

**AMENDED MINUTES OF REGULAR MEETING**  
**CLEVELAND UTILITIES BOARD**  
**DECEMBER 4, 2020**

*The Board of Public Utilities held an open board meeting on December 4, 2020, at 12:30 p.m. in the Tom Wheeler Training Center.*

**The following were physically present:** Tim O. Henderson, President/CEO; Amy Ensley, Utility Board Secretary; Jimmy Isom, Electric VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; and Walt Vineyard, Executive VP.

*In light of COVID-19 and to help prevent its spread, members of the board were permitted to participate electronically pursuant to Governor Lee's Executive Order 65.*

**The following were present through teleconference:** Aubrey Ector, Chairman; Joe Cate, Vice Chairman; Councilman David May, Jr., Cleveland Utilities Board; Eddie Cartwright, Cleveland Utilities Board; Debbie Melton, Cleveland Utilities Board; John Corum, Administrative Services VP; and Tim Siniard, *Cleveland Daily Banner*.

Following the Pledge of Allegiance to the American Flag, Tim Henderson expressed condolences to Joe Cate on the passing of his mother. Eddie Cartwright echoed those condolences to Cate, wished everyone a Merry Christmas & Happy New Year, and then delivered the invocation.

**MANAGER'S UPDATE AND ANNOUNCEMENTS**

**COVID-19 Update**

Staff continue a purposeful path of enhancing efforts to protect the workforce. There have been a few positive cases in the organization as well as a few employees being subject to quarantine. Overall, management has done a phenomenal job in managing everything and enabling work to get done at a high level. Extensive progress is being made in the lobby area. The contractor is currently on schedule to complete the renovations by the end of the year.

**Christmas Luncheon**

CU will not be hosting the annual Christmas Luncheon due to COVID-19.

**Holiday Closures-Christmas & New Year's**

Cleveland Utilities will be closed Wednesday, December 23, Thursday, December 24, and Friday, December 25, for the Christmas holiday and Thursday, December 31, and Friday, January 1, in recognition of New Years. The Call Center will be open and regular emergency/standby services will be maintained 24/7. This coincides with the city's holiday schedule.

**CONSENT AGENDA**

Councilman David May, Jr., moved to approve the following items from the Consent Agenda. The motion was seconded by Joe Cate and ~~unanimously~~ passed. **Debbie Melton rescinded her vote and requested for the minutes to be corrected to reflect the appropriate recording of her recusal. She intended to recuse herself on 12-4-2020, but lost track of item E, a purchase order to Don Ledford Automotive, being on the agenda and simply forgot. A.E. 1-8-2021**

- A. Approval of the minutes from the regular meeting held on October 23, 2020.
- B. Approval of the following written Financial, Electric, and Water/Wastewater Division Reports:

**FINANCIAL REPORT**

1. **Electric Division October 2020** - During October, the cost of purchased power as a percentage of retail sales was 69.4 percent and can be compared to the budgeted percentage of 76.1 percent for FY 2021. The results for October are electric sales revenue of \$6,978,543, which was offset by a purchased power expense of \$4,844,578. This resulted in an operating margin of \$2,133,965. This is compared to a budgeted margin of \$1,819,363. Operating expenses for October were \$1,719,934. This is compared to a budgeted operating expense of \$1,843,514. These revenue numbers were driven by a customer base of 32,273. The net income for the month was \$588,108 and can be compared to a budgeted net income of \$129,454.
2. **Water Division October 2020** - For October, water sales revenue was \$1,409,310. This is compared to the budgeted amount of \$1,454,632. Other revenue sources contributed an additional \$180,581. These revenue numbers were driven by a customer base of 32,765. Operating expenses for the month were \$1,355,117. This is compared to the budgeted amount of \$1,380,937. The division recorded an operating income of \$234,774, which is compared to a budgeted operating income of \$212,153.
3. **Wastewater Division October 2020** - For October, wastewater treatment revenue was \$1,126,161. This is compared to the budgeted amount of \$1,141,149. Other revenue sources contributed an additional \$77,271 for the month. These revenue numbers were driven by a customer base of 19,688. Operating expenses for the month were \$1,012,308. This is compared to the budgeted amount of \$1,071,985. The division recorded an operating income of \$191,124, which is compared to a budgeted operating income of \$157,611.

**ELECTRIC DIVISION**

1. An update was reported for the ongoing Cherokee Gateway Substation Project:
  - Electrical Control Building: The Keystone building was completed and delivered in October. The building was set in place via a large crane and all went well. The next step will be connecting the electrical wiring from the breakers and transformers to the control building.
  - Steel Structure: Construction of the steel structure was completed in October by CU crews. They are currently installing the aluminum bus on the structure.
  - Breakers & Switches: CU crews have installed the 69 kV and 13 kV breakers on the concrete pads at the site. The manually operated switches have also been mounted on the structure.
  - Underground Cable & Pole Risers: The needed material for the cable risers has been ordered and is beginning to arrive. The remaining material is expected to arrive by the end of November.
2. The preliminary site and grading design for the Lang Street Substation Upgrade Project has been completed. Personnel are presently reviewing the specifications for the power transformers which will be going out for bid around the first of next year. Transformer

delivery can range from six months to a year depending on demand. Grading at the site is anticipated to begin in the spring.

3. The new poles for the Lang Street to District Substation transmission line upgrade have been set and crews are starting to pull in the new parallel #556 AAC conductor. Completion is projected for the first part of February.
4. Site work is underway for Cannon Automotive (Project Hawk) at the Spring Branch Industrial Park. Engineering had their first onsite meeting with the electrical contractor and site supervisor in October. Several agenda items were discussed. The site supervisor and electrical contractor are reviewing options and updating site drawings that were found to be incorrect. Engineering expects to have additional meetings over the next several months and continue to work out details for the electric service as the project progresses.
5. Engineering released a work order to install 15 more SEL fault indicators on the electric system that were purchased in the FY 21 budget. This is in addition to the 15 ordered on the FY 20 budget associated with the work order released in September. The first set was not installed as anticipated due to the heavy workload in operations. The 30 new indicators (10 locations) are expected to be installed in November or December. This will be complete the installation of the fault indicators with communication until the FY 22 budget year.
6. Engineering met with the electrical contractor for the new Taco Bell on Paul Huff Parkway near the Target Center. There is currently no electric service available on the lot; therefore, a plan had to be formulated. Engineering requested permission from an adjoining property owner to install a new underground line at the rear of the neighboring lot. The owner verbally agreed, but has an attorney reviewing the easement document. Engineering is in the process of working out the details.
7. CU crews installed the secondary cabinet and wire for the Spectrum Office on Paul Huff Parkway in October. The electric service is expected to be connected in November.
8. Approximately one year ago, engineering began a project with EPRI out of Knoxville to develop a software package to help determine the best location for future distribution automation devices. This past month, EPRI conducted a virtual presentation showing the progress of the project, and the software shows to have great potential. It was determined some of the data provided by CU needed to be reformatted; therefore, engineering reorganized the data so that the results from the software will be more accurate. EPRI is currently working on the software, and engineering will continue to assist as needed.
9. Easement acquisition for the overhead power line relocation for the TDOT Highway 60 Project is progressing nicely with only three of the twenty-nine easements remaining to be purchased. In today's consent agenda, approval is being requested for condemnation proposals for two of the properties due to preliminary indications the owners are not going to agree to any terms. The steel poles for the project arrived in October and are being stored at the Harrison Building. CU will be submitting an invoice to TDOT for reimbursement of the poles. The TDOT official bid letting date has been moved from December 11, 2020, to February 5, 2021.
10. A report was provided for traffic lighting:

- Engineering met with the developer, Wright Brothers, and city transportation representatives, about relocating the traffic cabinet and replacing the detection for the southbound approach of Mouse Creek Road at Paul Huff Parkway. The existing traffic cabinet would conflict with the new channelized right turn island if not moved. A work order was also issued to remove/relocate down guys on the corner of the intersection.

### **WATER & WASTEWATER DIVISION**

1. The paving project at the Wastewater Treatment Plant (WWTP) has been completed in the total amount of \$78,087.
2. The South Blower Building Motor Control Center (MCC) replacement at the WWTP is scheduled to begin on December 8.
3. J.R. Wauford has completed 50 percent of the design work for the ultraviolet disinfection at the WWTP. The total contract amount for the design is \$240,000.
4. The HVAC improvements at the Cleveland Filter Plant (CFP) are scheduled to be finished by the end of December. The system is in operation.
5. Mansfield Industrial has completed 65 percent of the painting project at the CFP.
6. CU staff received the full draft report for the CFP Risk & Resilience Assessment (RRA) Plan.
7. Hampton Backhoe (the subcontractor) has graded the access road and site for the Cherokee Gateway Boulevard Water Storage Tank. Precon (the tank builder) will be onsite the week of December 14.
8. Hampton Backhoe has completed the following projects:
  - The water main installation for the Veterans Home in the final amount of \$57,213.
  - The Brymer Creek Road water main extension at a total cost of \$109,327.
  - The Moore Circle Road water main extension. CU is awaiting the final invoice.
  - The sewer relocation at North Lee Elementary in the total amount of \$27,595.
9. The Spring Branch Pump Station Force Main Project is 95 percent complete.
10. Engineering approved plans for Spring Creek Ridge Development (Cross Creek Court). The project comprises 23 townhome lots, 727 feet of 6-inch water main and 935 feet of 8-inch gravity sewer main.
11. The following report was provided for the Wastewater Rehabilitation Project:
  - In reference to the Sycamore Drive and East Keith SSES Project, CCTV of laterals and mainlines continues and is anticipated to be complete next month.
  - The new line for the 9<sup>th</sup> Street Sewer Replacement Project has been installed and is in service. The contractor still has to finalize cleanup and perform some paving and concrete work.
  - Bids for the Phase 3 Rehabilitation Project have been approved by the State Revolving Fund (SRF). A preconstruction meeting was held on November 30, and work is scheduled to begin December 7.
12. The Meter Department set 65 meters through October 2020 compared to 36 for October 2019 and 36 for October 2018. Of the 65 sets, 41 were single family homes, 4 were apartments, 11 were townhomes, 2 were irrigation, and 7 were commercial.

13. The total amount of rainfall recorded at the CFP as of November 30, 2020, was 1.36 inches for the month. A total of 74.23 inches has occurred this calendar year (22.39 inches above average). As a comparison for this same period in 2007, a total of 28.40 inches was recorded. The projected total for 2020 is now 80.98 inches (23.66 inches above average).
- C. Approval of a purchase order to Earthworks Unlimited, Inc., in the amount of \$69,620 for the labor, material, equipment and other facilities as necessary for the construction of a new employee parking area on the east side of the Power Service Center. Earthworks submitted the low bid for this budgeted project.
  - D. Approval of a purchase order to Del-Air Mechanical Contractors, Inc., in the amount of \$65,660.04 for a one-year contract extension for the HVAC maintenance and mechanical services for CU's facilities. Del-Air was the low bid for this contract in 2017.
  - E. Approval of a purchase order to Don Ledford Automotive Center, Inc., in the amount of \$107,460 for two, 2021 model 1-ton crew cab/chassis trucks equipped with utility beds. These are the budgeted replacements for units #110 and #116, both utilized by the Substation Department. Don Ledford submitted the low bid meeting CU's minimum specifications.
  - F. Approval of a Resolution authorizing The Cleveland Board of Public Utilities to proceed with eminent domain proceedings against the property owners Gary Voytik and Brenda Voytik. The easement is required for the relocation of electric facilities on the Voytik's property as part of the TDOT Highway 60 Road Widening Project.
  - G. Approval of a Resolution authorizing The Cleveland Board of Public Utilities to proceed with eminent domain proceedings against the property owners David Rahamut and Andrea Rahamut. The easement is required for the relocation of electric facilities on the Rahamut's property as part of the TDOT Highway 60 Road Widening Project.
  - H. Approval for entering into an agreement with S&ME, Inc., for the completion of the survey, design, construction services and other incidental tasks associated with the 2010/2012 Annexation Area (Durkee Road/Benton Pike) for an amount not to exceed \$121,550. The project is budgeted for FY 2020 and FY 2021 and will be funded by the State Revolving Fund (SRF).
  - I. Approval of a contract change order with Morgan Contracting in the amount of \$644,194.55 to perform an additional 5,711 feet of mainline sewer rehabilitation by CIPP lining and excavation. This change order will also include the renewal of 70 service laterals, installation of 70 cleanouts and 135 vertical feet of manhole lining. This change order will increase the total project amount from \$2,588,211.00 to \$3,232,405.55 or 24.9% and be funded through loan SRF2018-417-01. This loan does not include loan forgiveness, but has long-term

interest rates of 1.58% and 0.73%, respectively. This project is budgeted for years FY 2020 and FY 2021.

- J. Approval to award a contract with Precon Corporation in the amount of \$144,400 for the CFP #2 Clearwell Repair Project. The project involves replacing the baffle curtains in the existing clearwell. The project is budgeted for FY 2020.
- K. Approval of a purchase order with Jackie Evans Trucking Company in the amount not to exceed \$59,400 for the removal of alum sludge, approximately 360 loads from the Cleveland Filter Plant. The service period is from January 1, 2021 – May 31, 2021. The service is budgeted for FY 2021 and is sole source.
- L. Approval of a purchase order with MR Systems in the amount of \$50,194 for the purchase of labor and software upgrade to develop new SCADA screens (Wonderware/AVAVA) for the Cleveland Filter Plant. MR Systems is the regional authorized screen developer for AVAVA. The upgrade will enhance visual displays, improve functionality, and require less memory storage. The upgrade is sole source and budgeted for FY 2021.
- M. Approval of a purchase order with MR Systems in the amount of \$61,596 for the purchase of labor and software upgrade to develop new SCADA screens (Wonderware/AVAVA) for the Wastewater Treatment Plant. MR Systems is the regional authorized screen developer for AVAVA. The upgrade will enhance visual displays, improve functionality, and require less memory storage. The upgrade is sole source and budgeted for FY 2021.

**OTHER BUSINESS**

**Future Board Meeting Dates**

The next scheduled board meeting dates are as follows:

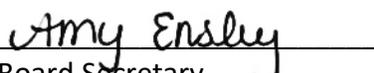
- Friday, January 8, 2021, at 12:30 p.m.
- Friday, January 22, 2021, at 12:30 p.m.
- Friday, February 26, 2021, at 12:30 p.m.

**Closing Comments from Board Members**

Eddie Cartwright publicly commended Cleveland Utilities for making the TWTC available to Life Bridges for their monthly meeting.

Joe Cate thanked Cartwright and Henderson for their comments about his mother.

Chairman Ector closed with wishing everyone a great holiday despite the challenges.

  
Board Secretary

  
Board Chairman  
1-8-2021  
Date