

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

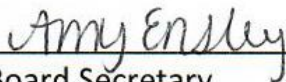
Future Board Meeting Dates

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

3-26-2021

Date