

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