

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.

Amy Ensley
Board Secretary

[Signature]
Board Chairman

2-26-2021
Date