

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.

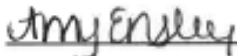
- C. Approval of a purchase order with Don Ledford Automotive in the amount of \$78,759 for the purchase of three (3) 2022 model 2-wheel drive sport utility vehicles. The SUVs are budgeted for FY 2021. Don Ledford submitted the low bid.
- D. Approval of a purchase order with Mtn. View Ford in the amount 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