouse sanitary sewer project is scheduled for January 13.
9. Hampton Backhoe has completed the Quail Ridge sewer main extension to the Anatole Pump Station in the final amount of \$8,503.
10. The Pleasant Grove Road sewer main extension is complete. The final project amount was \$20,390.
11. Engineering is reviewing plans for the following:
 - Canterbury Ridge Subdivision (Hearthstone Drive Extension) – the project comprises 6 lots, approximately 250 feet of 8-inch PVC gravity sewer and 175 feet of 6-inch PVC water main.
 - Eagle Creek Subdivision, Phase 4 – the project includes 50 lots, an estimated 2,461 feet of 8-inch PVC gravity sewer and 3,100 feet of 6-inch PVC water main.
12. The water and sewer main installations for the following developments under construction have been completed:
 - Graystan Square on Paul Huff Parkway & Mouse Creek Road (4 commercial lots). The contractors installed 850 feet of 8-inch water main and 840 feet of 8-inch sewer main. The developer is LeConte Cleveland, LLC.
 - Cobblestone Ridge on Old Chattanooga Pike. Hampton Backhoe installed 600 feet of 6-inch water main and 600 feet of 8-inch gravity sewer main. D&S Custom Homes, LLC is the developer.
13. An update was provided for the ongoing Wastewater Rehabilitation Project:
 - In reference to the Sycamore Drive and East Keith SSES Project, CCTV work continues and is anticipated to be complete this month.
 - The Basin 10A-8 Phase 2 punch list items have been completed, and the project has been closed out.
 - The contractor is scheduled to begin the Phase 3 Rehabilitation Project on January 11, 2021.

- The materials for the Candies Creek Force Main improvements are on order, and the contractor is scheduled to begin work in January.
14. The Meter Department set 29 meters through November 2020 compared to 28 for November 2019 and 23 for November 2018. Of the 29 sets, 23 were single family homes, 2 were irrigation and 4 were commercial.
 15. The total amount of rainfall recorded at the CFP for 2020 was 79.25 inches, which is 21.95 inches above average. 2020 is now the wettest year on record for the Tennessee Valley.
- B. Approval of a purchase order to Mosaic Corporation in the amount of \$96,274.00 for the DocStar Enterprise Content Management (ECM) solution combined with intelligent data capture (IDC). This product will streamline and organize the existing manual accounts payable (AP) & purchase order (PO) processes through automation technologies. Also, this product will build in additional operational and financial controls to further safeguard assets and assure a consistent application of Cleveland Utilities' purchasing policy. The purchase will include 50 GBs of cloud storage before any additional storage charges accrue. Henderson noted the accounting team has been evaluating various software packages for multiple years to find the right fit for the organization. Staff has also spent a lot of time reviewing and support the DocStar solution. Mosaic is the regional authorized vendor for this product.
 - C. Approval of a purchase order to Honeywell in the amount of \$66,116.96 for the annual software maintenance agreement (SMA) for the advanced metering infrastructure (AMI) system. This is a sole source purchase.
 - D. Approval of a purchase order to S&C Electric Company in the amount of \$91,437.00 for the purchase of a S&C 5-way switchgear. This switchgear will replace the existing spare unit slated to be installed at Cannon Automotive in the Spring Branch Industrial Park. The new switchgear will be the primary replacement for two critical locations on CU's electric system and will be available for emergency replacement or new installations. This item meets all CU specifications, and the purchase is sole source.
 - E. Approval of a purchase order to Dycho Chemical Company in the amount of \$143,766.00 for the annual supply of coagulant, DYPAC 5157 Poly-Aluminum Chloride, for the Cleveland Filter Plant. The purchase is sole source, and the chemical is budgeted for FY 2021.

OLD BUSINESS

Presentation of FY 2020 Audit Report by Mark Lay

Mark Lay, representing Wedgewood Accounting, PLLC, reviewed the Required Auditors' Communications in relation to the Fiscal Year 2020 audit report. He reported the financial statements present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Board of Public Utilities as of June 30, 2020 and 2019. Lay expressed appreciation to Stinnett and his staff for their cooperation and working diligently to provide the requested documents.

Both divisions experienced an increase in net position for the year. The increase in the Electric Division was \$6,553,223, and the Water and Wastewater Divisions was \$4,833,465.

The Other Post-Employment Benefits (OPEB) Trust grew by \$733,346 in FY 2020, largely from employer contributions made to the fund. The 2019 balance was \$1,089,222 and as of June 30, 2020, the balance was \$1,822,568. Lay commended CU for taking steps to fund this liability.

Henderson thanked Lay and his firm for the work they perform. Board members were advised to contact Lay if there are any questions. The acceptance of the audit report will be voted on at the next board meeting.

NEW BUSINESS

Sanitary Survey

Cleveland Utilities' Water System earned a perfect score on the Tennessee Department of Environment and Conservation (TDEC) Sanitary Survey, which reaffirms CU as an "approved" water system. This makes the fourth consecutive year CU has achieved a perfect score.

The sanitary survey is an evaluation and documentation of the water system's capabilities, operations, sources, facilities, treatment processes, equipment, distribution network, monitoring, reporting and data verification, pump facilities, controls and overall management needed to continually provide safe drinking water. It is extensive and comprises 599 possible points. This survey covered the period from December 2018 to October 2020.

"It always makes me so proud to report the hard work of all the team involved in making this possible for our water system," said Henderson. Achieving a perfect score is extremely difficult. This rating is a testament to the dedication, professionalism, and expertise of all the employees involved in this endeavor.

OTHER BUSINESS

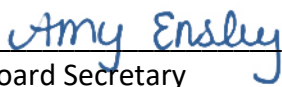
Future Board Meeting Dates


Future scheduled board meeting dates are as follows:

Friday, January 29, 12:30 p.m.

Friday, February 26, 12:30 p.m.

Friday, March 26, 12:30 p.m.


Board Secretary


Board Chairman

1-29-2021
Date

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
JANUARY 29, 2021

Pursuant to Governor Lee's Executive Order 71, the Board of Public Utilities met at 12:30 p.m. electronically through teleconference. In light of COVID-19 and to help prevent its spread and in order to protect the health, safety and welfare of the public, there was not a physical location for this meeting. The meeting had live audio capability and a recording was made available at www.clevelandutilities.com immediately following the meeting.

The following were present through teleconference: Aubrey Ector, Chairman; Joe Cate, Vice Chairman; Eddie Cartwright, Cleveland Utilities Board; Councilman David May, Jr., Cleveland Utilities Board; Debbie Melton, Cleveland Utilities Board; Tim O. Henderson, President/CEO; John Corum, Administrative Services VP; Amy Ensley, Utility Board Secretary; Jimmy Isom, Electric VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; Walt Vineyard, Executive VP; Nathan Vann, Safety Supervisor; and Tim Siniard, Cleveland Daily Banner.

Following the Pledge of Allegiance to the American Flag, Nathan Vann delivered the invocation.

MANAGER'S UPDATE AND ANNOUNCEMENTS

Project Round Up & Community Care Fund Update

CU recognizes the COVID-19 Pandemic has been challenging on different levels for many customers and families in Bradley County. With the recognized added financial impacts that people have and continue to face today, there has been a bit of positive emerge from this crisis. In partnership with Ocoee Connect, CU's Valley Partner TVA, the Project Round Up Program and CU, over 748 households or approximately 1,692 individuals have been able to receive direct assistance with their utility bill and or rent. This is made possible by the tireless work of the staff at Ocoee Connect, Project Round Up funds provided by CU customers, a \$15,000 matching contribution from TVA's Community Care Fund and CU's matching \$15,000 contribution.

Ocoee Connect has received numerous letters of appreciation sharing just how these programs came together to benefit their families per Stephanie Linkous, United Way of the Ocoee Region President/CEO. "In short, these programs have made a difference in the lives of those in need right here in our community. I want to personally thank our Board for supporting our efforts to be a part of this," said Tim Henderson.

In continuing with the success of the TVA/CU partnership, Cleveland Utilities has made application for another round of matching \$15,000 contributions from TVA's Community Care Fund and CU direct matching contribution for 2021. CU hopes to know the status of this application in the coming days and will report back on the expected continued success and betterment of the community.

Presidents' Day Holiday

Cleveland Utilities will be closed Monday, February 15, to observe Presidents' Day. The Call Center will be open and regular emergency/standby services will be maintained.

CU Annual Awards Distribution

CU will be distributing awards for years of service and perfect attendance on Thursday, March 4. Due to the ongoing pandemic, CU will forgo the normal awards banquet. However, 90 employees will receive awards for perfect attendance and 40 individuals will be receiving years of service awards. To highlight a few, one employee has completed 45 years of service, one with 35 years and six with 30

years. In addition, eight employees have achieved 25 or more consecutive years of perfect attendance. Henderson advised this is just an incredible testament to these employees and their loyal and dedicated service to CU and the community.

Meter Set Report

New meter sets throughout both electric and water divisions continue to be strong despite the pandemic.

TVA Annual Report

Henderson noted the TVA Annual Report, which includes great information covering both the history and direction of TVA, was included in board folders for review.

CONSENT AGENDA

On motion by David May, Jr., and seconded by Debbie Melton, the Utility Board voted unanimously to approve the following items from the Consent Agenda.

A. Approval of the minutes from January 8, 2021

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

FINANCIAL REPORT

1. **Electric Division December 2020** - During December, the cost of purchased power as a percentage of retail sales was 70.0 percent and can be compared to the budgeted percentage of 76.1 percent for FY 2021. The results for December are electric sales revenue of \$8,848,157, which was offset by a purchased power expense of \$6,192,235. This resulted in an operating margin of \$2,655,235. This is compared to a budgeted margin of \$2,655,922. Operating expenses for December were \$1,689,666. This is compared to a budgeted operating expense of \$1,853,789. These revenue numbers were driven by a customer base of 32,163. The net income for the month was \$1,122,046 and can be compared to a budgeted net income of \$170,389.
2. **Water Division December 2020** - For December, water sales revenue was \$1,277,831. This is compared to the budgeted amount of \$1,276,849. Other revenue sources contributed an additional \$159,682. These revenue numbers were driven by a customer base of 32,765. Operating expenses for the month were \$1,363,948. This is compared to the budgeted amount of \$1,342,396. The division recorded an operating income of \$71,565, which is compared to a budgeted operating income of \$55,989.
3. **Wastewater Division December 2020** - For December, wastewater treatment revenue was \$1,059,081. This is compared to the budgeted amount of \$1,055,530. Other revenue sources contributed an additional \$81,854 for the month. These revenue numbers were driven by a customer base of 19,687. Operating expenses for the month were \$1,042,132. This is compared to the budgeted amount of \$1,064,314. The division recorded an operating income of \$98,803, which is compared to a budgeted operating income of \$73,025.

ELECTRIC REPORT

1. An update was provided for the ongoing Cherokee Gateway Substation Project:
Steel Structure: By the end of December, the bus work was nearing completion.
Electrical Wiring: The next step for the electricians will include installing conduit throughout the substation along with the wiring and fiber from the breakers and transformers to the control building.

Underground Cable & Pole Risers: TYCO representatives are scheduled to travel to Cleveland Utilities the week of January 25, to train and assist with the installation of the 69 kV terminators. CU crews are working to have the conduit and mounting brackets installed on the poles prior to TYCO's arrival.

2. In reference to the Lang Street Substation upgrade, there are no new updates since the last report.
3. The Lang Street to District transmission line upgrade has been completed and the 69 kV line was placed back in service before the Christmas holiday break.
4. Project Hawk is progressing as scheduled per the contractor. During December, the electrical contractor installed the conduit from the switchgear location to the new utility poles. The contractor also formed and poured the concrete pad for the switchgear. CU engineering is being told the electric service will be needed by the end of March; however, it will be several months after that before the facility is up and running at full capacity. A work order will be released in a few weeks to install the switchgear.
5. Engineering met with CU's water division engineers at the new Cherokee Gateway Boulevard Water Storage Tank in December to discuss the electric service, which will be extremely long (around 1,200 feet from Cherokee Gateway Boulevard). A sector will be installed at a mid-point between the road and tank so a primary cable will not have to be pulled the entire distance. A contractor for the water division will be installing the conduit. The service to the tank will be single phase. CU electric is providing the transformer and 300 feet of cable. The water division will be paying for the remaining 900 feet of cable and the sector at the mid-point. The electric service is anticipated to be installed in a few weeks.
6. CU engineering released a work order to install the transformers and primary for Arbor Hills Subdivision, Phase I, on Young Road SE. CU crews will begin installing the facilities in early January. The developer's next step will be to construct the sewer lift station, and CU electric crews will have to install the three-phase transformer for the pump station.
7. In December, a work order was released to install two new 13 kV distribution switches on the electric system. Both locations will be replacing old switches where each phase is opened individually. The gang-operated switch is operated by a handle and all three phases are opened simultaneously. The new switches can be used to isolate faulted line sections to restore service to customers, and they can also be used to drop load or pick up load during emergencies since they have vacuum interrupters. The switches are expected to be installed in several weeks and will help improve reliability and restoration times during outages.
8. Engineering released a work order to upgrade the existing single-phase line on Hicks Road NE to accommodate an expansion at Triumph Sheets. The project requires the replacement of one pole, the addition of 2,379 feet of overhead primary, 555 feet of underground primary, and a new 1500 kVA transformer. The customer is being billed for the cost of the upgrades and the new transformer.
9. Engineering worked with ESRI representatives to perform an Enterprise Jumpstart software upgrade, which successfully took CU's entire GIS system to the Enterprise platform. This move opens the door for many GIS options including multi-user editing, third party software to expedite workflows, exporting GIS data to AutoCAD and much more. Also set up were three VM servers (one included a new SQL server client where CU's data resides making backups and maintenance easier and more secure). Along with these changes, access to a new product called portal is available, which will enhance CU mapping on the internet/apps and provide more data to employees and customers.

10. A report was presented for traffic lighting:

- A work order was issued to upgrade the traffic cabinet, replace the signal heads, and convert the left turn signals to flashing yellow arrows at Keith Street and Raider Drive. The deterioration of the polycarbonate signal heads prompted this work. Flashing yellow arrows for the left turns and reflective borders for all the signal heads will improve the general safety of the intersection.
- CU's Traffic Signal Coordinator increased the cycle time for the dual left turn lanes turning onto Paul Huff Parkway from Keith Street during the mid-day pattern. This was done by reducing the cycle time allotted to the opposing through lane. Traffic volumes for the dual lefts have increased during the mid-day lunch period requiring this change. No negative impact has been observed of the southbound through lanes during this time.

WATER & WASTEWATER REPORT

1. The painting project at the CFP is still on schedule for completion around mid-February.
2. In reference to the Cherokee Gateway Boulevard Water Storage Tank Project, Precon has completed the underground piping, pouring the tank floor and has started the steel diaphragm. The prestressed concrete tank will be 42 feet tall and 50 feet in diameter.
3. An estimated 390 feet of 6-inch water main will be extended on Spicer Road.
4. The Baugh Springs Water Main Project will comprise roughly 140 feet of 6-inch water main.
5. Angel Construction has completed the Stuart Road Fire Service Project for the total amount of \$12,390.
6. The Robin Hood Drive Sewer Replacement Project has been completed in the final amount of \$27,650. Hampton Backhoe replaced 233 feet of 6-inch main with 8-inch gravity sewer main.
7. CU has completed approximately 95 percent of the design for the Arbor Hills Pump Station force main installation.
8. Engineering is reviewing plans for the following:
 - Graystan Square, Phase 2 - this project comprises 3 commercial lots, 448 feet of 8-inch PVC gravity sewer and 300 feet of 8-inch water main.
 - Ocoee Place Cottages – the project entails 23 private cottages, 200 feet of 8-inch PVC gravity sewer and a master meter for water service.
9. Engineering approved plans for the following:
 - Graywood Farms, Phase 3, on Old Charleston Road – the development includes 14 residential lots and 753 feet of 6-inch water main. Riverstone Construction is the developer.
 - Blue Springs Cove, which includes 7 residential lots and 470 feet of 6-inch water main. Anatoliy Shabak is the developer.
 - Lacy Street Townhomes with a project scope of 7 townhome lots and 220 feet of 2-inch water main. Burris Construction is the developer.
 - Spring Crossing Townhomes on 21st Street SE consisting of 27 townhome lots, 537 feet of 8-inch PVC gravity sewer and 400 feet of 6-inch water main. Blue Coastal Homes is the developer.
10. An update was provided for the ongoing Wastewater Rehabilitation Project:
 - In reference to the Phase 3 Rehabilitation Project, the contractor has begun CCTV of sewer main and laterals. The mainline CIPP is scheduled to begin February 4.

- Some materials for the Candies Creek Force Main improvements have been delivered; CU is awaiting the casing. The contractor is planning to begin work mid-February.

11. The Meter Department set 18 meters through December 2020 compared to 41 for December 2019 and 29 for December 2018.

- C. Approval and acceptance of the FY 2020 Audit Report.
- D. Approval of a purchase order to Southeast Industrial Development Association (SEIDA) in the amount of \$50,978 for the 2021 membership dues. TVA will reimburse CU for 50 percent of the total investment.
- E. Approval of a Resolution authorizing The Cleveland Board of Public Utilities to proceed with eminent domain proceedings against the property owners Brandon Chad McKeel and Karen Elizabeth Wittum. The easement is required for the relocation of electric facilities on this property as part of the TDOT Highway 60 Road Widening Project.
- F. Approval of a purchase order with Baisley's Excavating in the amount of \$60,551 for the installation of approximately 686 feet of 8-inch sewer main and five manholes to serve two pieces of property at 2300 and 2304 Ocoee Street. These properties are located within the city limits and are currently not served with public sewer. This project is budgeted for year FY 2021.
- G. Approval to award a contract to Cleary Construction, Inc., in the amount of \$1,676,953 for the installation of 195 feet of 14-inch DI pipe, 755 feet of 15-inch PVC pipe, 2,350 feet of 12-inch DI pipe, 200 feet of 8-inch DI pipe and 474 feet of 8-inch PVC pipe and 17 manholes. The project crosses Candies Creek and I-75 and is known as the 2019 Annexation Sewer service to Prospect/Hensley Road. The project is budgeted for FY 2021.
- H. The Safety Internal Performance Measures (IPM's) for 2020 are as follows:
 - *OSHA Recordable Incident Rate* (a mathematical calculation that describes the number of employees per 100 full-time employees that have been involved in a recordable injury or illness) – a combined total of 2.27 companywide; 1.55 for the Electric Division; and 3.28 for the Water/Wastewater Divisions.
 - *DART Rate* (a mathematical calculation that describes the number of recordable incidents per 100 full-time employees that resulted in lost or restricted days or job transfer due to work-related injuries or illnesses) – a total of 1.82 companywide; 1.55 for the Electric Division; 2.19 for the Water/Wastewater Divisions.
 - *Lost-Time Case Rate* (a mathematical calculation that describes the number of lost time cases per 100 full-time employees in any given time frame) – a total of 0.00 companywide; 0.00 for the Electric Division; 0.00 for the Water/Wastewater Divisions.
 - *Vehicle Accident Rate* (a mathematical calculation that describes the number of accidents per million miles driven) – a total of 10.05 companywide; 15.75 for the Electric Division; 6.92 for the Water/Wastewater Divisions.

The following data went into the calculations:

- A total of 1,602,977 consecutive hours have been worked companywide without a lost-time injury (LTI). Electric Division employees contributed 1,229,633 of those hours, with the last lost-time injury occurring on November 19, 2015. The Water Division has reached 373,344 hours, with the last lost-time injury occurring on December 7, 2018.
- A total of 226,117 cumulative hours were worked company-wide in 2020. 121 employees in the Electric Division worked 257,687 hours, and 86 employees in the Water Division worked 182,924 hours.
- In addition, a total of 895,223 cumulative vehicle miles were driven by employees in 121 vehicles during the year. 317,389 miles were driven by Electric Division employees and 577,834 miles by Water Division employees.

The below table provides a comparison summary of the IPM data for the last four years:

Year	OSHA – RIR	DART	LTCR	VAR
2017	4.04	2.53	1.01	2.29
2018	2.88	2.40	0.48	2.25
2019	0.48	0.48	0.00	3.67
2020	2.27	1.82	0.00	10.05

OTHER BUSINESS

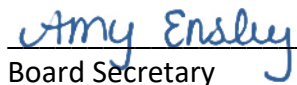
Future Board Meeting Dates

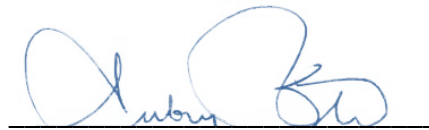
Future scheduled board meeting dates are as follows:

Friday, February 26, 12:30 p.m.

Friday, March 26, 12:30 p.m.

Friday, April 23, 12:30 p.m.


Board Secretary


Board Chairman

2-26-2021
Date

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
FEBRUARY 26, 2021

Pursuant to Governor Lee's Executive Order 71, the Board of Public Utilities met at 12:30 p.m. electronically through teleconference. In light of COVID-19 and to help prevent its spread and in order to protect the health, safety and welfare of the public, there was not a physical location for this meeting. The meeting had live audio capability and a recording was made available at www.clevelandutilities.com immediately following the meeting.

The following were present through teleconference: Aubrey Ector, Chairman; Joe Cate, Vice Chairman; Eddie Cartwright, Cleveland Utilities Board; Councilman David May, Jr., Cleveland Utilities Board; Debbie Melton, Cleveland Utilities Board; Tim O. Henderson, President/CEO; John Corum, Administrative Services VP; Amy Ensley, Utility Board Secretary; Jimmy Isom, Electric VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; Walt Vineyard, Executive VP; Beverley King, Customer Billing Supervisor; and Tim Siniard, Cleveland Daily Banner.

Following the Pledge of Allegiance to the American Flag, Beverley King delivered the invocation.

MANAGER'S UPDATE AND ANNOUNCEMENTS

Lobby Reopening Plan

Henderson announced a phased approach for the reopening of the newly renovated lobby to better serve customers while prioritizing safety during the ongoing pandemic. Effective Monday, March 1st, CU's lobby will reopen to accept walk-in payments. In addition, customers may pick up or drop off an application for service in the lobby with the remainder of the application process being handled over the telephone or online. All other service requests will be handled via telephone or through online services until further notice.

Community Care Fund Phase 2 Approval

This week, Cleveland Utilities received approval notification from TVA for the second phase of the Community Care Fund. TVA's \$15,000 has been mailed to the United Way of the Ocoee Region and CU's matching \$15,000 funds have already been provided to them. Henderson expressed appreciation to the board for supporting CU's efforts as well as TVA for their partnership and investing back into the community.

FY 2022 Budget Process

Work is ongoing for the FY 2022 budget preparation across the organization. The goal is to have everything finalized to present the budget for consideration at the board meeting scheduled for March 26.

CONSENT AGENDA

On motion by David May, Jr., and seconded by Eddie Cartwright, the Utility Board voted unanimously to approve the following items from the Consent Agenda.

A. Approval of the minutes from January 29, 2021

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

FINANCIAL REPORT

1. **Electric Division January 2021** - During January, the cost of purchased power as a percentage of retail sales was 71.7 percent and can be compared to the budgeted percentage of 76.1

percent for FY 2021. The results for January are electric sales revenue of \$8,780,078, which was offset by a purchased power expense of \$6,295,728. This resulted in an operating margin of \$2,484,350. This is compared to a budgeted margin of \$2,189,511. Operating expenses for January were \$1,779,206. This is compared to a budgeted operating expense of \$1,853,789. These revenue numbers were driven by a customer base of 32,143. The net income for the month was \$883,634 and can be compared to a budgeted net income of \$505,601.

2. **Water Division January 2021** - For January, water sales revenue was \$1,300,386. This is compared to the budgeted amount of \$1,324,067. Other revenue sources contributed an additional \$175,008. These revenue numbers were driven by a customer base of 32,714. Operating expenses for the month were \$1,471,845. This is compared to the budgeted amount of \$1,354,814. The division recorded an operating income of \$3,549, which is compared to a budgeted operating income of \$95,284.
3. **Wastewater Division January 2021** - For January, wastewater treatment revenue was \$1,067,954. This is compared to the budgeted amount of \$1,118,329. Other revenue sources contributed an additional \$102,089 for the month. These revenue numbers were driven by a customer base of 19,689. Operating expenses for the month were \$1,081,202. This is compared to the budgeted amount of \$1,076,348. The division recorded an operating income of \$88,842, which is compared to a budgeted operating income of \$128,659.

ELECTRIC REPORT

1. An update was provided for the ongoing Cherokee Gateway Substation Project:
Steel Structure: The steel structure is complete, and all the bus work has been installed.
Electrical Wiring: Crews have installed most of the conduit and pull boxes inside the substation. The next step will consist of installing wiring between the control house, breakers, and transformers.
Underground Cable & Pole Risers: TYCO representatives traveled to CU in January and trained CU personnel on the terminator installation to the 69 kV underground cable that connects the substation to the transmission lines. Prior to TYCO's arrival, CU crews pulled in the underground 69 kV cable at the substation. TYCO stayed on site for several days after the training to further assist and supervise the process. All went well, and the cable has been connected in the substation and to the overhead transmission lines. CU crews also began prep work for installation of the underground 13.2 kV cables at the substation.
2. In reference to the Lang Street Substation upgrade, there are no new updates since the last report.
3. CU crews have completed installation of the equipment and primary meter to provide electric service to Cannon Automotive. The contractor installed their underground cable, and CU crews installed the elbows and connected it to the switchgear while on site. The next step will be to program the meter/switchgear settings and finalize the electric service contract with TVA. These items should be accomplished in February. The facility is not ready for production; however, the electric service will be needed to test electrical equipment as it is installed.
4. Cleveland State personnel contacted CU regarding converting the overhead utility lines to underground along Adkisson Drive near the new Health & Science Building to accommodate a new walking bridge. Engineering is compiling options with cost estimates to present to Cleveland State in early February. When an agreement is finalized, the project will move forward as soon as possible.

5. In January, engineering sent out bid requests for new automatic capacitor bank controllers. These controllers are used to operate capacitor banks (capbanks) located throughout the electric system. During high load conditions, the capacitors need to be online to correct the system power factor. However, during light load conditions, the capacitors need to be offline so that a leading power factor does not occur, and a penalty is charged by TVA. These controllers allow the capacitor bank to be turned on via commands from SCADA or by other means, such as temperature or time. The controllers can also measure the load of the line section they are connected to via a line sensor and turn on and off based upon the measured load. The controller also sends status to SCADA via a 900 MHZ radio so a dispatcher/engineer will know if the capbank is online/offline or if there is an issue with it in the dispatch center. Bids are due in early February, and engineering will order three to replenish inventory.
6. Engineering released a work order for permanent service to the new Cleveland Utilities' Support Facility at 2422 Guthrie Avenue NW. The project will require the installation of a new 112.5 kVA transformer, 870 feet of underground primary, and communications conduit. The estimated cost of the project is \$25,159.82.
7. A report was presented for traffic lighting:
 - The legacy traffic controller at Georgetown Road and Villa Drive was replaced with a Peek ATC 1000 controller. This resolved an issue where occasionally the max timer would reset on Georgetown Road not allowing the signal to turn green for Villa Drive.
 - CU provided the city with an estimate of \$185,000 to rebuild the signal at Paul Huff Parkway & Mouse Creek Road after new lanes are installed. Construction of the mast-arm intersection will begin after the pole drawings are submitted for bid and received to stock, which will be several months at minimum.
 - CU's Traffic Signal Coordinator adjusted the coordination offsets along Paul Huff Parkway to provide better traffic flow during the weekday and weekend patterns. Settings were also applied to allow some intersections to yield the coordination early to serve the side streets faster.

WATER & WASTEWATER REPORT

1. Wright Industrial has completed the headworks piping modifications at the Wastewater Treatment Plant (WWTP).
2. The painting project at the Cleveland Filter Plant (CFP) is now projected for completion around mid-March.
3. In reference to the Cherokee Gateway Boulevard Water Storage Tank Project, the contractor is installing structural steel on the exterior of the steel diaphragm and continuing to work in the winter climate as best they can.
4. Hampton Backhoe has completed the Moore Circle Road water main extension. 125 feet of 6-inch water main was installed in the final amount of \$7,920.
5. The request for bids for the Hensley Road/Freewill Road Water Main Extension Project was advertised on February 19, 2021.
6. Angel Construction has completed the Stuart Road Fire Service Project consisting of a tap, road bore and an estimated 100 feet of 6-inch ductile iron pipe at a total cost of \$12,390.
7. A total of 24 of the 33 easements have been acquired for the 2010/2012 Benton Pike/Durkee Road Annexation Project.
8. The Ocoee Coffeehouse Sanitary Sewer Project is anticipated for completion on February 26.

9. In reference to the 2019 annexation sewer service to the Prospect/Hensley Road area, the easement for Brent and Sonya Crago has been obtained.
 10. Engineering is reviewing plans for Brookmore Subdivision on 22nd Street. The project comprises 66 residential lots, 3,975 feet of 8-inch PVC sewer, 790 feet of 6-inch PVC water main, 1,760 feet of 6-inch water main and 1,430 feet of 8-inch ductile iron water main. Epperson-Allison Homes is the developer.
 11. Engineering approved plans for the Stuart Property Project on Hardwick Farms Parkway at Stuart Road. This is a commercial lot for the new Wendy's restaurant. The project scope is an estimated 225 feet of 8-inch sewer.
 12. The following developments under construction have been completed:
 - Remember Me Assisted Living on King Den Drive. A total of 1,203 feet of 8-inch sewer main was installed.
 - The Lee University Track Sewer and Water Relocation Project comprising 375 feet of 16-inch ductile iron sanitary sewer, 450 feet of 8-inch PVC sanitary sewer, and 450 feet of 12-inch ductile iron water line.
 13. An update was provided for the ongoing Wastewater Rehabilitation Project:
 - Work is complete for the Sycamore Drive and East Keith SSES Project. Final deliverables have been received and waiting to be integrated into GIS.
 - In reference to the Phase 3 Rehabilitation Project, the contractor is scheduled to begin mainline CIPP on March 1.
 - Some materials for the Candies Creek Force Main improvements have been delivered; CU is still awaiting the casing. The contractor is tentatively planning to begin work in March.
 14. The Meter Department set 24 meters through January 2021 compared to 50 for January 2020 and 27 for January 2019. Of the 24 sets, 10 were single family homes, 10 were townhomes, 1 was irrigation and 3 were commercial.
 15. The total amount of rainfall recorded at the CFP as of February 23, 2021, was 4.02 inches for the month. A total of 7.40 inches has occurred this calendar year and can be compared to 19.98 inches for the same period in 2020 and 3.49 inches in 2007.
- C. Approval of a purchase order to Irby Utilities in the amount of \$81,360 for the purchase of two 900 ft. reels of #500 MCM copper triplex underground conductor. This cable will be used at Cleveland State Community College where a section of the overhead line along Adkisson Drive will be converted to underground to accommodate the new walking bridge. Cleveland State will be reimbursing CU for the conductor used at their facility. The remaining wire will be placed in inventory for future projects. Irby submitted the low bid.
- D. Approval of a purchase order to Terex Utilities in the amount of \$419,465 for a 2021 hydraulic digger derrick unit conformed to a 2022 cab/chassis. This is the replacement for the existing unit #117, which is a 2012 model utilized by the Line Department. Terex submitted the low bid that met CU'S minimum specifications. The unit is a budgeted item for FY 2022.
- E. Approval of a purchase order with Dycho Chemical Company in the amount of \$74,800 for the annual supply of corrosion control inhibitor for the Cleveland Filter Plant. The purchase is sole source, and the chemical is budgeted for FY 2021.

- F. Approval of an agreement with HDR Engineering, Inc., at a cost of \$318,750. The services provided will be project management, geotechnical and survey, design, bidding, construction administration and SRF assistance. The project will allow for the conversion of the disinfection system at the Cleveland Filter Plant (CFP) from chlorine gas to liquid sodium hypochlorite (bleach). The project is budgeted for FY 2021 and FY 2022 with anticipated funding by SRF.

OTHER BUSINESS

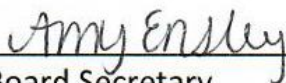
Future Board Meeting Dates

Future scheduled board meeting dates are as follows:

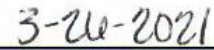
Friday, March 26, 12:30 p.m.

Friday, April 23, 12:30 p.m.

Friday, May 28, 12:30 p.m.


Board Secretary


Board Chairman


Date

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
MARCH 26, 2021

The Board of Public Utilities met at 12:30 p.m. in the Tom Wheeler Training Center (TWTC).

The following were physically present: Aubrey Ector, Chairman; Joe Cate, Vice Chairman; Eddie Cartwright, Cleveland Utilities Board; Councilman David May, Jr., Cleveland Utilities Board; Debbie Melton, Cleveland Utilities Board; Tim O. Henderson, President/CEO; John Corum, Administrative Services VP; Amy Ensley, Utility Board Secretary; Jimmy Isom, Electric VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; Walt Vineyard, Executive VP; Rachel Burris, Customer Billing Supervisor; and Tim Siniard, Cleveland Daily Banner.

In light of COVID-19 and pursuant to Governor Lee's Executive Order 78, the meeting had live audio capability and a recording was made available at www.clevelandutilities.com following the meeting.
The following was present through teleconference: Tim Rader.

Following the Pledge of Allegiance to the American Flag, Rachel Burris delivered the invocation.

MANAGER'S UPDATE AND ANNOUNCEMENTS

COVID-19 Update

Henderson advised CU is still managing well through the pandemic with limited impacts. Vaccines are now available for utility workers. The lobby reopening is going smoothly, and Henderson offered a walk-through of the area for interested board members.

East Parking Lot Addition Completion

The new parking area at the east end of the Power Service Center was recently completed and will greatly benefit the security of CU's fleet and employees working after-hours.

United Way Charlotte Thorogood Woman of Impact Award

Mrs. Deanna Hitch was recently presented the Charlotte Thorogood Woman of Impact Award from the United Way (UW). CU has always led at a high level with the UW by being a pacesetter company, and Deanna has been instrumental in facilitating this effort. CU is very proud of Hitch and how she has poured her heart into the campaign over the years.

Good Friday Holiday

Cleveland Utilities' offices will be closed Friday, April 2, 2021, to observe Good Friday. The Call Center will be open and regular emergency and standby services will be maintained.

Comments from Board Member Eddie Cartwright

Cartwright expressed deep gratitude to Cleveland Utilities on behalf of Life Bridges for use of the TWTC over the last several months for their monthly board meetings during the pandemic to allow for appropriate spacing.

CONSENT AGENDA

On motion by Joe Cate and seconded by David May, Jr., the Utility Board voted unanimously to approve the following items from the Consent Agenda.

A. Approval of the minutes from February 26, 2021

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

FINANCIAL REPORT

1. **Electric Division February 2021** - During February, the cost of purchased power as a percentage of retail sales was 74.3 percent and can be compared to the budgeted percentage of 76.1 percent for FY 2021. The results for February are electric sales revenue of \$8,106,033, which was offset by a purchased power expense of \$6,025,225. This resulted in an operating margin of \$2,080,808. This is compared to a budgeted margin of \$2,173,259. Operating expenses for February were \$1,763,561. This is compared to a budgeted operating expense of \$1,858,928. These revenue numbers were driven by a customer base of 32,266. The net income for the month was \$493,987 and can be compared to a budgeted net income of \$483,496.
2. **Water Division February 2021** - For February, water sales revenue was \$1,289,068. This is compared to the budgeted amount of \$1,253,610. Other revenue sources contributed an additional \$165,659. These revenue numbers were driven by a customer base of 32,789. Operating expenses for the month were \$1,331,213. This is compared to the budgeted amount of \$1,340,390. The division recorded an operating income of \$123,514, which is compared to a budgeted operating income of \$32,544.
3. **Wastewater Division February 2021** - For February, wastewater treatment revenue was \$1,096,868. This is compared to the budgeted amount of \$1,074,554. Other revenue sources contributed an additional \$157,326 for the month. These revenue numbers were driven by a customer base of 19,739. Operating expenses for the month were \$1,022,155. This is compared to the budgeted amount of \$1,072,328. The division recorded an operating income of \$232,039, which is compared to a budgeted operating income of \$85,511.

ELECTRIC REPORT

1. An update was provided for the ongoing Cherokee Gateway Substation Project:
Bus Connections: The crews have been installing jumpers to connect the breakers and transformers to the bus work. The 13.2 kV side of the station is complete, and the 69 kV side is nearing completion.
Electrical Wiring: After the above work is finished, crews will begin installing the wiring between the control house, breakers, and transformers.
Settings for the Overcurrent Relays: Engineering is working with the consulting firm Power Centric to determine the settings for the substation relays. The settings should be ready by the end of March.
Underground Cable and Pole Risers: Line crews have pulled in all the underground 13.2 kV cables between the substation and the overhead line in front of the substation. In March, the crews will install the terminators on the wire and have them prepared to connect the 13.2 kV distribution lines outside the substation.
2. In reference to the Lang Street Substation Upgrade Project, operations personnel are presently assembling bid documents for the site grading, which is expected to be bid by the end of March and awarded in April. Grading is anticipated to begin in late spring or early summer. The power transformer bids have been received and evaluated with the low bid being from Delta Star, Inc. This is a consent agenda item with the details awarding the purchase through the factory representative, KMS Electrical Products.
3. CU completed the last action item at Cannon Automotive for the service to be energized in February. This included programming the primary meter and inserting the overcurrent relay

settings into the switchgear. In mid-February, the switches at the primary meter were closed and the incoming side of the switchgear was energized. This met the deadline requested by the customer. A few days later, one of the outgoing ways was energized per the request of the customer which heated one of the customer-owned 3000 kVA transformers. The customer has been using the service connected to this transformer for power inside the building and testing of equipment. There is a lot of construction left on the building, and it will be several months before any production begins. As the building progresses, the electrical contractor will test equipment as needed, and CU crews will assist with energizing and de-energizing the electric service as needed.

4. In February, Cleveland State personnel selected their desired option and committed to pay CU for converting the overhead line along Adkisson Drive to underground to accommodate their new walkway bridge. CU began ordering the needed material, which included a primary meter cabinet and underground conductor. The lead time is short; however, CU feels confident the material will arrive in time for the conversion to begin in May. This will allow for the structure over Adkisson to begin in June as Cleveland State has scheduled. CU engineering has also been working with Cleveland State's electrical contractor regarding installation of the needed conduit for the underground lines. The plan was finalized in early March, and the contractor should begin this work by the end of March. CU engineering will be releasing a work order to do some preliminary work before the conduit is installed.
5. A work order was released to connect the electric service for a new medical office building at 2020 Westland Drive SW. A single-phase underground primary line and a 50 kVA transformer were installed a few months ago when construction began and used for temporary power. The building is nearing completion and ready for the permanent electric service. The building will have a 1000-amp service and the expected demand is between 40 kW and 50 kW. Therefore, the 50 kVA transformer at the site will be left in service, and CT's will be installed in the transformer to meter the electric service. CU crews will connect the electric service to the transformer and connect the CT wiring.
6. Engineering released a work order to connect the electric service for a new building at Beaty Fertilizer on Michigan Avenue Road NE. The company is expanding their operation, and this building will be used to mix and store fertilizer. The expected demand is 90 kW to 120 kW. CU will be installing a new 150 kVA, 277/480-volt pad-mount transformer and connect the electric service.
7. Contractors of the new Remember Me Assisted Living Facility on North Lee Highway at King Den Drive contacted CU engineering requesting the electric services to some of the buildings be connected. In February, CU engineering released work orders to connect the electric services to the seven buildings on the complex. There are five main buildings where the residents will stay, a maintenance building, and an office building. The five main buildings will each have an 800-amp, 120/240-volt, single-phase service and the other two buildings will have a small single-phase service. The underground primary and single-phase transformers were installed several months ago. The only remaining requirement is to connect the service in the transformers and connect the CT wiring for the meter. The buildings will be connected as they pass electrical inspections.
8. Engineering released a work order to connect the electric service to a new office building for Men and Women of Action on Barnes Street NE. This building is near Lee University and will be used as an office for planning and group meetings. The contractor ran the electric service

to a nearby pole. CU crews will connect the electric service to an existing transformer, which has plenty of capacity to serve the expected 15 kW demand.

9. Construction has begun for a new Wendy's Restaurant on Stuart Road NE near Hardwick Farms Parkway. In February, engineering released a work order to install a new 3-phase, 120/208-volt, 75 kVA transformer on the property that will be immediately used for temporary service and in the future for permanent service. Based on the billing history of other Wendy's on the system, the electric demand of the completed building is expected to be 72 kW. CU also worked with the contractor to install extra conduit along the edge of this property next to Hardwick Farms Parkway to make provisions for future businesses behind this one, which will eliminate the need for CU to dig through this property in the future and disturb landscaping and driveways. The transformer and underground primary should be installed in March.
10. Engineering released a work order to replace two decaying transmission poles on E-674 just east of Michigan Avenue Road NE. These poles were identified by Osmose as needing replacement. The two poles will be replaced with 65-foot and 75-foot steel poles at an estimated cost of \$47,016.10. Additionally, engineering released another work order to replace a decaying transmission pole on E-774 just east of Weeks Drive NE, which was also identified by Osmose as needing replacement. The pole will be replaced with a 75-foot steel pole at an estimated cost of \$23,911.42.
11. A report was presented for traffic lighting:
 - Cleveland Utilities Traffic Signal Coordinator attended several training webinars: Kinetic Signals - the new Advanced Traffic Management System from Q-Free; Miovision on Managing Traffic Signal Networks with their TrafficLink platform; Smartmicro – this is radar detection technology, which is a competitor to the radar CU currently uses; and the Tennessee Transportation Assistance Program conducted training on Making Traffic Signal Data Usable for Agencies.
 - Several advanced controller features were programmed at Ocoee Street & Blythe Ferry Road. These settings have become necessary to combat higher volumes and long queue lengths at the intersection. Dynamic Max was used to allow the max timer to ramp up and down based on the number of cycles a max out occurs. Volume density settings were used to shorten the gap settings as certain approaches get closer to their max setting. Max 2 was programmed for late night hours to reduce the wait time for a detector loop that is in fault.
 - The coordination offsets along Paul Huff Parkway were adjusted to provide better traffic flow during the weekday and weekend patterns. Settings were also applied to allow some intersections to yield the coordination early to serve the side streets faster.
 - Cleveland Utilities and the City of Cleveland worked to produce a proposed signal design for North Lee Highway & Stuart Crossing. The design was provided to TDOT, which will evaluate the intersection for warrant on both volume and safety concerns. This intersection is one of the top intersections requested for signalization in the city.
 - The Traffic Signal Coordinator began working on a signal design for Harrison Pike & Freewill Road at the request of Bradley County. Currently, the intersection has a flashing warning signal. TDOT will evaluate the actuated traffic signal proposal.

WATER & WASTEWATER REPORT

1. The painting project at the Cleveland Filter Plant (CFP) is now projected for completion in April.
2. The contractor is expected to begin the CFP clearwell inspection repairs on March 30. Work is expected to last two to three weeks.
3. CU is presently receiving bids to replace the MCC drive for the raw water pump #1 at the CFP.
4. The Bell Road SE water line extension is 96 percent complete.
5. The bid request for the Hensley/Freewill Road water main extension was advertised on February 19. All bids were rejected.
6. The Spicer Road water main extension has been completed in the total amount of \$9,005, which has been paid to the contractor. The customer is responsible for 100 percent of the project costs.
7. The Baugh Springs Road water main project is complete and final payment of \$8,952 has been made to the contractor. CU will fund 50 percent of the project and the customer will fund the other 50 percent.
8. The notice to proceed for the 2019 Annexation Sewer Service to Prospect/Hensley Road Project was issued for May 10, 2021.
9. The design for the Eldridge Lane sewer main extension is approximately 25 percent complete.
10. Engineering is reviewing plans for Powell Meadows PUD, Phase 1, on Durkee Road. The development consists of 62 lots, approximately 1,992 feet of 8-inch PVC sewer, 870 feet of 8-inch PVC water main, and 1,047 feet of 6-inch PVC water main.
11. Engineering approved plans for Fulbright Crossing, Phase 2, at Shady Lane & Weeks Drive. This is a 15-unit apartment development with roughly 265 feet of 8-inch DIP water main. Blake Allison is the developer.
12. The following developments under construction have been completed:
 - Lacy Street Townhomes with a total of 220 feet of 2-inch water main.
 - Sun Ridge (formerly Timber Ridge Subdivision) comprising 23 lots, 871 feet of 8-inch gravity sewer main and 665 feet of 6-inch water main.
 - Stone Creek Subdivision, Phase 5, on Finnell Road with a project scope of 500 feet of 2-inch PVC force main and 392 feet of 6-inch DIP water main.
13. An update was provided for the ongoing Wastewater Rehabilitation Project:
 - In reference to the Phase 3 Rehabilitation Project, the contractor has completed CCTV of sewer main/laterals and has begun installing cleanouts. Mainline CIPP is scheduled to begin March 29.
 - Materials for the Candies Creek Force Main improvements are on-site. The bore beneath the off-ramp is complete, and the bore beneath the interstate began on March 24.
14. The Meter Department set 40 meters through February 2021 compared to 24 for February 2020 and 27 for February 2019. Of the 40 sets, 28 were single family homes, 3 were townhomes, 7 were apartments, 1 was irrigation and 1 was commercial.
15. The total amount of rainfall recorded at the CFP as of March 26, 2021, was 7.50 inches for the month. A total of 16.24 inches has occurred this calendar year and can be compared to 29.64 inches for the same period in 2020.

C. Approval of a purchase order to Delta Star c/o KMS Electrical Products in the amount of \$1,408,624 for two 15/20/25/28 MVA power transformers to be installed at Lang Street

Substation as part of the rebuild project. These units will replace three existing single-phase units from the late 1950's. Delta Star submitted the low bid meeting CU's minimum specifications. Similar units have been installed in other substations across CU's electric system. This is a budgeted item.

- D. Approval of a purchase order to Terex Utilities in the amount of \$279,203 for a 2022 cab/chassis equipped with a 65-foot aerial device. This unit is a budgeted fleet addition and will be identified as unit #111. The existing unit #108 (a 55-foot bucket truck) will be retained and utilized as a spare. Terex submitted the low bid meeting CU's minimum specifications.
- E. Approval of a purchase order to CHM Industries, Inc., in the amount of \$231,043.73 for 44 galvanized steel poles ranging in heights from 40 to 90 feet. These poles will be used for the transmission line upgrade project from APD-40 & South Lee Highway towards Payne Gap Substation and the remainder will be spares. CHM Industries submitted the low bid.
- F. Approval of a purchase order to Transportation Control Systems, Inc., in the amount of \$63,435 for four mast-arm poles. These poles will be installed at the intersection of Paul Huff Parkway & Mouse Creek Road. The City of Cleveland requested that CU purchase these poles for a future widening project where dual left lanes will be added to Mouse Creek southbound and Paul Huff eastbound. Additionally, dual left lanes and a combination right turn/straight through lane will be added to Mouse Creek northbound. The traffic signal infrastructure at this intersection will be completely rebuilt. Transportation Control Systems submitted the low bid.

OLD BUSINESS

Update to Previously Approved S&ME, Inc., Contracts

Cleveland Utilities had entered into contract with S&ME, Inc., with several sewer collection system related projects. Key staff at S&ME, Inc., left that organization and went to LJA Engineering, Inc. As such, all existing contracts with S&ME, Inc., were assigned to LJA Engineering, Inc., with the consent of Cleveland Utilities. LJA Engineering, Inc., will be completing the remaining scope of work for the agreed upon fee under the same terms and conditions previously agreed with S&ME, Inc.

Update to Previously Approved Eminent Domain Proceedings

Cleveland Utilities was able to successfully acquire the easements from property owners Brandon Chad McKeel & Karen Elizabeth Wittum; Gary & Brenda Voytik; and David & Andrea Rahamut for the TDOT Highway 60 Road Widening Project where eminent domain proceedings were previously requested.

NEW BUSINESS

Presentation and Approval of FY 2022 Budget

President/CEO Tim Henderson opened the budget presentation by commending the executive team and employees for putting together a strong and progressive, but conservative budget. Stinnett also expressed appreciation to the entire team who participated in the budget process. He pointed out there is very little change from last year's projections. The consumption numbers were reduced slightly, which is not indicative of the tremendous amount of growth currently happening in the community but is due to conservation. A comprehensive financial summary of the FY 2022 budget was then presented.

In fiscal year 2022, electric sales volume is projected at 972,900,566 kilowatt hours, water sales volume at 2,767,003,634 gallons and wastewater sales volume at 1,853,511,415 gallons. Total revenue for the electric division is forecast at \$96,089,058. Water and wastewater are collectively \$19,076,116 and \$14,134,537. A breakdown of expenses for the new budget year includes \$92,701,399 in electric, \$17,393,224 in water and \$13,285,714 in wastewater. Fiscal year 2022 reflects net incomes of \$3,387,659 in electric, \$1,682,892 in water and \$848,823 in wastewater. Stinnett noted the net income for wastewater is slightly down from last year's projections; however, this was known and expected due to CU foregoing a rate increase that was projected at this time last year. Investment in new facilities is budgeted at \$11,006,068 in electric, \$9,323,123 in water and \$13,805,913 in wastewater. These numbers are up and part of the progressive year for CU's capital program Henderson alluded to especially in water and sewer. However, Stinnett noted this is the best time to take advantage of extremely low interest rates and should pay dividends to the community in the long term.

Debt at the beginning of FY 2022 is projected at \$14,669,447 in electric, \$26,564,436 in water and \$32,948,723 in wastewater (updated as of the end of last year). New debt is expected to be added in the amounts of \$4,750,000 for electric, \$7,000,000 for water and \$10,000,000 for wastewater. Stinnett added these figures are larger than last year and due to borrowing costs being at a point where it makes sense to borrow the money instead of funding some of these items from existing operations. Payments made on existing debt will total \$1,186,721 for electric, \$2,331,123 for water and \$2,526,652 for wastewater. Debt at the end of FY 2022 is projected to be \$18,232,726 for electric, \$31,233,313 for water and \$40,421,621 for wastewater.

Also in the fiscal year 2022 budget, the number of budgeted equivalent employees is projected at 216. The proposed budget includes a 3.5 percent merit increase for eligible employees with a successful performance evaluation; CU will work with the city on this as they move forward in their budget process. Total payroll for 2022 is calculated to be \$16,902,893.

Next, Stinnett highlighted information for rate increases forecast in the FY 2022 budget. There are no internal rate increases projected in electric for FY 2022. Currently, TVA has not given any indication of a rate increase in their budget. In the water division effective July 1, 2021, a 5.00 percent internal rate increase applied across all customer classes is forecasted, as well as a proposed 1.13 percent pass-thru increase from Hiwassee Utilities Commission for purchased water (this number will get adjusted if HUC adjusts their increase). The rate increase in water equates to an average monthly increase of \$1.12 (based on the projected rate changes on an average residential bill and an average number of units of water). As projected last year, there are no internal rate increases in wastewater proposed in the FY 2022 budget.

Lastly, Stinnett reviewed graphs representing bond coverage for years 2021 to 2031. All years projected for electric, water and sewer are above the mark of 1.25 for most rating agencies and CU's conservative estimate of 1.40.

Next, Jimmy Isom reviewed major electric capital projects in the proposed 2022 budget totaling \$11,006,068. Categories for commercial load additions, industrial load additions, residential (overhead and underground) and street lighting are budgeted based on trending history. The electric budget includes \$600,000 for the double conductor of SC-624, Phase II, from APD-40 & South Lee

Highway to Payne Gap Substation. This phase will include replacing the existing poles and framing for parallel #556 AAC primary conductor to increase capacity on the transmission system. Another major item in electric is replacement of "The General" Unit #117, an existing 2012 model digger derrick truck with 37,072 miles, 7,783 hours, at an estimated amount of \$400,000. Although this unit has fairly low mileage, it has a lot of hours as these trucks sit and idle a great deal of time while being operated. Isom added there will be a long lead time associated with this purchase. Henderson also noted having this heavy-duty piece of equipment in the fleet has been a huge asset over the years and enabled CU to save money by being able to do work that CU would typically have to hire contractors to perform. Another significant project is the Lang Street Substation remodel, Phase II, in the amount of \$2,500,000 (this cost includes the power transformers and the physical substation structure). Lang Street Substation was built in 1956 and completed in 1957 by TVA. CU purchased the substation from TVA. The plan is to build the new substation next to the old one. Once the new station is complete and in service, the old substation would be removed.

Water capital projects in the proposed 2022 budget totaling \$8,840,659 were then highlighted by Craig Mullinax. Key projects in engineering include the North Street water booster station upgrade budgeted in the amount of \$1,000,000. The station currently has two pumps (one rated at 350 GPM & 30 HP and the other rated at 100 GPM & 75 HP). The proposal includes the replacement of three pumps, each rated at 2100 GPM & 125 HP. This will provide additional capacity and greater redundancy. Other items in engineering include the Georgetown Road Water Relocation Project, \$400,000; the waterline relocation for the 17th & 20th Street Sidewalk Project, \$200,000; and the Lower River Road waterline replacement at \$276,000.

Mullinax then reviewed major capital projects at the Cleveland Filter Plant. The first key item includes the conversion from a chlorine gas disinfectant to sodium hypochlorite in the amount of \$580,000 in FY 2022. The plant stores up to 14,000 pounds of chlorine gas which requires compliance with federal guidelines (Risk Management Process Program) and state guidelines (Process Safety Management Program). Hazard risks will be reduced for employees and the community with the conversion to sodium hypochlorite, and it does not require compliance with the federal Risk Management Process and state Process Safety Management Programs. Other key items in the FY 2022 CFP budget include the high service pumps & electrical upgrade design in the amount of \$615,500; the filter backwash catch tank at \$1,180,246; and the Waterville Springs chlorine scrubber at \$400,000.

Additionally, key projects in wastewater were then highlighted by Mullinax. Capital requirements for the wastewater division in the proposed fiscal year 2022 budget total \$13,805,913. In engineering, the 2010/2012 annexation sewer improvements in the Benton Pike & Durkee Road area are budgeted at \$1,670,000. Another major project in engineering is the 2019 annexation of Hensley Road NW (an estimated 3,800 feet of 12-inch gravity sewer main) in the amount of \$1,856,953.

Major budgetary items in wastewater collections-SCOPE 10 are the ongoing sewer rehabilitation projects. The Sewer Rehabilitation Phase III Project (Sycamore Drive, Dalton Pike, South Ocoee Street, Rolling Hills, Edgewood Subdivision) is budgeted at \$2,098,104. Mullinax noted the phases of these projects are dictated by the SRF funding awarded by the state. Also, the Sewer Rehabilitation Phase I Project (Sycamore Drive, Wildwood Avenue and Dalton Pike areas) is included in FY 2022 in the amount of \$3,200,000. A major item at the Wastewater Treatment Plant is the alternative

disinfection project in the amount of \$2,500,000. The WWTP currently uses chlorine gas and will be converting to an ultraviolet (UV) disinfectant. Other notable budgetary items at the Wastewater Treatment Plant include an automated blower control system, \$450,000; and the administration building rehabilitation in the amount of \$140,000.

Mullinax ended his report by informing everyone about an email he received this morning from one of CU's large suppliers. The purpose of the email was to notify their customers about the demand for material and lack of supply as well as extreme price increases since July 2020. There have been some challenges with ordering certain material.

Henderson wrapped up the budget presentation by expressing appreciation to the Utility Board for their support. He stated CU has been blessed to have a trusting utility board and allowing staff to be proactive and prepared to meet future needs ahead of time. Being prepared provides a great opportunity for the utility's success and being able to keep up with the pace being seen. Henderson also advised he is proud of the staff and their vision for the future by focusing on projects that will make a difference for years to come as well as make the infrastructure better and more reliable.

Eddie Cartwright motioned and Debbie Melton seconded for the Utility Board to approve the proposed fiscal year 2022 budget as presented. Board members voted and the motion carried unanimously. The proposed budget will now be presented to the City Council for consideration in the near future.

OTHER BUSINESS

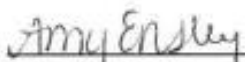
Future Board Meeting Dates

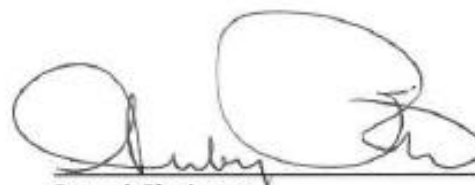
Future scheduled board meeting dates are as follows:

Friday, April 23, 12:30 p.m.

Friday, May 28, 12:30 p.m.

Friday, June 25, 12:30 p.m.


Board Secretary


Board Chairman

4-23-2021
Date

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
APRIL 23, 2021

The Board of Public Utilities met at 12:30 p.m. in the Tom Wheeler Training Center (TWTC).

The following were present: Aubrey Ector, Chairman; Joe Cate, Vice Chairman; Eddie Cartwright, Cleveland Utilities Board; Councilman David May, Jr., Cleveland Utilities Board; Debbie Melton, Cleveland Utilities Board; Tim O. Henderson, President/CEO; John Corum, Administrative Services VP; Amy Ensley, Utility Board Secretary; Jimmy Isom, Electric VP; Greg Clark, Wastewater Collection Manager; Marshall Stinnett, VP/CFO; Walt Vineyard, Executive VP; Chari Buckner, TVA Customer Service Manager; Candyce Hitchcock, TVA Program Manager; and Tim Siniard, Cleveland Daily Banner.

Following the Pledge of Allegiance to the American Flag, Chari Buckner delivered the invocation.

MANAGER'S UPDATE AND ANNOUNCEMENTS

COVID-19 Update

Henderson advised CU continues to manage through the pandemic very well. The vaccination is being encouraged and available to employees who want to take it.

TVA Communicator of the Year Award

Cleveland Utilities received special recognition from the Tennessee Valley Authority (TVA) for helping the agency exceed energy efficiency, renewable and demand response goals through the EnergyRight program. Chari Buckner and Candyce Hitchcock presented CU with TVA's Communicator of the Year Award. This award honored CU for showing great success and enthusiasm in communicating the value of TVA EnergyRight programs and services to the Valley through one or more communication channels. These could include advertising, social media, public relations, community awareness and/or public events. Henderson advised CU is appreciative of the partnership with TVA and the opportunity to collaborate in the social media realm. CU is actively growing its social media presence and being proactive in providing information and communicating with customers through this platform.

CONSENT AGENDA

On motion by Eddie Cartwright and seconded by Debbie Melton, the Utility Board voted unanimously to approve the following items from the Consent Agenda:

A. Approval of the minutes from March 26, 2021

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

FINANCIAL REPORT

1. **Electric Division March 2021** - During March, the cost of purchased power as a percentage of retail sales was 70.9 percent and can be compared to the budgeted percentage of 76.1 percent for FY 2021. The results for March are electric sales revenue of \$7,186,447, which was offset by a purchased power expense of \$5,092,143. This resulted in an operating margin of \$2,094,304. This is compared to a budgeted margin of \$1,896,036. Operating expenses for March were \$1,814,306. This is compared to a budgeted operating expense of \$1,864,065.

These revenue numbers were driven by a customer base of 32,281. The net income for the month was \$460,019 and can be compared to a budgeted net income of \$188,946.

2. **Water Division March 2021** - For March, water sales revenue was \$1,240,445. This is compared to the budgeted amount of \$1,292,917. Other revenue sources contributed an additional \$156,950. These revenue numbers were driven by a customer base of 32,884. Operating expenses for the month were \$1,354,700. This is compared to the budgeted amount of \$1,354,831. The division recorded an operating income of \$42,695, which is compared to a budgeted operating income of \$61,151.
3. **Wastewater Division March 2021** - For March, wastewater treatment revenue was \$1,061,488. This is compared to the budgeted amount of \$1,091,811. Other revenue sources contributed an additional \$96,505 for the month. These revenue numbers were driven by a customer base of 19,783. Operating expenses for the month were \$1,035,514. This is compared to the budgeted amount of \$1,080,001. The division recorded an operating income of \$122,479, which is compared to a budgeted operating income of \$96,434.

ELECTRIC REPORT

1. An update was provided for the ongoing Cherokee Gateway Substation Project:
Bus Connections: The bus work and steel structure are now complete.
Electrical Wiring: Crews have connecting the wiring from the devices to the control house. The connections will be tested in April.
Settings for the Overcurrent Relays: Engineering received the relay settings from Power Centric in March. The settings will be programmed into the relays with final testing to follow.
Site Work: A contractor has started the prep work for the concrete curbing to be installed outside the fenced area. Once complete, the site will be finished with limestone gravel and dressed to final grade followed by landscaping and seeding of grass.
2. In reference to the Lang Street Substation Upgrade Project, the site grading is being awarded to Murray Construction. The item details are outlined in today's consent agenda. Site grading is expected to begin this summer. This contractor also performed the site grading at Cherokee Gateway & Fletcher Substations, and operations personnel have been very satisfied with their work. Additionally, the power transformers are on order with delivery expected in March of 2022. Engineering is preparing to bid the remaining material and equipment needed to finalize the project.
3. The main switchgear for the electric service at Cannon Automotive was energized in February, and construction crews have been using the electric feed to test equipment. CU operations personnel have also been working with TVA to make sure the primary meter is working correctly and communicating with the TVA office. Construction of the building continues, and CU operations will continue to assist with energizing the feeds as needed.
4. CU engineering has continued working out the details with Cleveland State's contractor for converting a section of overhead primary along Adkisson Drive to underground. In anticipation of the upcoming project, CU crews replaced an existing pole where the future underground dip will be located. The contractor has submitted a cost estimate to Cleveland State and is waiting for approval to begin installing the conduit. The projected start date is early May.
5. Engineering released a work order to connect the electric service for the new Harbor Freight store in the Graystan Square development off Paul Huff Parkway. The expected demand of the building is 50 kW. The transformer was oversized in hopes to be used for the neighboring

lot. Although the electric service has been connected, the store is not open for business at this time.

6. Through an existing franchise agreement with Volunteer Energy Cooperative (VEC), Cleveland Utilities purchased customers in previously annexed areas of North Lee Highway. The purchase of VEC's facilities along with customer revenue reimbursement was approved at CU's October 2020 board meeting. Since that purchase, CU has been working through some reintegration changes requested by VEC. As a result, CU will be coming back to the board in the coming months with information on these changes and reimbursement of facility costs that will no longer be required. Part of this will include a joint-use line along North Lee Highway that will be constructed by CU crews. This project will require the purchase of 30 galvanized steel poles which is being requested in today's consent agenda. CU should be able to convert the electric services to these customers by the end of this year.
7. CU engineering submitted a purchase order for two, three phase reclosers manufactured by Southern States. Although this company is relatively new to the recloser market, it has a great reputation for manufacturing high quality products. They quoted a competitive price for the first order. After the devices are received, engineering will determine the best locations for installation. The reclosers will be used to improve system reliability and help move closer to CU's distribution automation goals.
8. A report was presented for traffic lighting:
 - CU engineering and the city's transportation department made a request to purchase a license for traffic modeling software. The existing license has been maintained for many years by the city and has expired. This software provides corridor analysis with signal timing, traffic signal warrants, and video simulation for presentations. Often, TDOT and contracted traffic engineers request these files for evaluation purposes. This is a very useful and needed piece of software which enables traffic engineers to simulate real world traffic conditions and the ability to optimize signal timing and coordination.
 - CU's Traffic Signal Coordinator attended an online seminar on the success of Georgia's Department of Transportation (GDOT) Signal Operations Division. One of many achievements is the use of Intelight's Kinetic software on 7,500 intersections in the state of Georgia. Kinetic Signals is a rebranding of the Central Software that has been evaluated and recommended by Cleveland Utilities.
 - The firmware on all Wavetronix radar signals at the five Bradley County intersections along Lauderdale Memorial Highway has been upgraded. All detection zones and advance sensor settings were adjusted for optimal performance. Controller timing changes were also made at Highway 11 & Lauderdale Memorial.

WATER & WASTEWATER REPORT

1. J.R.Wauford Company has completed the Solids Handling System Study for the Wastewater Treatment Plant (WWTP), and CU has received the final report.
2. Jacobs Engineering has completed the design for the safety platforms and spirolift pumps at the WWTP. Construction will begin in the fall.
3. The design for the ultraviolet disinfection project at the WWTP is nearing completion.
4. Precon Corporation began the clearwell inspection curtain repairs at the Cleveland Filter Plant (CFP) on March 30. Work is anticipated to be complete by May 1.

5. Jacobs has completed the Risk & Resilience Assessment (RRA) draft for the CFP. They are currently working on the Emergency Response Plan (ERP).
6. Precon has completed construction of the Cherokee Gateway Boulevard Water Storage Tank. The piping, fencing, and access road paving remain to be completed.
7. The Hensley Road/Freewill Road Water Main Extension Project is being presented under new business in today's meeting.
8. The Parker Street water main extension has been completed. Approximately 250 feet of 6-inch DIP water main was installed. This includes items associated with the PIE Center.
9. In reference to the 2010/2012 annexation area of Durkee Road/Benton Pike, the easement acquisition is ongoing. The design is complete and being reviewed by the State Revolving Fund (SRF).
10. Engineering is reviewing plans for Falcon Crest Phase 3. The development includes 21 lots and 2,425 feet of 6-inch water main. 4 Star LLC is the developer.
11. An update was provided for the following developments under construction:
 - The Stuart Property Project on Hardwick Farms Parkway & Stuart Road (new commercial lots for Wendy's) has been completed. Hampton Backhoe installed an estimated 225 feet of 8-inch sewer main.
 - The Harvest Grove Subdivision Project on Mouse Creek Road is complete. Hampton Backhoe installed 1,426 feet of 8-inch gravity sewer main, 1,130 feet of 6-inch water main, and 245 feet of 2-inch water main to serve the 36 residential lot development.
 - The Ocoee Place Cottage Project (23 private cottages) is underway. The development will include around 200 feet of 8-inch PVC gravity sewer and a master meter for water service.
12. An update was provided for the ongoing Wastewater Rehabilitation Project:
 - The 9th Street Sewer Replacement Project is complete.
 - In reference to the Phase 3 Rehabilitation Project, the contractor has completed 5,463 feet of mainline rehabilitation, renewal of 16 service laterals and 50 cleanout installations during this period.
 - All bores are complete for the Candies Creek Force Main improvements. Fusing of the new carrier pipe will be performed in the upcoming weeks.
13. The Meter Department set 58 meters through March 2021 compared to 26 for March 2020 and 45 for March 2019. Of the 58 sets, 38 were single family homes, 16 were townhomes, 3 were apartments, and 1 was commercial.
14. The total amount of rainfall recorded at the CFP as of April 21, 2021, was 0.42 inches for the month. A total of 20.07 inches has occurred this calendar year and can be compared to 37.27 inches for the same period in 2020.

C. Approval of Engagement Letter for the Fiscal Year 2021 Audit in the contract amount of \$36,000 with Wedgewood Accounting, PLLC.

D. Approval of a purchase order and contract with Murray Construction in the amount of \$115,737.20 for the Lang Street Substation site work to include excavation, pad construction, temporary and permanent erosion control, rock inside the fence, topsoil and seeding. Murray Construction submitted the low bid with an acceptable timeframe for the work. The project is

budgeted.

- E. Approval of a purchase order to CHM Industries, Inc., dba Keystone Poles in the amount of \$68,705.18 for 30 steel poles to be used on the North Lee Highway joint-use line with Volunteer Energy Cooperative. These poles will replace the dated, existing wood poles along North Lee Highway with engineered steel poles to accommodate the double circuit line. Keystone submitted the low bid meeting CU's specifications with a delivery timeframe of 18 to 20 weeks.
- F. Approval of a purchase order with WESCO Distribution in the amount of \$70,616 for the annual supply of water meter AMI/AMR transmitters and lid covers. The purchase is sole source. The items are budgeted for FY 2022.
- G. Approval to award a project to Hampton Backhoe Service, LLC, in the amount of \$300,978.50 for the construction of the Freewill & Hensley Road Water Main Improvements Project that consists of constructing approximately 3,400 linear feet of 8-inch D.I. water main from the intersection of Freewill Road NW and 22nd Street NW and extending south along Freewill Road and then west along Hensley Road to the annexed property west of 2444 Hensley Road. The project is budgeted for \$165,000 in the FY 2021. The project has been bid two times. The recommendation is to proceed with additional funding coming from the Miscellaneous Waterline Extensions budget for FY 2021 & FY 2022.
- H. Approval of a project with a cost estimate of \$60,000 for the relocation of 285 lineal feet of 8-inch sanitary sewer main. The project needs to be expedited due to the City of Cleveland's sidewalk and storm drainage project that has begun. The project extends along 17th Street from Highland Avenue & Harle Avenue. There are underground conflicts between the storm drainage system and the existing sewer main. The project was not budgeted but will be funded from the Sewer Line Rehabilitation Account.

NEW BUSINESS

On motion by Vice Chairman Joe Cate and seconded by David May, Jr., the Utility Board voted to approve the following items. Debbie Melton recused herself from all new business items due to one of the purchase orders being issued to Don Ledford and her family business potentially submitting bids for the other purchases.

- A. Approval of a purchase order to Lonnie Cobb Ford, LLC, in the amount of \$59,267 for a 2022 model 1-ton cab/chassis equipped with a utility bed. This unit is budgeted and will be shared among line crews during big projects to assist with handling material and equipment. Lonnie Cobb submitted the low bid meeting CU's minimum specifications with an acceptable delivery timeframe.
- B. Approval of a purchase order with Mtn. View Ford in the amount of \$87,324 for the purchase of four (4) 2021 model 2-wheel drive, 1/2 ton extended cab trucks. The trucks are budgeted for FY 2021. Mtn. View Ford submitted the low bid.

- C. Approval of a purchase order with Don Ledford Automotive in the amount of \$78,759 for the purchase of three (3) 2022 model 2-wheel drive sport utility vehicles. The SUVs are budgeted for FY 2021. Don Ledford submitted the low bid.
- D. Approval of a purchase order with Mtn. View Ford in the amount of \$109,520 for the purchase of four (4) 2021 model 4-wheel drive, 1/2 ton extended cab trucks. The trucks are budgeted for FY 2021. Mtn. View Ford submitted the low bid.
- E. Approval of a purchase order with Mtn. View Ford in the amount of \$76,680 for the purchase of one (1) 2022 model 4-wheel drive, 3/4-ton extended cab and one (1) 2022 model 4-wheel drive, 3/4-ton regular cab trucks with service bodies. The trucks are budgeted for FY 2021. Mtn. View Ford submitted the low bid.

OTHER BUSINESS

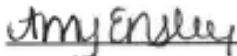
Future Board Meeting Dates

Future scheduled board meeting dates at the TWTC are as follows:

Friday, May 28, 12:30 p.m.

Friday, June 25, 12:30 p.m.

Friday, July 23, 12:30 p.m.


Board Secretary


Board Vice Chairman

5-18-21
Date

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
MAY 28, 2021

A regular meeting of the Board of Public Utilities was called to order at 12:39 p.m. in the Tom Wheeler Training Center (TWTC).

The following were present: Aubrey Ector, Chairman (arrived late); Joe Cate, Vice Chairman (presiding as Acting Chairman due to Chairman Ector being late); 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; John Corum, Administrative Services VP (present through teleconference); Amy Ensley, Utility Board Secretary; Jimmy Isom, Electric VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; Walt Vineyard, Executive VP; Luke Thomason, Distribution Engineer; and Tim Siniard, *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag, Luke Thomason delivered the invocation.

MANAGER'S UPDATE AND ANNOUNCEMENTS

Memorial Day Holiday

Cleveland Utilities' offices will be closed Monday, May 31, to observe Memorial Day. The Call Center will be open and regular emergency and standby services will be maintained.

American Public Power Association (APPA) Reliable Public Power Provider (RP3) Diamond Level Designation

Cleveland Utilities has been designated as a diamond level "reliable public power provider" by APPA. The diamond level designation reflects a perfect score, and this is the second time CU has achieved this level since 2017. Previously, CU had achieved the platinum-level status from 2006 to 2014. Luke Thomason provided an overview of the award, which demonstrates industry recognized leading practices in reliability, safety, workforce development and system improvement. Thomason advised the application process is extensive. The designation is reevaluated every three years. Henderson advised it is impressive to receive an award of this nature and the community will take pride in knowing their power provider is an APPA award level RP3 recognized utility.

Achievement of 1,250,000 Safe Hours in Electric Division

A significant safety milestone of 1,250,000 safe work hours without a lost-time accident has been achieved by Electric Division employees. Henderson stated this goes back to 2015, and he is very proud of this accomplishment. He commended Corum and the safety team for their facilitation of the health and safety area.

TVA Community Energy Campaign

CU has partnered with TVA on a Community Energy Campaign. Phase 1 has launched and includes cobranded messaging on billboards and social media ads to make people aware of the services provided and the value delivered by public power.

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 to approve the consent agenda. Chairman Ector was not present during the vote, but quorum was met.

A. Approval of the minutes from April 23, 2021

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

FINANCIAL REPORT

1. **Electric Division April 2021** - During April, the cost of purchased power as a percentage of retail sales was 72.0 percent and can be compared to the budgeted percentage of 76.1 percent for FY 2021. The results for April are electric sales revenue of \$7,240,269, which was offset by a purchased power expense of \$5,211,890. This resulted in an operating margin of \$2,028,379. This is compared to a budgeted margin of \$1,779,720. Operating expenses for April were \$1,807,507. This is compared to a budgeted operating expense of \$1,869,204. These revenue numbers were driven by a customer base of 32,146. The net income for the month was \$392,186 and can be compared to a budgeted net income of \$62,378.
2. **Water Division April 2021** - For April, water sales revenue was \$1,324,996. This is compared to the budgeted amount of \$1,332,892. Other revenue sources contributed an additional \$156,841. These revenue numbers were driven by a customer base of 32,801. Operating expenses for the month were \$1,352,154. This is compared to the budgeted amount of \$1,369,448. The division recorded an operating income of \$129,683, which is compared to a budgeted operating income of \$90,315.
3. **Wastewater Division April 2021** - For April, wastewater treatment revenue was \$1,118,674. This is compared to the budgeted amount of \$1,091,811. Other revenue sources contributed an additional \$96,505 for the month. These revenue numbers were driven by a customer base of 19,783. Operating expenses for the month were \$1,035,514. This is compared to the budgeted amount of \$1,080,001. The division recorded an operating income of \$122,479, which is compared to a budgeted operating income of \$96,434.

ELECTRIC REPORT

1. The ongoing Cherokee Gateway Substation Project is nearing completion. The electricians have final connections to make inside the control building, and the gravel needs to be placed inside the substation. These items should be completed in May. The next steps will be to program the relays, RTAC (data concentrator) and SCADA so remote status and control of the substation can be achieved from dispatch. Then, the substation will be energized and tested.
2. With the above project nearing completion, engineering is turning focus to the Lang Street Substation Upgrade Project. Lang Street Substation is currently the oldest substation on the electric system and needs a complete rebuild. A new substation will be constructed on the Lang Street property next to the existing station, which will allow for it to remain in service throughout construction. The same layout used at Cherokee Gateway will be used at Lang Street with the only exception being on the 69 kV source side. There are three 69 kV transmission lines that pass by the station site. CU engineering proposed the idea to construct a new switch structure on the source side of the new station to allow the 69 kV transmission lines to be placed in different configurations and allow the station to be fed by any of the three transmission lines. The setup is new to CU, and engineering sought assistance from engineering consultants, Power Centric, to design the structure. This project will enhance reliability by replacing old equipment at the site.

Site Preparation - Site work should begin in June or July. To make way for the grade work, CU engineering released a work order to relocate some of the overhead static wire poles.

Power Transformers – The two power transformers are on order with a scheduled delivery date of March 2022.

13 kV and 69 kV Breakers – Engineering has sent out a bid request for the five 13 kV and two 69 kV breakers. Bids will be received by the end of May.

Steel Structure – Engineering has been working with the consulting firm Power Centric on the steel structure bid package, which includes the design of the substation steel structure and manufacturing of the pieces needed to build the steel structure. Additionally, it includes the steel structures, aluminum bus work, switches, arrestors, foundation drawings, and assembly drawings. The pieces are then sent to CU, and CU electricians assemble the substation. This substation will be unique in that a 69 kV bus switch structure will be installed on the source side of the substation. This will allow the three 69 kV circuits to be tied together in several different configurations. This is the first time CU has installed a box switch structure like this and asked for assistance from Power Centric to design the structure and compile the needed information for the bid request.

3. Construction of Cannon Automotive continues, and there appears to be great progress. There was no work required by CU during April. The electric service is energized, and contractors are using the service for construction and equipment testing. Currently, the electric demand is still relatively low (less than 200 kW). CU anticipates the load to ramp up as equipment is moved in over the next several months.
4. Engineering has been informed by Cleveland State personnel the project to convert the overhead utility lines in front of the campus to underground has been delayed. The anticipated start of the project is now July 1. Cleveland Utilities will continue to work with Cleveland State and their contractor to meet the time schedule as best as possible.
5. Engineering released a work order to connect the service for a new storage building at First Baptist Church. The building will be fed by an existing 277/480 volt 3-phase transformer and will be metered by the existing CT meter on the transformer. The expected demand of the new building is approximately 15 kW, and the only action required by CU was to connect the customer-owned service.
6. As part of the FY 2021 budget, engineering allocated money to purchase 30 Schweitzer Engineering Laboratories (SEL) electronic fault indicators for the electric system. The fault indicators have small radios and report status to a receiver, which in turn reports information to SCADA in dispatch. The main purpose is to assist dispatch with locating a fault if a substation breaker trips. In most applications, they can reduce the outage patrol time in half, which helps identify the trouble area and restore service in a faster manner. In April, CU crews installed the new indicators on ten circuits. This brings the total number of circuits with these fault indicators to 13 (nine indicators were installed in FY 2020 as a test trial). In some of the recent spring outages, the indicators worked correctly and were accurate. They have proved to be helpful in locating the trouble areas. More money has been designated for the FY 2022 budget, and engineering plans to continue to install indicators on more circuits in the coming budget year.
7. Engineering released a work order for an underground service to the new AutoZone on McGrady Drive consisting of 330 feet of new underground primary and a new 45 kVA three phase transformer. The estimated cost of the project is \$7,976.16.

8. Engineering released a work order for underground facilities in the new Magnolia Landing Subdivision on North Ocoee Street. The project will include replacement of a pole, installation of 670 feet of underground primary and two single phase transformers at an estimated cost of \$21,220.55.
9. A report was presented for traffic lighting:
 - A work order was released to install advanced radar detection for the eastbound approach of APD-40 and Spring Creek Drive after the loop detection was found in fault. The westbound approach was previously equipped with advanced radar detection.
 - 13 traffic signals along Inman, Broad, and Ocoee Streets were manually synched with the master controller to restore proper signal progression in the downtown area. A future communications project will be required to restore the automated clock synchronization.
 - Engineering approved manufacturer drawings of the proposed mast-arm poles for Paul Huff Parkway and Mouse Creek Road. The poles are scheduled to be shipped by July 30, and installation will be dependent on roadway improvements to the intersection.
 - Continued growth along the Paul Huff Parkway corridor required an overhaul of the signal timing and coordination of eight signals from the Adkisson & Frontage intersection to Bradley Square Mall. The project was completed in mid-April by CU's Traffic Signal Coordinator. A report with before and after data analysis will be released soon.

WATER & WASTEWATER REPORT

1. The painting project at the Cleveland Filter Plant (CFP) has been completed in the final amount of \$184,442.
2. Precon Corporation has completed the clearwell inspection curtain repairs at the CFP.
3. Preparation of the Emergency Response Plan (ERP) for the CFP is still underway by Jacobs Engineering. Jacobs has completed the Risk & Resiliency Assessment (RRA).
4. Details for the upcoming fire hydrant painting project are under today's consent agenda.
5. An update was provided for the 2010/2012 annexation area of Durkee Road/Benton Pike. 28 of the 33 easements have been acquired, and the design is still under review by the State Revolving Fund (SRF).
6. In reference to the 2019 Hensley Road Annexation Sanitary Sewer Extension Project, Cleary Construction has mobilized and excavated the bore pit for the I-75 interstate crossing. The actual bore is expected to begin next week. Another crew began laying pipe starting at MH 2. The creek crossing is set for late June or July.
7. Engineering is reviewing plans for the following:
 - Creekwood Subdivision on 22nd Street. The development consists of 31 lots, 1,455 feet of 6-inch water main and 2,020 feet of 8-inch gravity sewer main. Epperson/Allison Homes, LLC is the developer.
 - Miller's Landing on North Lee Highway comprising 66 residential lots, 70 feet of 8-inch water main, 2,294 feet of 6-inch water main, 185 feet of 2-inch water main and 2,434 feet of 8-inch gravity sewer. Riverstone Construction, LLC is the developer.
8. Engineering approved the following plans:

- Eagle Creek Subdivision, Phase 4 (50 lots). The development consists of 2,461 feet of 8-inch PVC gravity sewer and 3,100 feet of 6-inch PVC water main.
 - Graystan Square, Phase 2 (3 commercial lots), which includes approximately 448 feet of 8-inch PVC gravity sewer and 300 feet of 8-inch water main.
 - Briar Creek Townhomes, Phase 1 (21 units). Michael Williamson is the developer.
9. The following developments are now under construction:
- Brookmore Subdivision on 22nd Street. The project comprises 66 residential lots, 3,975 feet of 8-inch PVC sewer, 790 feet of 6-inch PVC water main, 1,760 feet of 6-inch water main and 1,430 feet of 8-inch ductile iron water main.
 - Powell Meadows PUD, Phase 1, on Durkee Road. The development consists of 62 lots, approximately 1,992 feet of 8-inch PVC sewer, 870 feet of 8-inch PVC water main, and 1,047 feet of 6-inch PVC water main.
 - Villa Drive Townhomes comprising 8 townhome lots, 90 feet of 8-inch gravity sewer main and three new services.
10. An update was provided for the ongoing Wastewater Rehabilitation Project:
- In reference to the Phase 3 Rehabilitation Project, the contractor has completed 7,507 feet of mainline rehabilitation, renewal of 49 service laterals and 56 cleanout installations during this period.
 - The 17th Street Sewer Improvements Project was approved at the last board meeting. Actual bid costs came in at \$53,925. Manholes are being made, and work will begin next week.
11. The Meter Department set 64 meters through April 2021 compared to 37 for April 2020 and 36 for April 2019. Of the 64 sets, 38 were single family homes, 8 were townhomes, 16 were apartments, and 2 were commercial.
12. The total amount of rainfall recorded at the CFP as of May 26, 2021, was 2.97 inches for the month. A total of 24.25 inches has occurred this calendar year and can be compared to 43.77 inches for the same period in 2020 (largest rainfall totals thru May from 1996-2021) and 9.79 inches in 2007 (lowest rainfall totals thru May of 1996-2021).
- C.** Approval of an agreement and two purchase orders with Wolf Tree, Inc., for vegetation management services for the period of July 1, 2021, through June 30, 2024. This contract includes lump sum amounts for specific circuits and hourly rates for various “hot spot” tree work and emergency storm work. The first purchase order is for the lump sum circuit total for all three years in the amount of \$3,621,538. The second purchase order is for projected costs for both hourly and tree removal rate totals for the first year (July 1, 2021, to June 30, 2022) in the estimated amount of \$375,000. This contract will be evaluated after the first year and if work has been completed satisfactory to CU, a yearly extension will be granted. This same process will be repeated for the final year of the contract. Four bids were received, and Wolf submitted the low overall bid.
- D.** Approval of a budgeted purchase order to Substation Engineering & Design Corporation in the amount of \$677,343 for the substation structure package at Lang Street Substation. This price includes the supply of all supporting steel structures, switches, insulators, mounting hardware and assembly drawings. The quote also includes the design and materials for a special 69 kV switch structure that will be unique to Lang Street Substation. Substation Engineering & Design

Corp. submitted the low bid meeting CU's required specifications.

- E. Approval of a purchase order to ABB, Inc., c/o Ruffin and Associates in the amount of \$117,011 for five 13 kV ABB breakers for Lang Street Substation. Four of these breakers are distribution circuit breakers while the fifth one will serve as a bus tie breaker. ABB submitted the low bid meeting CU's specifications and identical units have been installed across the electric system. This is a budgeted purchase.
- F. Approval of a purchase order with Brenntag Mid-South in the amount of \$347,441.25 for the annual purchase 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 to remove the chlorine at the Wastewater Treatment Plant.
- G. Approval of a purchase order with Jackie Evans Trucking Company in the amount not to exceed \$94,350 for the removal of alum sludge, approximately 555 loads, from the Cleveland Filter Plant. The service period is from July 1, 2021 - June 30, 2022. The service is budgeted for FY 2022 and is sole source.
- H. Approval of a purchase order with HL Management Services, LLC, in the amount of \$106,478.62 for the installation of approximately 1,100 lineal feet of 6-inch and 8-inch ductile iron water main along 20th Street NE between Church & Parker Streets and along 17th Street NE between Highland & Harle Avenue. The City of Cleveland is replacing existing storm drains with new storm drains which requires the relocation of the water main to the middle of the travel lane. The project is budgeted for FY 2021 and FY 2022.
- I. Approval of a purchase order with Wright Industrial Group, LLC, in the amount of \$120,969.24 for the painting of approximately 1,012 fire hydrants of CU's approximately 2,900 fire hydrants. This project is Year 1 of a 3-year project and is budgeted for FY 2021 and FY 2022.
- J. Approval of an amendment with LJA Engineering, Inc., to add additional scope associated with the design, permitting and easement preparation for the Durkee Road Sewer Extension Project for an increased cost of \$34,558.75 to a revised contract amount of \$156,108.75.

Comments from CU Staff

Craig Mullinax commented there has been a 36 percent price increase in chlorine since last year and is due to demand and inflation. Isom also added the Electric Division has seen large price increases in several items as well.

OTHER BUSINESS

Future Board Meeting Dates

Future scheduled board meeting dates at the TWTC are as follows:

- Friday, June 25, 12:30 p.m.
- Friday, July 23, 12:30 p.m.
- Friday, August 27, 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 utility board unanimously voted to adjourn the meeting at 1:07 p.m.

Amy Enslay
Board Secretary

[Signature]
Board Chairman

6/25/2021
Date

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
JUNE 25, 2021

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

The following 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; John Corum, Administrative Services VP; Amy Ensley, Utility Board Secretary; Jimmy Isom, Electric VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; Walt Vineyard, Executive VP; Nick Romito, Vegetation Management Director; Dean Watson, Electric Operations Manager; and Allen Mincey, *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag, Nick Romito delivered the invocation.

MANAGER'S UPDATE AND ANNOUNCEMENTS

Reappointment to Utility Board

Henderson congratulated Chairman Ector on his reappointment to the board.

Independence Day Holiday

Cleveland Utilities' offices will be closed Monday, July 5, to observe Independence Day. The Call Center will be open and regular emergency and standby services will be maintained.

Tree Line USA Recognition

Once again, Cleveland Utilities has been designated as a Tree Line USA utility by the Arbor Day Foundation for the 21st consecutive year. This award recognizes utilities that demonstrate best practices in quality tree care, all while delivering safe & reliable electric service. CU's Vegetation Management Director Nick Romito explained the standards for the certification and the vegetation management program. He pointed out preserving the health and prolonging the life of trees is the main objective in trimming trees around power lines to obtain the necessary clearance. Henderson stated this speaks volumes for what CU's operations area has done over the years and what this means to the community.

CONSENT AGENDA

Vice Chairman Joe Cate 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 May 28, 2021

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

FINANCIAL REPORT

1. **Electric Division May 2021** - During May, the cost of purchased power as a percentage of retail sales was 74.5 percent and can be compared to the budgeted percentage of 76.1 percent for FY 2021. The results for May are electric sales revenue of \$7,471,709, which was offset by a purchased power expense of \$5,565,796. This resulted in an operating margin of \$1,905,913. This is compared to a budgeted margin of \$1,738,507. Operating expenses for May were \$1,860,885. This is compared to a budgeted operating expense of

\$1,874,341. These revenue numbers were driven by a customer base of 32,437. The net income for the month was \$220,724 and can be compared to a budgeted net income of \$14,216.

2. **Water Division May 2021** - For May, water sales revenue was \$1,367,656. This is compared to the budgeted amount of \$1,390,855. Other revenue sources contributed an additional \$183,459. These revenue numbers were driven by a customer base of 33,080. Operating expenses for the month were \$1,328,530. This is compared to the budgeted amount of \$1,388,795. The division recorded an operating income of \$222,585, which is compared to a budgeted operating income of \$134,446.
3. **Wastewater Division May 2021** - For May, wastewater treatment revenue was \$1,121,074. This is compared to the budgeted amount of \$1,121,697. Other revenue sources contributed an additional \$87,948 for the month. These revenue numbers were driven by a customer base of 19,904. Operating expenses for the month were \$1,006,079. This is compared to the budgeted amount of \$1,094,454. The division recorded an operating income of \$202,943, which is compared to a budgeted operating income of \$114,184.

ELECTRIC REPORT

1. The ongoing Cherokee Gateway Substation Project is nearing completion. Substation personnel have completed the wiring in the control building and have pulled off the job to perform scheduled routine maintenance and testing at various other stations. CU is presently waiting on the grading contractor to spread gravel inside the station, which should be completed by the end of June. The next steps will consist of programming the relays, RTAC (data concentrator), and SCADA. Then, the substation will be energized, tested, and placed in service.
2. An update was provided for the following components of the Lang Street Substation Upgrade Project:
 - 13 kV breakers –The 13.2 kV breakers are on order with expected delivery in November or December.
 - 69 kV breakers – The 69 kV breakers are an agenda item in today’s meeting.
 - Steel Structure – The steel structure is on order and expected to arrive in October or November.
 - Ground Grid Design – In May, Power Centric measured the soil resistance at the new site to determine the ground grid design. The final design was then sent to engineering in early June, and operations will be ordering the associated material.Operations switched the station out of service to reconfigure the existing overhead static lightning protection system. The existing poles as well as the ones utilized for lineman training have been removed to allow the grade work to begin. The site work is expected to begin by the middle of July.
3. Engineering released a work order to install new S&C TripSavers in five locations around the electric system. These electronic devices open and reclose if a fault occurs downline from the device. This helps clear temporary faults and prevent extended long-term outages. They also help isolate smaller sections of the circuit to prevent the rest of the circuit from seeing temporary operations and permanent outages. Additionally, they have a communication device that allows their status to be monitored in SCADA.
4. CU worked with TVA to take the East Cleveland 13 kV Substation out of service to isolate one section of 69 kV circuit E-774 running along Paul Huff Parkway. This allowed TVA to

pull another section of fiber in. Once TVA completed their work, East Cleveland was immediately switched back to normal configuration. Cleveland Utilities has already assisted TVA on a couple of other occasions with this same fiber project. This is part of TVA's communications upgrade that connects their fiber hub inside the East Cleveland delivery station to their new service center being constructed on Highway 58.

5. Engineering released a work order to provide electric service to a 23-unit residential development on Ocoee Place NW. The development will require the installation of four new single-phase, pad-mount transformers and 525 feet of underground primary at an estimated cost of \$29,579.77.
6. Cleveland Utilities, along with the city and county, have elected to purchase GIS imagery needs through Nearmap. CU has been on schedule to purchase imagery on a three-year interval at a cost of approximately \$85,000, which has always been shared by the three entities. There are several benefits to using the Nearmap platform. The first is ease of access. Imagery will be able to be fetched across the internet for both local and remote viewers and editors. There will not be a need for CU to house the data, thus reducing IT infrastructure. The data will also be received in hard copy form allowing redundancy to access in case of internet connection failure. Second, in collaboration with the county and city GIS Departments, costs will be split proportionally just as they have in past purchasing of custom acquisitions. Third, administration and acquisition time in the preparation of scope and bidding of imagery projects will be reduced. Lastly, the maps will be updated every year instead of every three years, and the yearly cost will be less than the previous system.
7. A report was presented for traffic lighting:
 - CU's Traffic Signal Coordinator was interviewed by the Associate Dean for Research at the University of Memphis, and the discussion revolved around traffic signal operations in the state of Tennessee. The research will lead to training development across the state.
 - A work order was released to replace two rotten poles, deteriorating signal heads, and the signal conductor at the intersection of Keith Street & Willow Avenue. Flashing yellow arrows were added to the left turn lanes from Keith Street at Willow and backplates with 2-inch reflective borders were added to all signal heads to improve safety.
 - Bradley County was selected for a pilot program with TDOT's Traffic Operations Division. The Traffic Signal Modernization and Maintenance Program will inventory signals along state routes. New equipment will be provided for any identified deficiencies.

WATER & WASTEWATER REPORT

1. HDR has completed 30 percent of the design drawings for the Cleveland Filter Plant (CFP) sodium hypochlorite (bleach) project (alternative disinfection).
2. In reference to the ongoing Cherokee Gateway Boulevard Water Storage Tank, the tank and piping are complete. The access road has been paved with an asphalt binder and curbing installed. A final asphalt topping will be laid soon. The fence remains to be installed.
3. Wright Industrial Group has painted 90 (8 percent) of the 1,112 fire hydrants.

4. CU has completed the design for the 17th & 20th Streets water main relocations. The project currently includes an estimated 830 feet of 6-inch DIP and 340 feet of 8-inch DIP. Additional relocations may be required.
 5. The 22nd Street annexation area water main extension design is complete and includes 830 feet of 8-inch DIP.
 6. The Rakestraw Road water main extension design is 25 percent complete. The project scope is approximately 175 feet of 6-inch water main.
 7. In reference to the 2019 Hensley Road Annexation Sanitary Sewer Extension Project, the contractor has installed 800 feet of sewer main from manhole 2-4. In addition, 345 feet of 385 feet of casing has been installed at the interstate bore.
 8. The Holloway Road/Industrial Drive annexation sewer area comprises 500 feet of 8-inch gravity sewer main.
 9. The Tillie Road sewer annexation area includes an estimated 200 feet of 8-inch gravity sewer main.
 10. Hampton Backhoe has completed the relocation of 400 feet of 8-inch gravity sewer main on 17th Street. The project contract amount was \$53,925.
 11. Engineering is reviewing plans for The Trails @ Freewill Subdivision. The development includes 4,723 feet of 6-inch water main and 5,849 feet of 8-inch gravity sewer main. Pratt and Associates is the developer.
 12. The following developments under construction are complete:
 - Graywood Farms, Phase 3, on Old Charleston Road. The development comprises 14 residential lots and 753 feet of 6-inch water main.
 - Villa Drive Townhomes (8 townhome lots) with a project scope of 90 feet of 8-inch gravity sewer main and three new services.
 13. An update was provided for the ongoing Wastewater Rehabilitation Project:
 - In reference to the Phase 3 Rehabilitation Project, the contractor has completed 3,960 feet of mainline rehabilitation, renewal of 29 service laterals, 33 manhole rehabilitations and 7 cleanout installations during this period.
 - The 17th Street sewer improvements installation is complete; cleanup work remains.
 14. The Meter Department set 38 meters through May 2021 compared to 38 for May 2020 and 40 for May 2019. Of the 38 sets, 25 were single family homes, 9 were townhomes, 1 was an apartment, and 3 were commercial.
 15. The total amount of rainfall recorded at the CFP as of June 21, 2021, was 4.98 inches for the month. A total of 29.83 inches has occurred this calendar year and can be compared to 46.37 inches for the same period in 2020 (largest rainfall totals thru June 1996-2021) and 13.04 inches in 2007 (lowest rainfall totals thru June 1996-2021).
- C.** Approval of the Property Insurance renewal for fiscal year 2022 through the Distributors Insurance Company (DIC) Program in the amount of \$1,178,717. DIC is a wholly owned subsidiary of TVPPA. Arthur J. Gallagher is the program manager.
- D.** Approval of a purchase order to Siemens Energy, Inc., c/o Utility Sales Agency in the amount of \$70,900 for two 69 kV Siemens breakers for Lang Street Substation. The Siemens breakers meet all CU specifications and are identical to existing 69 kV breakers on CU's electric system. Due to familiarity, proven service and being the low bid, the purchase of the Siemens breakers

is requested. This is a budgeted item.

- E. Approval of Amendment No. 2 of an Agreement for Engineering Services with Consolidated Technologies, Inc., dba CTI Engineers, Inc., in the amount of \$13,840. The increase is due to additional construction administration, quality control and site visits as part of the Cleveland Filter Plant Painting Project. The original agreement cost was \$47,600 and the final contract cost will be \$61,440.
- F. Approval of a purchase order with Consolidated Pipe & Supply Company in the amount of \$125,175 for a new TEAM insert valve machine, power unit, training, and valve assemblies. Consolidated Pipe & Supply Company is the authorized dealer for the area. The machine is budgeted for FY 2021 and is a sole source procurement.
- G. Approval of a purchase order with Vulcan Materials Company in the amount not to exceed \$100,000 for the purchase of stone backfill. The purchase period is from July 1, 2021 – June 30, 2022. The stone backfill is budgeted for FY 2022 and is a sole source procurement.
- H. Approval of a purchase order with Bradley Concrete in the amount not to exceed \$80,000 for the purchase of flowable fill backfill. The purchase period is from July 1, 2021 – June 30, 2022. This is a budgeted item for FY 2022 and a sole source procurement.
- I. Approval of a purchase order to Waypoint Business Solutions, LLC, in the amount of \$115,749.38 for 17 network switches and supplemental components to complete Phase 3 of the corporate network backbone upgrade. This is a budgeted item, and the equipment is being purchased through a state contract.

OTHER BUSINESS

Future Board Meeting Dates

Future scheduled board meeting dates at the TWTC are as follows:

Friday, July 23, 12:30 p.m.

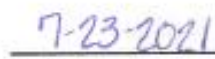
Friday, August 27, 12:30 p.m.

Friday, September 24, 12:30 p.m.

There being no other business, Debbie Melton made a motion to adjourn the meeting. Eddie Cartwright seconded the motion, and the board unanimously voted to adjourn the meeting at 12:44 p.m.


Board Secretary


Board Chairman


Date

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
JULY 23, 2021

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

The following 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; John Corum, Administrative Services VP; Amy Ensley, Utility Board Secretary; Jimmy Isom, Electric VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; Walt Vineyard, Executive VP; Shane Lawson, Customer Data Manager; Andrew Phillips, Network Systems Manager; and Tim Siniard, *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag, Shane Lawson delivered the invocation.

MANAGER'S UPDATE AND ANNOUNCEMENTS

Full Lobby Reopening

The lobby will resume normal operations to accommodate all walk-in services effective Monday, July 26.

United Way Day of Action

The annual United Way Day of Action is being held today, and CU is proud to have a team participating. They have been assigned to Woodsong School to perform tasks including tree work, painting, installing insulation & flooring, removing siding and cleaning. The employees really enjoy serving in this capacity and giving back to the community.

CONSENT AGENDA

Vice Chairman Joe Cate 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 June 25, 2021.

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

FINANCIAL REPORT

1. **Electric Division June 2021** - Since June represents the end of fiscal year 2021, the year-end financial records are still being compiled and the regular financial and statistical report for June 2021 will be presented on August 27; however, preliminary figures were provided. During June, the cost of purchased power as a percentage of retail sales was 73.3 percent and can be compared to the budgeted percentage of 76.1 percent for FY 2021. The results for June are electric sales revenue of \$9,217,555, which was offset by a purchased power expense of \$6,759,170. This resulted in an operating margin of \$2,458,386. This is compared to a budgeted margin of \$2,040,076. The results for FY 2021 electric sales revenue were \$98,357,656 which was offset by a purchased power expense of \$71,322,322. This resulted in an operating margin of \$27,035,334. This is compared to a budgeted margin of \$23,993,836 for the FY 2021.

2. **Water Division June 2021** - For June, water sales revenue was \$1,511,086, unadjusted for unbilled revenue. This is compared to the budgeted amount of \$1,512,666. The results for FY 2021 water sales revenue were \$16,731,730, unadjusted for unbilled revenue. This is compared to a budgeted revenue of \$17,039,909 for the FY 2021.
3. **Wastewater Division June 2021** - For June, wastewater treatment revenue was \$1,165,229, unadjusted for unbilled revenue. This is compared to the budgeted amount of \$1,144,397. The results for FY 2021 wastewater sales revenue were \$13,408,776, unadjusted for unbilled revenue. This is compared to a budgeted revenue of \$13,537,188 for the FY 2021.

ELECTRIC REPORT

1. The ongoing Cherokee Gateway Substation Project is nearing completion. The construction and electrical connections are complete. CU engineering and operations began programming the SCADA system for the new substation in June. Good progress was made and is expected to be finished by the end of July. Gravel was spread and leveled by the grading contractor, and the metal switch grounding pads were installed by the substation crew. The station is scheduled to be tested by a third party contractor the first week of August allowing for the substation to be energized and load added around the middle of August.
2. An update was provided for the Lang Street Substation Upgrade Project:
69 kV breakers – Engineering received two bids for the 69 kV breakers in May. The price quotes from both bids were very close, and engineering took extra time to review them. A final decision was made to use the Siemens breaker, like those used for recent substation projects, due to proven reliability. The board approved the purchase request in June, and the breakers have been ordered.
Steel Structure – Engineering has been working with Substation Engineering and Design on the new steel structure package. Engineering has requested for the design be reviewed to see if the portion of the structure that will be supporting the 69 kV transmission lines can support more weight than the requested 3,000 pounds per phase. The company is reviewing the design and running some calculations. They are also working on sending the structure approval drawings to CU for review and approval.
Lightning Protection - CU engineering has decided to use Lightning Eliminator's arrays at the new station. These devices are designed to deter lightning instead of redirecting the lightning strike like a lightning mast that has been typically used. CU first installed these devices at Cherokee Gateway substation. When they were ordered for Cherokee Gateway in 2020, engineering ordered two additional devices with the future Lang Street Substation Project in mind. Since 2020, the Lang Street design has changed, and the larger size requires an additional array. CU engineering ordered the additional array in June, and it is expected to arrive in time for the project. CU also ordered an 85-foot steel pole on which the array will be mounted.
3. Engineering has been working with the developer of Graystan Square on Paul Huff Parkway concerning the electric layout for phase 2, which will consist of five lots suited for restaurants or commercial retail shops. CU provided an electric conduit print to the contractor in June. The developer was working on obtaining bids for the conduit installation, which is anticipated to begin in a few months.

4. Cleveland Utilities continues to work with Massey Electric on the electric service at the PIE Center. Currently, the concrete pads have been poured on the south and west transformer locations and all conduits have been installed to each of the meter centers and CU's secondary cabinets. Cleveland Utilities set the new 500 kVA transformers at both the south and west locations and pulled in the primary. Massey Electric is currently in the process of having the concrete pad poured at the north transformer location and installing all conduits from the transformer to the new secondary cabinets on the east side of Parker Street and from there to a dead-end pole serving the gas station on the corner of 25th & Parker. Wet weather has delayed digging by their contractor.
5. Engineering released a work order to install lighting along the new walking path for the city's Blythe Sidewalk Project between 18th Street to 20th Street SE. The project will require the installation of one span of #2 ACSR primary, a new single-phase transformer, twelve new decorative LED fixtures, and 1,200 feet of #6 underground wire. The city's construction crews installed most of the conduit for this project. The estimated project cost is \$29,001.36.
6. Based on risk assessment evaluations, engineering and GIS personnel have been working to configure a private, secure map portal for internal use. These maps include electric, water, and wastewater details used for locating, troubleshooting, and planning purposes. Only employees with an approved username and password will be able to view infrastructure and utility maps. For security reasons, public access was removed once the new portal became active.
7. Liberty Power Service completed scheduled routine testing of Fletcher, Chatata Creek, Wildwood and Payne Gap Substations. It involved complete testing of all substation equipment and relays to verify all equipment is functioning properly and the protection settings are accurate and within tolerances.
8. The Line Department began a new computer-based time entry system in June and discontinued the existing paper time sheets. This should streamline the process and make it easier for field personnel as well as time approval by supervisors.
9. A report was presented for traffic lighting:
 - The City's traffic signal network consisting of 78 signals is managed by the central software IQ Central. The software was part of a TDOT Intelligent Transportation System Project in 2009 and is no longer fully functional or supported by the manufacturer. CU evaluated several replacement software systems and found Intelight's Kinetic Signals as the ideal replacement. It maintains connectivity with the existing traffic controllers while allowing for expansion of future technologies such as connected vehicles. This software will use data from the ATC controllers to provide Automated Traffic Signal Performance Measures (ATSPM) without the need of additional hardware. ATSPM provides insight to traffic engineers to evaluate the signal timing and corridor progression, isolate equipment faults, and could be a source of project funding in the future. Kinetic Signals also integrates directly with the 142 Wavetronix radar detectors already deployed in Cleveland and is the only software with that ability.

WATER & WASTEWATER REPORT

1. The final Risk & Resilience Assessment (RRA) and the draft Emergency Response Plan (ERP) for the Cleveland Filter Plant (CFP) are both complete and have been certified by the Environmental Protection Agency (EPA).
 2. In reference to the ongoing Cherokee Gateway Boulevard Water Storage Tank, the tank is in service. The first layer of paving (binder) has been laid. The second layer (topping) as well as installation of the fencing and the front entrance gate remain to be done.
 3. The Fire Hydrant Painting Project is progressing. Wright Industrial Group has painted 90 new hydrants in Phase 1, which consists of 1,127 total hydrants. The entire project consists of approximately 2,800 hydrants and will be done in three or four phases.
 4. The 17th Street & 20th Street Water Main Relocation Project is underway. HL Construction has completed the water main installation on 20th Street.
 5. In reference to the 2019 Prospect/Hensley Road Annexation Sanitary Sewer Extension Project, the contractor has installed 1,861 feet (47%) of the sewer main and completed the bore under Interstate 75.
 6. The Holloway Road/Industrial Drive Annexation Sewer Project has been bid and awarded to Hampton Backhoe.
 7. The Tillie Road Annexation Sewer Project is complete.
 8. The Ocoee Place Cottages Development on Ocoee Place has been completed. An estimated 200 feet of 8-inch PVC gravity sewer was installed and a master meter for water service was set to serve the 23 private cottages.
 9. An update was provided for the ongoing Wastewater Rehabilitation Project:
 - In reference to the Phase 3 Rehabilitation Project, the contractor has completed 1,743 feet of mainline rehabilitation, renewal of 45 service laterals, 35 manhole rehabilitations and 40 cleanout installations during this period.
 10. The Meter Department set 31 meters through June 2021 compared to 30 for June 2020 and 53 for June 2019. Of the 31 sets, 24 were single family homes, 3 were townhomes, 2 were irrigation, and 2 were commercial.
 11. The total amount of rainfall recorded at the CFP as of July 21, 2021, was 8.48 inches for the month. A total of 38.52 inches has occurred this calendar year and can be compared to 54.17 inches for the same period in 2013 (largest rainfall totals thru July 1996-2021) and 18.04 inches in 2007 (lowest rainfall totals thru July 1996-2021).
- C. The Safety Internal Performance Measures (IPMs) for January 2021-June 2021 were provided. This is a component of CU's Strategic Plan. Results for the period are below:

	Electric & Water Combined	Electric Division	Water/Wastewater Division
OSHA Recordable Incident Rate (RIR)	0.46	0.79	0.00
DART Rate	0.46	0.79	0.00
Lost-Time Case Rate (LTCR)	0.00	0.00	0.00
Vehicle Accident Rate (VAR)	2.19	6.04	0.00

The following data went into the calculations:

- A total of 495,998 consecutive hours have been worked by both divisions combined without a lost-time injury (LTI). Electric employees contributed 29,391 of those hours, with the last lost-time injury occurring on April 20, 2020. The water division reached 466,607 hours, with the last lost-time injury occurring on December 7, 2018.
- A total of 219,335 cumulative hours were worked companywide during the period. 120 employees in the electric division worked 126,072 hours, and 87 employees in the water division worked 93,263 hours.
- In addition, a total of 456,708 cumulative vehicle miles were driven by employees in 121 vehicles. 165,664 of those miles were driven by electric employees, and 291,044 miles were by water employees.

The below data was provided as a comparison to the previous three years:

Year	OSHA – TRIR	DART	LTCR	VAR
2018	2.88	2.40	0.48	2.25
2019	0.48	0.48	0.00	3.67
2020	2.27	1.82	0.45	10.05
2021	0.46	0.46	0.00	2.19

- D.** Approval of a purchase order to KMS Electrical Products in the amount of \$50,086.04 for 26 ductile iron poles ranging in heights of 45 to 55 feet to replenish stock. These poles have a weathered rust finish and are generally used in areas with existing wood pole lines. They have a much longer lifespan than wood poles and are used when difficult to transfer equipment such as three-phase transformer banks and underground primary dips. KMS Electrical Products is the only supplier of these poles.
- E.** Approval of Change Order 1 with Cleary Construction, Inc., in the amount of \$122,916 for the 2019 Annexation Project - Sewer Service to Prospect/Hensley Road NW. The original contract amount was \$1,676,953 and the adjusted contract amount is \$1,799,869. This represents a 7.3% increase. The additional cost includes the following: full width paving of a portion of Old Freewill Drive, installation of several sewer service connections and service laterals, bedding stone, and rock excavation. The bedding stone and rock excavation quantities are actual/estimates to complete the project. The overage to date in bedding stone and rock excavation were encountered between manholes 2 and 6.
- F.** Approval of a purchase order with HL Management Services, LLC, in the amount of \$62,368.50 for the installation of approximately 830 lineal feet of 8-inch ductile iron waterline located along 22nd Street NW, beginning near New Murraytown Road. The area was annexed in 2014 and is budgeted for installation in FY 2021.
- G.** Approval of a purchase order to Waypoint Business Solutions, LLC, in the amount of \$657,003.34 for the purchase of dual VxRail Hyperconverged Infrastructure Systems for CU's main campus and disaster recovery site. This system will replace existing virtual environments for the Network Operations production environment, AMI production environment, ORBIT (Customer Information/Billing/Accounting) production environment and phone system production environment at an estimated 60 percent savings versus the cost to upgrade each environment individually. The system will allow for real time writing of data to both physical

sites for robust redundancy for all of CU's critical IT systems. The purchase is a budgeted item in all three divisions, and the equipment is being purchased through a state contract.

OTHER BUSINESS

Future Board Meeting Dates

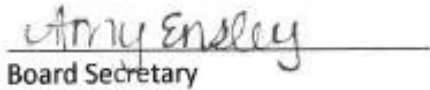
Future scheduled board meeting dates at the TWTC are as follows:

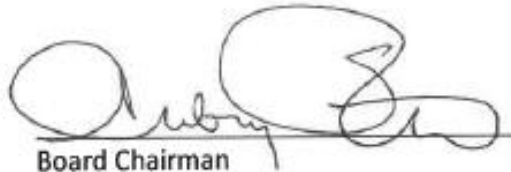
Friday, August 27, 12:30 p.m.

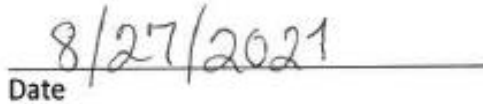
Friday, September 24, 12:30 p.m.

Friday, October 22, 12:30 p.m.

There being no other business, David May, Jr., made a motion to adjourn the meeting. Debbie Melton seconded the motion, and the board unanimously voted to adjourn the meeting at 12:51 p.m.


Board Secretary


Board Chairman


Date

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
AUGUST 27, 2021

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

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; Greg Clark, Wastewater Collections Manager; John Corum, Administrative Services VP; Amy Ensley, Utility Board Secretary; Jimmy Isom, Electric VP; Marshall Stinnett, VP/CFO; Walt Vineyard, Executive VP; Nathan Vann, Safety Director; and Allen Mincey, *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag, Nathan Vann delivered the invocation.

MANAGER'S UPDATE AND ANNOUNCEMENTS

COVID-19 Update

CU has pivoted back to stricter COVID-19 measures due to the increase of cases in the community. Overall, the organization has done very well with managing through the challenging pandemic and continuing to follow CDC recommendations.

Labor Day Holiday

Cleveland Utilities will be closed on Monday, September 6, in observance of Labor Day. The Call Center will be open and regular emergency/standby services will be maintained 24/7.

20 Under 40 Recognition

Nathan Vann will be recognized as one of the 20 outstanding community members up to the age of 40 by the *Cleveland Daily Banner* this Sunday. Henderson advised Vann has been purposeful with enhancing his education as he just began a doctorate program at the University of Tennessee, Knoxville. CU is proud of Vann and appreciative for his contributions to the organization and community.

Paul Huff Parkway Vehicle Accident Power Outage Report

An overview was provided for the tractor-trailer accident that occurred on Paul Huff Parkway on Sunday, July 25, at approximately 12:30 p.m., leaving 854 customers without power. Electric VP Jimmy Isom reported the details and presented a slideshow with pictures. He informed that temporary isolation switches were installed on both sides of the damaged pole to isolate the section and power was restored to 61 customers at 3:27 p.m. and 739 customers at 4:32 p.m. Due to the location of the damaged pole and feeds to the Target complex on the north side of Paul Huff and the hotels/businesses on the south side, power was unable to be restored to the final 54 customers until replacement of the pole at 12:18 a.m. It's important to note there were significant delays before CU was given proper clearance by authorities to enter the scene to begin the work.

Most of CU's line crews along with personnel from substation, safety, warehouse, and other standby areas were dispatched to work this outage. Additionally, a crane truck & operator from the Water Division assisted with lifting and setting the steel replacement pole. Isom mentioned that some other comparable utilities to CU don't have the personnel, training or equipment to work transmission, and they often rely on contractors to perform work of this magnitude. The benefit of CU having these capabilities and resources is faster power restoration when faced with this kind of situation.

Isom and Henderson added they were both very proud of all the employees involved and the team effort. Henderson communicated the efforts done daily to ensure equipment is available for unforeseen and rare events are important.

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 July 23, 2021.

B. Recognition of the Auditor Engagement Letter

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

FINANCIAL REPORT

1. **Electric Division June 2021** - During June, the cost of purchased power as a percentage of retail sales was 73.3 percent and can be compared to the budgeted percentage of 76.1 percent for FY 2021. The results for June are electric sales revenue of \$9,217,555, which was offset by a purchased power expense of \$6,759,170. This resulted in an operating margin of \$2,458,385. This is compared to a budgeted margin of \$2,040,077. Operating expenses for June were \$1,588,692. This is compared to a budgeted operating expense of \$1,879,477. These revenue numbers were driven by a customer base of 32,351. The net income for the month was \$1,056,384 and can be compared to a budgeted net income of \$323,911.
2. **Electric Division Fiscal Year 2021** - The results for FY 2021 are electric sales revenue for the year of \$98,357,656, which was offset by a purchased power expense of \$71,322,321. This resulted in an operating margin of \$27,035,335. This is compared to a budgeted margin of \$23,993,836. Operating expenses for FY 2021 were \$20,855,372. This is compared to a budgeted operating expense of \$22,245,485. The net income for FY 2021 was \$8,244,644; this can be compared with a budgeted net income of \$3,686,645. This variance was driven by the additional credits received via the TVA Pandemic Relief Credit, aided in reduced expenditures due to timing across fiscal years.
3. **Electric Division July 2021** - During the month of July, the cost of purchased power as a percentage of retail sales was 73.3 percent and can be compared to the budgeted percentage of 74.1 percent for FY 2022. The results for July are electric sales revenue of \$9,994,482, which was offset by a purchased power expense of \$7,323,537. This resulted in an operating margin of \$2,670,945. This is compared to a budgeted margin of \$2,262,735. Operating expenses for the month of July were \$1,858,561. This is compared to a budgeted operating expense of \$1,867,745. These revenue numbers were driven by a customer base of 32,429. The net income for the month was \$992,184; this can be compared with a budgeted net income of \$542,703.
4. **Water Division June 2021** - For June, water sales revenue was \$1,517,923. This is compared to the budgeted amount of \$1,512,666. Other revenue sources contributed an additional \$195,579. These revenue numbers were driven by a customer base of 33,060. Operating expenses for the month were \$1,416,898. This is compared to the budgeted amount of \$1,424,933. The division recorded an operating income of \$296,604, which is compared to a budgeted operating income of \$231,713.

5. **Water Division Fiscal Year 2021** - The results for FY 2021 are water sales revenue of \$16,738,567. Other revenue sources contributed an additional \$2,071,348. Operating expenses for FY 2021 were \$16,422,956. This is compared to a budgeted operating expense of \$16,560,435. The net income for FY 2021 was \$2,911,696, which can be compared to a budgeted net income of \$2,101,409.
6. **Water Division July 2021** - For July, water sales revenue was \$1,601,898. This is compared to the budgeted amount of \$1,664,719. Other revenue sources contributed an additional \$160,474 for the month. These revenue numbers were driven by a customer base of 33,130. Operating expenses for the month were \$1,428,460. This is compared to the budgeted amount of \$1,483,510. The division recorded an operating income of \$333,912, which is compared to a budgeted operating income of \$336,759.
7. **Wastewater Division June 2021** - For June, wastewater treatment revenue was \$1,173,074. This is compared to the budgeted amount of \$1,144,397. Other revenue sources contributed an additional \$89,685 for the month. These revenue numbers were driven by a customer base of 19,893. Operating expenses were \$1,155,272. This is compared to the budgeted amount of \$1,103,168. The division recorded an operating income of \$107,487, which is compared to a budgeted operating income of \$129,929.
8. **Wastewater Division Fiscal Year 2021** - The results for FY 2021 are wastewater treatment revenue of \$13,416,621. Other revenue sources contributed an additional \$1,145,582. Operating expenses for FY 2021 were \$12,573,643. This is compared to a budgeted operating expense of \$12,938,635. The net income for FY 2021 was \$2,796,250; this can be compared to a budgeted net income of \$1,647,770.
9. **Wastewater Division July 2021** - For July, wastewater treatment revenue was \$1,162,466. This is compared to the budgeted amount of \$1,162,006. Other revenue sources contributed an additional \$77,178 for the month. These revenue numbers were driven by a customer base of 19,928. Operating expenses for the month were \$1,019,347. This is compared to the budgeted amount of \$1,096,602. The division recorded an operating income of \$220,297, which is compared to a budgeted operating income of \$147,959.

ELECTRIC REPORT

1. The ongoing Cherokee Gateway Substation Project is nearing completion. CU engineering programmed the SCADA system for the substation in July, which will show any alarms that might occur in the substation and the status of breakers and relays. It will also send a text to notify the appropriate personnel. In early August, a third party began testing equipment to ensure all connections are correct. The goal is to energize the substation by the end of August.
2. An update was provided for the Lang Street Substation Upgrade Project:
Breakers – Approval drawings for both the 13 & 69 kV breakers have been sent to engineering for review. There were a few small items that required correction. The vendor corrected them quickly, and the drawings were then approved. The manufacturing of the breakers was able to begin on schedule.
Steel Structure – Engineering has been receiving approval drawings from Substation Engineering for equipment that makes up the steel structure package (switches, structures, etc.). There were a few small items that needed to be corrected, and the vendor was willing to make the requested changes. Engineering is continuing to review drawings and work with the vendor so the manufacturing process stays on schedule.

Grading – The grading contractor is set to begin the first week of September.

3. The new Wendy's on Stuart Road has been under construction for several months, but substantial progress has been made over the past few weeks. Engineering released a work order to connect the electric service for the building in July. The 75 kVA pad-mount transformer at the site was installed a few months ago so it could be used for temporary construction service. Based on other local Wendy's restaurants, the expected electric demand is 70 kW. The only work required by CU crews in July was to connect the service to the transformer and setup the new CT meter.
4. At the first of the year, Cleveland State Community College (CSCC) planned a project to convert a section of the 13.2 kV distribution line near the new Health Science Building on their campus to underground. When CSCC agreed to commit to pay the estimated cost to convert the line to underground, CU engineering began ordering the equipment for the project. Equipment included #500 copper wire and a special pad-mounted metering cabinet (this will be the first on CU's system). The last of the needed material for the project arrived in July. Cleveland State has hired their own contractor to install the underground conduit along Adkisson Drive for the portion of line that will be converted to underground. The contractor began work in July and all conduit is anticipated to be installed by the end of August. Once complete and the concrete pad for the meter cabinet is poured, CU crews will begin work at the site. Engineering released the work order for the project in July.
5. A representative from engineering toured the Okonite cable manufacturing facility in Orangeburg, South Carolina, in July. CU purchases most of the high voltage underground cable used on the system from this company. The tour was very educational, and it was great to see that CU purchases a high-quality underground cable. CU engineering anticipates seeing very few failures due to manufacturing defects because of the high quality of the wire.
6. Engineering released a work order for Phase II of the double conductor for SC-624 along South Lee Highway. The project will require replacement of the transmission conductor from the twin pole structure near the APD-40 off ramp to South Lee Highway north to Pleasant Grove Place SW. An estimated 1,200-foot section of conductor on SC-614 as well as a 5,514-foot section of conductor along SC-624 and 25 transmission poles will be replaced as part of the project. The replacement of #795 All Aluminum Conductor (AAC) with parallel #556 AAC increases the transmission system capacity in anticipation of load growth. The estimated cost of the project is \$716,089.54.
7. Cleveland Utilities continues to work with Massey Electric on permanent service for the PIE Center. The east and west transformer locations have been completed with all secondary conductors connected in the secondary cabinets at each location. Currently, the concrete pad has been poured for the north transformer location, and all conduits have been installed to the meter centers. Also, conduits have been installed in the turn-up location where a new sector will sit once the remaining overhead lines along Parker Street are converted to underground primary. Massey Electric is in the process of rerouting the temporary service panels to feed from the south transformer. Cleveland Utilities will then be able to pull all the remaining poles and secondary left on the PIE Center property and begin the process of converting the overhead lines along Parker Street to underground. This is expected to begin in August.
8. A report was presented for traffic lighting:
 - CU engineering issued a work order to replace the traffic signal heads and rewire the intersection at Paul Huff Parkway and Hickory Grove. A study was also performed to

evaluate the possibility of allowing the eastbound left turn to operate permissively as opposed to protected-only. The new signal head will operate as a flashing yellow arrow during low volume periods (typically at night) and will remain protected-only during the higher volume periods. The westbound left turn does not meet the sight distance requirements and will remain protected-only at all times.

- The Traffic Signal Coordinator upgraded the firmware on all the traffic controllers along Paul Huff Parkway from GreenWave 3.25 to GreenWave 3.31. A firmware upgrade requires the intersection to be placed in flashing operation. The work was performed during late night hours to lessen the impact to the public.

WATER & WASTEWATER REPORT

1. The Cherokee Gateway Boulevard Water Storage Tank Project is nearing completion. Fencing and access road paving remain to be done.
 2. Wright Industrial Group has primed/painted 164 fire hydrants during this period.
 3. The Rakestraw Road water main extension is complete. Hampton Backhoe installed 160 feet of 6-inch water main.
 4. In reference to the 2019 Prospect/Hensley Road Annexation Sanitary Sewer Extension Project, all the pipe has been installed. Cleanup, testing and re-paving remains.
 5. The following developments are now under construction:
 - Falcon Crest Phase 3 - the development includes 21 lots and 2,425 feet of 6-inch water main. 4 Star LLC is the developer.
 - Miller's Landing on North Lee Highway comprising 66 residential lots, 70 feet of 8-inch water main, 2,294 feet of 6-inch water main, 185 feet of 2-inch water main and 2,434 feet of 8-inch gravity sewer. Riverstone Construction, LLC, is the developer.
 6. An update was provided for the ongoing Wastewater Rehabilitation Project:
 - In reference to the Phase 3 Rehabilitation Project, the contractor has completed 1,219 feet of mainline rehabilitation, renewal of 18 service laterals, 35 manhole rehabilitations and 4 cleanout installations during this period.
 - CU crews are installing 330 feet of sewer main due to conflicts with storm drainage for the 20th Street Sewer Improvements Project.
 7. The Meter Department set 30 meters through July 2021 compared to 31 for July 2020 and 52 for July 2019. Of the 30 sets, 17 were single family homes, 9 were townhomes, and 4 were commercial.
 8. The total amount of rainfall recorded at the CFP as of August 19, 2021, was 6.68 inches for the month. A total of 45.28 inches has occurred this calendar year and can be compared to 59.53 inches for the same period in 2013 (largest rainfall totals thru August 1996-2021) and 18.68 inches in 2007 (lowest rainfall totals thru August 1996-2021).
- D. Approval of a purchase order to Cleveland Utilities OPEB c/o First Horizon Bank in the amount of \$712,157 for the annual funding of CU's Other Post-Employment Benefits (OPEB) Trust. This is the fourth contribution to the trust. As of the end of this funding, CU will be at almost 25 percent of CU's total OPEB liability. Stinnett commended the board for establishing and setting up the funding for the trust.

- E. Approval of a purchase order to Power Supply Company in the amount of \$54,525 for 43,620 feet of 556 all aluminum conductor to replenish stock.
- F. Approval of a purchase order to Pen Gulf in the amount of \$95,500 for the rehabilitation of Spiral Lift Pump No. 204 located at the WWTP. The project scope consists of the removal of the torque tube, sandblasting and recoating the tube and reinstallation. Additional work consists of touching-up coatings on the other five (5) torque tubes and grout repair of the concrete troughs. The project is budgeted for FY 2022 in the amount of \$90,000. Pen Gulf submitted the low bid.
- G. Approval of a purchase order to Jet-Vac Equipment Company, LLC, in the amount of \$245,642.96 for the purchase of a new 800-HF ECO Jetter Truck. The truck will be used to clean sewer collection pipes as required by CU's CMOM program with TDEC. The truck was budgeted for FY 2021 in the amount of \$150,000. Additional funding will come from the budget in FY 2022.
- H. Approval of a purchase order to Hampton Backhoe Service, LLC, in the amount of \$54,420 for the installation (excluding materials except for gravel and paving) of approximately 650 feet of 12-inch ductile iron pipe (DIP) water main along 20th Street between Carolina Avenue and just east of Greenwood Avenue. The existing water main is in conflict with the City's proposed sidewalk and storm drain. The estimated cost of the project including materials is \$90,933. This project is not budgeted.

OTHER BUSINESS

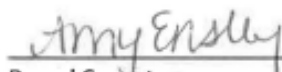
Future Board Meeting Dates

Future scheduled board meeting dates at the TWTC are as follows:

Friday, September 24, 12:30 p.m.

Friday, October 22, 12:30 p.m.

There being no other business, Councilman David May, Jr., made a motion to adjourn the meeting. Joe Cate seconded the motion, and the board unanimously voted to adjourn the meeting at 1:03 p.m.


Board Secretary


Board Chairman

9-24-2021
Date

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
SEPTEMBER 24, 2021

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

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; John Corum, Administrative Services VP; Amy Ensley, Utility Board Secretary; Jimmy Isom, Electric VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; Walt Vineyard, Executive VP; Josh Day, Journeyman Lineman; Matt Rymer, Class B Lineman; and Tim Siniard, *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag, Matt Rymer delivered the invocation.

MANAGER'S UPDATE AND ANNOUNCEMENTS

Tennessee Valley Public Power Association (TVPPA) Lineman Apprentice Training Completion

Dalton Montgomery and Matt Rymer have completed the lineman apprenticeship training through TVPPA. This is a 4-year process involving training in both the field and classroom. These individuals are now officially Class B Journeyman Linemen and can be promoted to Class A after a year.

New Sign at Valleyhead Substation

A new sign was recently installed at Valleyhead Substation on Paul Huff Parkway. Landscaping will follow as well as the installation of a fence to match those in front of the commercial businesses along the thoroughfare. These additions will give the substation property a more professional and attractive appearance. Henderson commended Isom's team for their hard work on this project.

Public Power Week

Public Power Week is October 3-9. This event is celebrated nationally every year by not-for-profit, community-owned electric utilities that take pride in providing safe, reliable, and affordable electricity to their local communities. CU will be posting the typical notices and social media posts to promote and bring awareness to public power.

Columbus Day Holiday

Cleveland Utilities will be closed on Monday, October 11, in observance of Columbus Day. The Call Center will be open and regular emergency/standby services will be maintained 24/7.

CU Employee Health Fair

The annual employee health fair will be held on Wednesday, October 13.

CONSENT AGENDA

Councilman 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 August 27, 2021.

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

FINANCIAL REPORT

1. **Electric Division August 2021** - During the month of August, the cost of purchased power as a percentage of retail sales was 73.2 percent and can be compared to the budgeted

percentage of 74.1 percent for FY 2022. The results for August are electric sales revenue of \$10,121,285, which was offset by a purchased power expense of \$7,411,274. This resulted in an operating margin of \$2,710,011. This is compared to a budgeted margin of \$2,404,018. Operating expenses for the month were \$1,775,758. This is compared to a budgeted operating expense of \$1,872,783. These revenue numbers were driven by a customer base of 32,336. The net income for the month was \$1,119,541; this can be compared with a budgeted net income of \$683,482.

2. **Water Division August 2021** - For August, water sales revenue was \$1,679,782. This is compared to the budgeted amount of \$1,594,587. Other revenue sources contributed an additional \$198,503 for the month. These revenue numbers were driven by a customer base of 33,090. Operating expenses for the month were \$1,364,612. This is compared to the budgeted amount of \$1,469,238. The division recorded an operating income of \$513,673, which is compared to a budgeted operating income of \$274,345.
3. **Wastewater Division August 2021** - For August, wastewater treatment revenue was \$1,200,211. This is compared to the budgeted amount of \$1,142,035. Other revenue sources contributed an additional \$127,560 for the month. These revenue numbers were driven by a customer base of 19,877. Operating expenses for the month were \$1,034,906. This is compared to the budgeted amount of \$1,097,221. The division recorded an operating income of \$292,865, which is compared to a budgeted operating income of \$125,950.

ELECTRIC REPORT

1. The Cherokee Gateway Substation was energized in August for testing by the third-party contractor. There was a section of the bus that was slightly damaged during testing, and a replacement part had to be ordered. One side of the substation was left energized, and load was placed on it by the end of August. The new industry, Cannon Automotive, is now being fed by a circuit out of the new station. Additionally, engineering released a work order to install a new 13 kV tie switch on Stone Lake Road SW. When placed into normal service (both transformers energized), the plan is to serve the I-75 Exit 20 area from the Cherokee Gateway Substation. The new normal open point between the Payne Gap circuit 224 and the Cherokee Gateway circuit 214 will be the new switch on Stone Lake Road SW. This switch is a gang operated switch with interrupters, which is best for paralleling circuits or breaking parallel between circuits when they need to be fed from an alternate source.
2. Most of the equipment for the new Lang Street Substation Upgrade Project is on order and anticipated to begin arriving in a few months. Operations sent out bid requests for the breaker and transformer foundations in August so that a contractor can be on the schedule to pour the pads after the grade work is complete. Plans for the new substation control house will begin in September for a spring 2022 delivery. The site grading contractor has moved equipment to the site and will begin as soon as weather allows.
3. Cleveland State Community College's contractor is still working to install the conduit for the new underground electrical lines. CU crews have been examining the conduit installation as it takes place. It will be several weeks before CU can begin installing the new underground lines.
4. Engineering issued an order to purchase SEL fault indicators with communication capabilities. The indicators monitor the load online sections, and if a fault occurs downline from the indicator, it will flash an indicator light and send a notification to the SCADA system. The dispatcher can quickly check the status of the indicator during outages to help

determine the location of the fault. CU currently uses these on the system, and they have proved to be very useful for locating faulted line sections. These new indicators will allow for more line sections to be monitored. Once the new equipment arrives, the substation maintenance personnel will set up the devices and engineering will establish communications in SCADA. This project is part of the 2021/2022 budget.

5. Engineering issued a purchase order for twelve S&C Tripsavers for the 2021/2022 budget year. These devices are small reclosers that can be easily installed on taps to isolate sections when a fault occurs downline from them. They attempt to close and restore power on their own before locking out. Before, to isolate small sections on a circuit, line fuses were commonly used but did not have the ability to reclose. The Tripsavers also have a communication box so the status of the devices can be monitored by SCADA. This allows alerts to be sent to dispatchers and linemen if the device locks out, which will reduce restoration time. The devices are currently being used on the electric system, and these 12 will be added to new locations.
6. Grade work has begun for a new car wash and oil change facility at Graystan Square on Paul Huff Parkway at the corner of Mouse Creek Road. In August, engineering met with the site supervisor and electrical contractor for a preliminary overview of the project. The car wash will require a relatively large 277/480-volt service and the oil change facility will require a small 120/240-volt single phase service. Engineering provided the contractor with a conduit layout for the property so conduit installation can begin when needed. At this time, only a work order has been released for the temporary service. It will be several months before electric service is needed at the property.
7. A new subdivision, Powell Meadows, has been designed for a large vacant property on Durkee Road. When complete, there will be almost 500 homes in the subdivision, which will make it the largest subdivision on the system with underground utility lines. The subdivision will be built in phases with the first phase having about 60 lots. Engineering must make provisions in the beginning for the future sections. Currently, engineering is in the process of determining the best layout for the electric lines. In August, the contractor requested for an overhead service to an old home on the property be removed so the home could be demolished. Engineering anticipates grade work to begin on the first phase soon. The layout for this phase will be finished in September and a conduit print will be provided to the developer.
8. Engineering released a work order to install underground electrical facilities for the Spring Creek Ridge Subdivision. The installation will require approximately 1,400 feet of underground primary and three new pad-mounted transformers. The estimated cost of the project is \$34,986.37.
9. Engineering continues to work with the PIE Center contractors on Parker Street NE. Two of three pad-mount transformers have been installed and connected to customer services in the building. The third transformer is scheduled to be set in September with more overhead utilities along Parker Street set to go underground.
10. A report was presented for traffic lighting:
 - The Traffic Signal Coordinator participated as a panelist for a Microsoft Teams meeting of the Tennessee Traffic Signals Users Group. The training session focused on preventative maintenance. Four cities in Tennessee were used as examples including Knoxville, Memphis, Lebanon, and Cleveland. 117 participants learned best practices for preventative maintenance and why they should be performing PM's every 6 to 12 months.

- The Traffic Signal Coordinator discovered the cause of certain signals going into flashing mode. When multiple fire trucks attempt to pre-empt a traffic signal utilizing an overlap, a software error was occurring. The problem has been resolved by the controller manufacturer, who will release a firmware update to fix all ATC-1000 controllers.
- Three traffic signal controllers in the downtown area were damaged by lightning. The controllers were replaced and the signal timing reprogrammed. There are 13 intersections in this corridor that need cabinet upgrades to reduce the chances of damage from lightning and other transient voltages.
- A work order was released to split phase the signal at Blackburn Road at APD-40 SW. The north and southbound movements will no longer move concurrently, which will reduce conflicts within the intersection. The APD-40 left turns will be converted to flashing yellow arrows to further enhance safety at this intersection. The existing signal conductor will be utilized to reduce the cost of this project.

WATER & WASTEWATER REPORT

1. The design for the ultraviolet disinfection project at the Wastewater Treatment Plant (WWTP) has been completed by J.R. Wauford and submitted to the State Revolving Fund (SRF) for review.
2. HDR has submitted 50% design drawings for the alternative disinfection project at the Cleveland Filter Plant (CFP). CU has provided comments and final drawings are being prepared.
3. TDOT has awarded the Georgetown Road Widening Project from Davis Circle to Eureka Road. Cleary Construction will be relocating both the water and sewer infrastructure.
4. The Cherokee Gateway Boulevard Water Storage Tank construction is complete and in service. Fencing and the access gate remain to be done.
5. In reference to Phase 1 of the fire hydrant painting, Wright Industrial Group has painted 90 hydrants and primed/painted 259 hydrants.
6. HL Construction has completed the 17th & 20th Streets Water Main Relocation Project, and the mains are in service.
7. Hampton Backhoe has completed approximately 20 percent of the 20th Street Water Main Project between Carolina Street and Charles Street.
8. The Rakestraw Road water main extension (160 feet of 6-inch water main) is complete and includes 50 percent cost participation by the customer.
9. The Tillie Road water extension will consist of 500 feet of 6-inch ductile iron pipe.
10. The 2019 Prospect/Hensley Road Annexation Sanitary Sewer Project is nearing completion. All the pipe is installed, and testing is complete. Paving remains and the final walkthrough is scheduled for September 30.
11. Engineering is reviewing the following plans:
 - The Stuart Road Project at 4100 Stephens Road NE consisting of 1,164 feet of 8-inch DIP and PVC gravity sewer with 5 manholes.
 - Foster Lane & 20th Street SE which includes 13 townhome units, 2 single family residences with a scope of 304 feet of 8-inch PVC gravity sewer with 2 manholes.
12. Engineering approved plans for Creekwood Subdivision on 22nd Street. The project includes 31 lots and a scope of 1,455 feet of 6-inch water main (design plans approved 9-16-2021), and 2,020 feet of 8-inch gravity sewer main.
13. The following developments are now complete:

- Falcon Crest, Phase 3, on Frontage Road.
 - Eagle Creek Subdivision, Phase 4, on Mouse Creek Road.
 - Canterbury Ridge Subdivision, Hearthstone Drive extension.
14. An update was provided for the ongoing Wastewater Rehabilitation Project:
- Westco was given maps for the sewer maintenance and easement clearing project, and approximately 3,000 feet has been cleared so far.
 - In reference to the Phase 3 Rehabilitation Project, the contractor has completed 482 feet of mainline rehabilitation, 14 manhole rehabilitations and 5 cleanout installations during this period.
 - CU crews installed 330 feet of sewer main and two new manholes due to conflicts with storm drainage for the 20th Street Sewer Improvements Project.
15. The Meter Department set 40 meters through August 2021 compared to 40 for August 2020 and 27 for August 2019. Of the 40 sets, 25 were single family homes, 14 were townhomes, and 1 was commercial.
16. The total amount of rainfall recorded at the CFP as of September 22, 2021, was 2.99 inches for the month. A total of 53.31 inches has occurred this calendar year and can be compared to 66.45 inches for the same period in 2020 (largest rainfall totals thru September 1996-2021) and 20.78 inches in 2007 (lowest rainfall totals thru September 1996-2021).
- C.** Approval of a resolution authorizing Cleveland Utilities to direct the TVA FY 22 Pandemic Recovery Credit funds to CU's Distribution Automation Project. CU utilized the FY 21 Pandemic Relief Credit funds to forego retail electric rate increases through the period ending June 2023. Electric VP Isom advised CU has been adding communications, fiber and equipment in preparation of distribution automation for many years. Distribution automation takes a lot of planning and money, but will optimize efficiency of the electric system, help with fault detection/outage management and improve reliability. Isom added staff is extremely excited about the project and the benefit to the community as a whole. Chairman Ector asked if the main focus is raising the service level and a direct benefit to the customer base. Henderson advised yes, and these funds are allowing CU to approach the project in a more aggressive and robust manner without raising rates.
- D.** Approval of a purchase order to Exceleron in the amount of \$53,546.75 for the prepay and online telephone payment processing fees for the month of August.
- E.** Approval of a budgeted purchase order to CMS Utility Services, Inc., in the amount of \$56,150 for an additional pole rack system to be installed at the Harrison Building. These racks will be utilized to store various length poles in a more organized and safe manner. CMS was the only company to submit a bid; however, this is the same company that provided the first pole rack system purchased for the property, and staff recommends the purchase.
- F.** Approval of a purchase order to Irby Utilities in the amount of \$64,088 for 12 TripSavers (electronic overcurrent protection devices) manufactured by S&C. CU has had several of these devices in the field for four years. They have proven to reduce the number of permanent power outages and improve reliability in the areas they have been installed. The S&C device is

currently the only CU approved manufacturer of these type devices and Irby is the primary distributor for S&C. The equipment is budgeted for FY 22.

- G. Approval of a contract with CSL Services, Inc., in the amount of \$115,500 for long-term flow monitoring of 19 flow meters, which includes annual maintenance, data collection and reporting. Flow monitoring is a tool used to help determine where inflow is occurring and if that flow is being eliminated. CU has been under contract for the last seven years with CSL. Their annual unit prices have remained the same over that period. The monitoring is budgeted for FY 2022 in the amount of \$115,000.
- H. Approval of a contract with LJA Engineering, Inc., in the amount of \$136,500. LJA will provide SRF coordination, map book preparation, plans & specifications, advertising, bidding, construction administration, and a resident project representative as needed for Phase I of the Rehabilitation Project within Basin 64-14A and Sycamore Basin. Phase I estimated cost is \$3.5 million of CU's approved \$10 million SRF loan and is budgeted for FY 2021 and FY 2022.
- I. Approval of a contract with Jacobs Engineering Group, Inc., in the amount of \$100,000 for the preparation of a preliminary engineering report associated with water distribution and wastewater collection in the Lauderdale Memorial Highway area. The report will address providing additional water and wastewater capacity to a proposed industry in the area. Additional task to include examination of potential future water source/supply options. Funding for the study and report is budgeted in the Engineering Water Capital Budget for FY 2022.
- J. Approval of a contract with J.R. Wauford & Company, Consulting Engineers, Inc., in the amount of up to \$85,000 for the preparation of a preliminary engineering report associated with expansion of the Hiwassee River Wastewater Treatment Plant. The expansion would provide additional capacity to new industry as well as non-industrial customers. Funding for the study and report is budgeted in the Engineering Wastewater Capital Budget for FY 2022.

NEW BUSINESS

On motion by Eddie Cartwright and seconded by Vice Chairman Joe Cate, the Utility Board voted to approve the following purchase order. Debbie Melton recused herself from this item due to the purchase order being issued to Don Ledford Automotive Center, Inc., where she is the Dealer Operator.

- A. Approval of a purchase order to Don Ledford Automotive Center, Inc., in the amount of \$129,574 for two budgeted 2022 model 1-ton crew pickup trucks with utility beds for the Line Department. As shown on the bid tab sheet, Don Ledford was the sole bidder. Ford provided information with their "no bid" that they could not quote due to unavailability of the product until model year 2023. At the bid opening, the Chevrolet representative informed that Chevrolet had a very limited number of vehicles available that could be allocated for municipal purchase, but the window was rapidly closing and would likely be gone if the order was not placed as quickly as possible. Therefore, this purchase order was signed as an emergency purchase on August 31, in an effort to get the order placed to reserve the units. CU is still uncertain if the order will be fulfilled and is awaiting

confirmation from the company representative. If the order is unable to be filled, the purchase order will be voided.

OTHER BUSINESS

Future Board Meeting Dates


Future scheduled board meeting dates at the TWTC are as follows:

Friday, October 22, 12:30 p.m.

There being no other business, Debbie Melton made a motion to adjourn the meeting. Councilman David May, Jr., seconded the motion, and the board unanimously voted to adjourn the meeting at 1:17 p.m.


Board Secretary


Board Chairman


Date

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
OCTOBER 22, 2021

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

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; John Corum, Administrative Services VP; Amy Ensley, Utility Board Secretary; Jimmy Isom, Electric VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; Walt Vineyard, Executive VP; Darrel Hubbard, Wastewater Treatment Plant Supervisor; and Tim Siniard, *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag, Darrel Hubbard delivered the invocation.

MANAGER'S UPDATE AND ANNOUNCEMENTS

Employee Appreciation Luncheon

CU will be hosting an Employee Appreciation Luncheon on Thursday, October 28, in lieu of the annual picnic. Staff felt it would be prudent to avoid large gatherings this year due to the ongoing pandemic. Two food trucks will be on campus to serve lunch.

Holiday Closures

Cleveland Utilities will be closed on Thursday, November 11, in observance of Veterans Day and on November 25 & 26, in recognition of Thanksgiving. The Call Center will be open and regular emergency/standby services will be maintained 24/7.

Cleveland State Community College (CSCC) An Evening with Archie Manning

CU will be sponsoring the CSCC *An Evening with Archie Manning* event on Saturday, March 19, 2022. The event will be held in their gymnasium.

CONSENT AGENDA

Eddie Cartwright 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 24, 2021.

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

FINANCIAL REPORT

1. **Electric Division September 2021** - During the month of September, the cost of purchased power as a percentage of retail sales was 73.9 percent and can be compared to the budgeted percentage of 74.1 percent for FY 2022. The results for September are electric sales revenue of \$8,488,525, which was offset by a purchased power expense of \$6,274,060. This resulted in an operating margin of \$2,214,465. This is compared to a budgeted margin of \$2,267,383. Operating expenses for the month were \$1,894,161. This is compared to a budgeted operating expense of \$1,877,822. These revenue numbers were driven by a customer base of 32,343. The net income for the month was \$482,562; this can be compared with a budgeted net income of \$537,423.

2. **Water Division September 2021** - For September, water sales revenue was \$1,594,929. This is compared to the budgeted amount of \$1,589,164. Other revenue sources contributed an additional \$165,227 for the month. These revenue numbers were driven by a customer base of 33,116. Operating expenses for the month were \$1,383,909. This is compared to the budgeted amount of \$1,472,228. The division recorded an operating income of \$376,247, which is compared to a budgeted operating income of \$265,426.
3. **Wastewater Division September 2021** - For September, wastewater treatment revenue was \$1,201,604. This is compared to the budgeted amount of \$1,132,689. Other revenue sources contributed an additional \$84,842 for the month. These revenue numbers were driven by a customer base of 19,887. Operating expenses for the month were \$1,072,508. This is compared to the budgeted amount of \$1,099,944. The division recorded an operating income of \$213,938, which is compared to a budgeted operating income of \$113,216.

ELECTRIC REPORT

1. The ongoing Cherokee Gateway Substation Project is complete, and the substation has been energized. A switching procedure was written in September to place the circuits out of the substation in their normal configuration. At this time, the new Cannon Automotive will be connected to one of the circuits. There is also a plan to connect the Exit 20 area west of the Cherokee Gateway Boulevard exchange to another circuit out of the station. The other two circuits will have little or no load at this time but will be ready and available for future customers as the area develops. The switching is expected to be completed in October. The total project cost is \$3,227,824.06.
2. An update was provided for the Lang Street Substation Project. The Tennessee Department of Environment and Conservation (TDEC) approved the Notice of Coverage for the project on September 7, 2021. Murray Construction started the site work on September 24, and immediately discovered unacceptable soil under the substation pad area where the structure and equipment footers were slated to be installed. Murray Construction is working with Terracon Environmental for soil testing to determine the extent of the excavation area. The old material will be hauled away and replaced with approved clay material. In addition, operations advertised and opened bids for the transformer and control building concrete pads for the project. This bid was awarded to Black Construction. Construction will commence once the pad work is completed.
3. The contractor for Cleveland State Community College is still working to install the conduit for the new underground electrical lines. CU crews have been examining the conduit installation as it takes place. It will be several weeks before CU can begin installing the new underground lines.
4. Cleveland Utilities' Engineering and Operations personnel met with consulting engineering company, Power Centric Solutions, at the East Cleveland Delivery Substation to review preliminary plans for the purchase of the existing TVA 161/69 kV transformers and associated equipment. High level overview plans and budgetary estimates will be provided to CU for review and revision. The acquisition and upgrade of these facilities will be a key project for the Electric Division to have the capacity to serve future city growth for many years to come.
5. The Operations Department advertised and opened bids for the annual ten percent of the system poles to be tested and treated. Osmose submitted the low bid and this is an item under today's consent agenda.

6. CU engineering began a project with city engineering to convert a section of 13.2 kV distribution lines from overhead to underground along Edwards Street. This is in relation to the ongoing project to convert the former Sanda Mills Building to apartments and revitalize the downtown area. The conversion of the lines to underground will greatly improve the aesthetics and hopefully attract more people to the area. The city will be paying for the new underground conductors (material and labor installation, but CU will not be charging any labor cost to remove the old poles and overhead lines). Public Works is also planning to install the conduit to save cost. The plans are still being finalized with the City and property owners in the area. Conduit installation is expected to begin in a few months.
7. Engineering released a work order to install electrical facilities for 15 new townhomes in the Fulbright Crossing Subdivision, Phase II near the intersection of Weeks Drive and Shady Lane NE. The work order calls for the installation of a new single-phase transformer, a primary dip, and 195 feet of #1/0 underground primary conductor. The estimated cost of the project is \$12,158.84.
8. Engineering released a work order to install electrical facilities for 66 new lots in the Miller's Landing Subdivision off North Lee Highway. The work order calls for the installation of six new single-phase transformers, a three-phase sector switch, and 5,185 feet of #1/0 underground primary conductor. The estimated cost of the project is \$122,496.94.
9. Engineering released a work order to install electrical facilities for 55 new lots in Brookmore Subdivision off 22nd Street SW. The work order calls for the installation of 10 new pad-mount transformers and 3,795 feet of #1/0 underground primary conductor. The estimated cost of the project is \$103,777.91.
10. A report was presented for traffic lighting:
 - A work order was released to install radar detection on the Peach Orchard Hill approach at Michigan Avenue Road. The existing loop detection had begun to fail and was generating several complaints.
 - A work order was released to install camera detection at Paul Huff Parkway and Frontage Road after the loops were cut during the installation of a gas pipeline. The city purchased the replacement equipment directly and CU will complete the installation.

WATER & WASTEWATER REPORT

1. The Risk and Resilience Assessment (RRA) and Emergency Response Plan (ERP) preparation for the Cleveland Filter Plant (CFP) has been completed by Jacobs Engineering.
2. Jacobs will be performing a study to evaluate alternatives for the Walker Brow Booster Pump Station. The contract amount of the study is \$27,000.
3. CTI has completed 26 percent of the design for the Potter Place Booster Pump Station.
4. HL Construction has completed the 17th & 20th Streets Water Main Relocations Project, and the paving will be removed from the contract.
5. Hampton Backhoe has completed approximately 90 percent of the 20th Street Water Main Project between Carolina Street and Charles Street.
6. HL Construction began the 22nd Street annexation area water main extension the week of October 18. The project includes approximately 830 feet of 8-inch DIP water main.
7. Jacobs Engineering will be performing a study for water distribution and sewer collection improvements for the Lauderdale Highway area.
8. Engineering approved the following plans:
 - Dashwood Subdivision off Angie Lane near the Weeks Drive Tank

- The Trails @ Freewill Road Subdivision
 - King Den Subdivision (King Den Drive NW)
9. An update was provided for the following developments under construction:
- Hampton Backhoe has completed the sewer and water main installations for three commercial lots at Grayston Square, Phase 2.
 - 95 percent of the gravity sewer main installation has been completed for the Spring Creek Ridge Development (Cross Creek Court). The water main installation (727 feet of 6-inch water main) remains.
10. An update was provided for the ongoing Wastewater Rehabilitation Project:
- In reference to the Phase 3 Rehabilitation Project, the contractor has completed 482 feet of mainline rehabilitation, 61 service lateral rehabilitations, and 5 cleanout installations during this period.
 - A portion of the 20th Street Sewer Improvements Project had binder installed in the trench last week but couldn't entirely be completed due to the city's contractor's activities.
11. The Meter Department set 53 meters through September 2021 compared to 58 for September 2020 and 49 for September 2019. Of the 53 sets, 44 were single family homes, 4 were townhomes, 1 was a duplex, 1 was irrigation, and 3 were commercial.
12. The total amount of rainfall recorded at the CFP as of October 19, 2021, was 2.90 inches for the month. A total of 56.23 inches has occurred this calendar year and can be compared to 72.87 inches for the same period in 2020 (largest rainfall totals thru October 1996-2021) and 23.09 inches in 2007 (lowest rainfall totals thru October 1996-2021).
- C. Approval of a purchase order to Exceleron in the amount of \$50,352.21 for the prepay and online telephone payment processing fees for September.
- D. Approval of a purchase order to Wilder Contracting, LLC, in the amount of \$583,400 for an addition to the Tom Wheeler Training Center Building. Classroom space and storage will be added on the backside of the facility. The project is budgeted for FY 2022. Wilder submitted the low bid.
- E. Approval of a change order with Murray Construction in the amount of \$72,973.95 for the site work at Lang Street Substation. The original contract amount was \$115,737.20 and the adjusted contract amount is \$188,711.15. The additional cost is for the removal and replacement of unsuitable soil at the site. The soil study performed prior to the bid indicated there was a possibility for such an encounter, and the contractors were asked to provide pricing for this potential work during the bid process where Murray Construction, low bid, was awarded the contract.
- F. Approval of a contract and budgeted purchase order to Osmose Utility Services, Inc., in the amount of \$54,821.32 for in-service inspection and remedial treatment for ten percent of the distribution and transmission wood poles on the electric system. In the past, CU has tested and treated the entire system every ten years; however, CU is moving to a yearly process to inspect smaller portions of the system each year to make it more manageable and spread the expense and workload more consistently. Osmose submitted the low bid.

- G. Approval of a purchase order to Black Construction, LLC, in the amount of \$118,350 for the structure and breaker foundations at Lang Street Substation. Black Construction submitted the low bid for the budgeted project.
- H. Approval of a contract with Hurst Excavating, LLC, in the amount of \$3,548,754 to perform 21,523 feet of mainline sewer rehabilitation by pipe bursting, CIPP lining and excavation. This contract will also include the renewal of 215 service laterals, installation of 207 cleanouts and 650 vertical feet of manhole lining. This is the first project performed fully under SRF loan 2018-417-01. This loan does not include loan forgiveness but has a long-term interest rate of 0.73 percent. The loan amount is \$10,000,000. This project is budgeted for FY 2022 and FY 2023.
- I. Approval of a contract with Stantec Consulting, Inc., in the amount of \$83,000 for the detailed design of a chlorine scrubber at the Waterville Springs Water Treatment Plant. The scrubber will neutralize any accidental chlorine release and reduce overall risk. The project is budgeted for FY 2022.
- J. Approval of a contract with J.R. Wauford & Company, Consulting Engineers, Inc., in the amount of \$520,000 for the design of a Staged Aerobic Digestion with Pre-Thickened Feed Solids Technology. The benefits of the project include modernization of the solids handling as well as reduced ammonia loading back to the head of the plant which increases the available treatment capacity. The project is currently in the projected FY 2023 (\$325,000), FY 2024 (\$2,500,000), and FY 2025 (\$2,500,000) budgets. An updated (September 2021) Opinion of Probable Costs depicts the Total Project Cost of \$6,330,000.

OTHER BUSINESS

Future Board Meeting Dates

Future scheduled board meeting date below:

Friday, December 3, 12:30 p.m., at Cleveland/Bradley Chamber of Commerce

There being no other business, Eddie Cartwright made a motion to adjourn the meeting. Vice Chairman Joe Cate seconded the motion, and the board unanimously voted to adjourn the meeting at 12:52 p.m.


Board Secretary


Board Chairman

12-3-2021
Date

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
DECEMBER 3, 2021

A regular meeting of the Board of Public Utilities was called to order at 12:30 p.m. at the Cleveland/Bradley Chamber of Commerce.

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; John Corum, Administrative Services VP; Amy Ensley, Utility Board Secretary; Jimmy Isom, Electric VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; Walt Vineyard, Executive VP; Chris Wilds, Manager of Treatment Facilities; Mark Lay, Wedgewood Accounting; and Tim Siniard, *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag, Chris Wilds delivered the invocation.

MANAGER'S UPDATE AND ANNOUNCEMENTS

Employee Retirements

Henderson announced three CU employees are retiring. Tony Burns, a Foreman in the Wastewater Collections Department, finished out his career with 31 years of service. Tim Delk, Meter Lab Supervisor, has 34 years of service; and Misty Shelton, a Customer Service Representative in the Collections area, completed a 12-year career with CU. Henderson publicly expressed appreciation for their dedicated service and wished them a blessed retirement.

New Customer Service Offering

A new customer service offering has recently been implemented where cards will be distributed to customers containing their account number, due date, easy ways to pay, as well as general office information. An employee in the Call Center recognized the need, and Stinnett's team followed through to make it happen. Stinnett expounded on the potential for greater use of the cards with technology improvements. He has been in conversations with the Information Technology group about the opportunity to integrate bar codes for customers to access their account at one of CU's kiosks as well as a QR code that could direct them to payment sites. CU currently accepts payments online, through the mobile app, by telephone, kiosks, in-person, and at Bank of Cleveland locations (there are no service charge fees for these payment methods). Additionally, payments are accepted at CVS and Family Dollar stores (these retailers charge a service fee).

United Way Campaign Report

CU's annual United Way campaign wrapped up in early November. This year's campaign goal was \$58,250; however, CU exceeded that amount by raising \$61,039. The Banner recently ran an article about CU being a Pacesetter company. Henderson stated he is very appreciative of the employees who donate their money and give back to the community.

Christmas Luncheon Food Truck Event

Two food trucks, Food NV and Hungry Hippie, will be onsite to serve boxed lunches to employees in lieu of the annual Christmas luncheon due to the ongoing pandemic. Board members were invited to attend.

Holiday Closures

Cleveland Utilities will be closed Thursday, December 23, and Friday, December 24, for the Christmas holiday and Friday, December 31, and Monday, January 3, in recognition of New Years. The Call Center will be open and regular emergency/standby services will be maintained 24/7.

CONSENT AGENDA

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

A. Approval of the minutes from October 22, 2021.

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

FINANCIAL REPORT

1. **Electric Division October 2021** - During the month of October, the cost of purchased power as a percentage of retail sales was 73.0 percent and can be compared to the budgeted percentage of 74.1 percent for FY 2022. The results for October are electric sales revenue of \$7,562,841, which was offset by a purchased power expense of \$5,518,844. This resulted in an operating margin of \$2,043,997. This is compared to a budgeted margin of \$1,873,814. Operating expenses for the month were \$1,688,834. This is compared to a budgeted operating expense of \$1,882,858. These revenue numbers were driven by a customer base of 32,339. The net income for the month was \$530,863; this can be compared with a budgeted net income of \$126,184.
2. **Water Division October 2021** - For October, water sales revenue was \$1,478,568. This is compared to the budgeted amount of \$1,450,787. Other revenue sources contributed an additional \$173,482 for the month. These revenue numbers were driven by a customer base of 33,123. Operating expenses for the month were \$1,416,398. This is compared to the budgeted amount of \$1,439,747. The division recorded an operating income of \$235,652, which is compared to a budgeted operating income of \$146,599.
3. **Wastewater Division October 2021** - For October, wastewater treatment revenue was \$1,125,281. This is compared to the budgeted amount of \$1,071,753. Other revenue sources contributed an additional \$75,841 for the month. These revenue numbers were driven by a customer base of 19,900. Operating expenses for the month were \$1,090,946. This is compared to the budgeted amount of \$1,092,449. The division recorded an operating income of \$110,176, which is compared to a budgeted operating income of \$55,447.

ELECTRIC REPORT

1. An update was provided for the Lang Street Substation Project:

Site work: The grade work at the site was completed in October. There were small revisions required to the plans and some dirt had to be brought in, but the project went well overall.

Foundations: Engineering provided the concrete foundation drawings for the steel structure, transformers, and breakers to operations personnel. CU sent out a bid request to local contractors for the pouring of the foundations during October, and Black Construction was awarded the bid. At this time, a date has not been scheduled for the work to commence.

Steel Structure: Parts of the steel structure began to arrive in October. The large steel pieces were delivered to the site. Some of the smaller items were delivered to the shop and will be stored until needed. Most of the structure arrived in October, and the remainder should arrive in November.

Breakers: The ABB 13 kV breakers arrived in October.

2. The Cherokee Gateway Substation was switched to its “normal” configuration during the month of October. Both power transformers are energized and customers in the area are connected to their final circuits. One big change is the I-75, Exit 20 area will now be fed by the new substation. Operations personnel worked with the City of Cleveland to have guard-railing installed around the two underground dip poles outside the substation for added protection.
3. The Cleveland State Community College Project is progressing. Work to convert a section of the overhead lines along Adkisson Drive to underground continued. The contractor was able to complete most of the conduit installation. Additionally, the contractor had planned to pour the concrete pad for the new meter cabinet at the end of October; however, weather did not cooperate. It should be poured in early November. CU crews will be able to begin at the site in early November by working on the new riser poles. Once the contractor pours the concrete pad for the new meter cabinet, crews can begin installing the new underground lines, which are expected to be installed by the end of November, weather permitting.
4. Electric engineering personnel have been working with the contractor for the new oil change and car wash business located in Graystan Square Phase II at the corner of Paul Huff Parkway and Mouse Creek Road. The Car Wash will require a 277/480 volt, three-phase service and the oil change station will require a small single-phase service. CU provided the contractor a conduit layout for the property. A section of the conduit was installed in October and checked by CU electric operations. Construction of the buildings have just begun, and it will be several weeks before electric service is needed.
5. The supply shortage seen around the world has impacted the electric distribution industry. Electric engineering has been presented with interesting challenges due to the shortage and unavailability of equipment and supplies. The biggest concern now is the lack of availability for single-phase, pad-mounted transformers and sectionalizing cabinets. Engineering has been brainstorming ideas to make sure CU’s current stock is used wisely in an attempt to prevent a shortage in inventory. Engineering has also been reaching out to vendors to explore different equipment available that may not be normally used by CU but could be used for emergencies (like fiberglass sector cabinets instead of steel sector cabinets). CU has also contacted developers and are encouraging them to start building in from the entrance of the subdivision and work their way back instead of sporadically building throughout the whole development. This allows CU to install facilities in smaller segments as needed instead of building out the entire subdivision, thus conserving material. Engineering will continue to work on new solutions until the supply issue returns to normal.
6. Operations advertised for bids on the next ten percent of pole testing and treating of the system. A formal bid opening was held on October 12. Osmose Utility Services submitted the low bid and was awarded the project. Pole data for this phase has been sent and is currently being reviewed before crews are scheduled.
7. The Tennessee Department of Environment and Conservation (TDEC) and the Tennessee Valley Authority (TVA) are partnering to develop a statewide electric vehicle (EV) fast charging network to power the growth of EV’s across Tennessee and reduce barriers to transportation electrification. Specifically, the two have signed an agreement to collaborate and fund a network of fast charging stations every 50 miles along Tennessee’s interstates and major highways. The “Fast Charge TN Network” will add approximately 50 new charging locations along prioritized corridor infrastructure gaps, tripling Tennessee’s

existing fast charging network. Cleveland Utilities has identified three potential sites and have submitted the application to the State of Tennessee for grant funding.

8. There were no traffic lighting projects to report for the month.

WATER & WASTEWATER REPORT

1. A meeting to review the Preliminary Engineering Report for the Expansion of the Hiwassee River Wastewater Treatment Plant (WWTP) has been scheduled for January 2022.
 2. CTI has submitted the preliminary report for the Sodium Permanganate Conversion at the Cleveland Filter Plant (CFP) Raw Water Intake. The design is being reviewed by CU staff.
 3. The CFP Raw Water Pump #1 MCC Drive Replacement is complete.
 4. CU has provided comments to HDR for the CFP Sodium Hypochlorite Project, and final drawings are being prepared.
 5. In reference to the Hensley Road/Freewill Road Water Main Extension Project, Hampton Backhoe has completed the installation of pipe along Hensley Road (approximately 1,000 feet), and the pipe along Freewill Road remains to be installed.
 6. Wright Industrial Group has painted 371 hydrants and primed/painted 437 hydrants for Phase 1 of the project.
 7. Jacobs Engineering Group has submitted the draft report for the Walker Brow Booster Pump Station Alternatives Evaluation to CU for comment.
 8. The 17th and 20th Streets Water Main Relocations Project is complete, and the final estimate has been submitted.
 9. Hampton Backhoe has completed the 20th Street Water Main Project between Carolina Street & Charles Street. The final invoice has been submitted.
 10. HL Construction has completed 75 percent of the pipe installation for the 22nd Street Annexation Area Water Main Extension Project.
 11. The 2019 Prospect/Hensley Road Annexation Sanitary Sewer Project is complete except for punch list items and sag correction.
 12. Hampton Backhoe has completed the water and sewer main installations for Spring Creek Ridge Development (Cross Creek Court).
 13. An update was provided for the ongoing Wastewater Rehabilitation Project:
 - In reference to the Phase 3 Rehabilitation Project, the contractor completed 31 service lateral rehabilitations during this period. To date, a total of 20,344 feet of mainline rehabilitation, 218 service lateral rehabilitations, 117 manhole rehabilitations and 172 cleanout installations have been completed.
 - The contractor has sent in the 2021 Rehabilitation Project submittals for review. A preconstruction meeting was held on November 30, and the notice to proceed is set for December 6, 2021.
 14. The Meter Department set 66 meters through October 2021 compared to 65 for October 2020 and 36 for October 2019. Of the 66 sets, 54 were single family homes, 7 were townhomes, 3 were irrigation, and 2 were commercial.
 15. The total amount of rainfall recorded at the CFP as of November 30, 2021, was 1.01 inches for the month. A total of 59.12 inches has occurred this calendar year and can be compared to 74.23 inches for the same period in 2020 (largest rainfall totals thru November 1996-2021) and 28.40 inches in 2007 (lowest rainfall totals thru November 1996-2021).
- C. Approval of a purchase order to S&C Electric c/o Chas W. Ashby Company in the amount of \$51,898.50 for three 69 kV transmission line switches to replenish inventory. These switches

will be used to upgrade the transmission line system by replacing older ones that have been in service for many years. This is a budgeted item, and S&C was the only supplier to submit a bid.

- D. Approval of a purchase order with Hampton Backhoe Service, LLC in the amount of \$11,945 for additional pug mix, asphalt binder, and labor to install materials to complete the 12-inch ductile iron pipe (DIP) water main extension along 20th Street between Carolina Avenue and just east of Greenwood Avenue. The existing water main was in conflict with the City's proposed sidewalk and storm drain. The original approved purchase order was \$54,420 with the final amount being \$66,365. This project is not budgeted.
- E. Approval of a contract with LJA Engineering, Inc., in the amount of \$64,550 for the Interceptor Modeling Project. The project will collect necessary field data and analyze flow data currently being collected to prepare a model and determine dry weather and wet weather flow conditions of the main sewer interceptor line conveying wastewater from Cleveland to the Hiwassee River Wastewater Treatment Plant. The project is not budgeted.
- F. Approval of a purchase order with Tech Coat, Inc., in the amount of \$136,930 for the rehabilitation of Filter No. 1 at the Cleveland Filter Plant (CFP). The project consists of coating the filter walls, repair of the filter underdrain system, and replacement of the filter media. CFP has six filters. The other five filters have been rehabilitated in the last few years. This project is budgeted at \$300,000 for FY 2022.
- G. A Pretreatment Compliance Letter from TDEC was included in board packets for informational purposes.

OLD BUSINESS

Presentation of FY 2021 Audit Report by Mark Lay

Mark Lay, representing Wedgewood Accounting, PLLC, reviewed the Required Auditors' Communications in relation to the Fiscal Year 2021 audit report. He reported the financial statements present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Board of Public Utilities as of June 30, 2021, and 2020. Lay expressed appreciation to Stinnett and his staff for their cooperation and working diligently to provide the requested documents.

Both divisions experienced an increase in net position for the year. The increase in the Electric Division was \$8,244,698, and the Water and Wastewater Divisions was \$5,707,945.

The Other Post-Employment Benefits (OPEB) Trust grew by \$1,310,331 in FY 2021, which includes employer contributions made to the fund as well as investment income & growth. The investment income & growth was in excess of \$600,000 and did well for the period. The 2020 balance was \$1,822,568 and as of June 30, 2021, the balance was \$3,132,899. Lay applauded CU for taking steps to fund this liability.

There were no new statements this year related to the financials. Next year, statement number 87 will be out regarding leases, and for June 30, 2023, there will be statement number 96 related to subscription-based information technology arrangements that could affect Cleveland Utilities.

Henderson thanked Lay and his firm for the work they perform. Board members were advised to contact Lay if there are any questions. The acceptance of the audit report will be voted on at the next board meeting.

OTHER BUSINESS

Future Board Meeting Dates

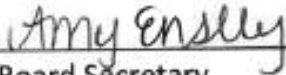
Future scheduled board meeting date below:

Thursday, January 6, 12:30 p.m.

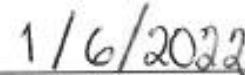
Friday, January 28, 12:30 p.m.

Friday, February 25, 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 12:52 p.m.


Board Secretary


Board Chairman


Date