

**MINUTES OF REGULAR MEETING**  
**CLEVELAND UTILITIES BOARD**  
**JUNE 25, 2021**

A regular meeting of the Board of Public Utilities was called to order 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; and Debbie Melton, Cleveland Utilities Board. Others in attendance were 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; Nick Romito, Vegetation Management Director; Dean Watson, Electric Operations Manager; and Allen Mincey, *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag, Nick Romito delivered the invocation.

**MANAGER'S UPDATE AND ANNOUNCEMENTS**

**Reappointment to Utility Board**

Henderson congratulated Chairman Ector on his reappointment to the board.

**Independence Day Holiday**

Cleveland Utilities' offices will be closed Monday, July 5, to observe Independence Day. The Call Center will be open and regular emergency and standby services will be maintained.

**Tree Line USA Recognition**

Once again, Cleveland Utilities has been designated as a Tree Line USA utility by the Arbor Day Foundation for the 21<sup>st</sup> consecutive year. This award recognizes utilities that demonstrate best practices in quality tree care, all while delivering safe & reliable electric service. CU's Vegetation Management Director Nick Romito explained the standards for the certification and the vegetation management program. He pointed out preserving the health and prolonging the life of trees is the main objective in trimming trees around power lines to obtain the necessary clearance.

Henderson stated this speaks volumes for what CU's operations area has done over the years and what this means to the community.

**CONSENT AGENDA**

Vice Chairman Joe Cate made a motion to approve the following items from the Consent Agenda. The motion was seconded by Debbie Melton, and the Utility Board voted unanimously to approve the consent agenda.

A. Approval of the minutes from May 28, 2021

B. Approval of the following written Financial, Electric, and Water/Wastewater Division Reports:

**FINANCIAL REPORT**

1. **Electric Division May 2021** - During May, the cost of purchased power as a percentage of retail sales was 74.5 percent and can be compared to the budgeted percentage of 76.1 percent for FY 2021. The results for May are electric sales revenue of \$7,471,709, which was offset by a purchased power expense of \$5,565,796. This resulted in an operating margin of \$1,905,913. This is compared to a budgeted margin of \$1,738,507. Operating expenses for May were \$1,860,885. This is compared to a budgeted operating expense of

\$1,874,341. These revenue numbers were driven by a customer base of 32,437. The net income for the month was \$220,724 and can be compared to a budgeted net income of \$14,216.

2. **Water Division May 2021** - For May, water sales revenue was \$1,367,656. This is compared to the budgeted amount of \$1,390,855. Other revenue sources contributed an additional \$183,459. These revenue numbers were driven by a customer base of 33,080. Operating expenses for the month were \$1,328,530. This is compared to the budgeted amount of \$1,388,795. The division recorded an operating income of \$222,585, which is compared to a budgeted operating income of \$134,446.
3. **Wastewater Division May 2021** - For May, wastewater treatment revenue was \$1,121,074. This is compared to the budgeted amount of \$1,121,697. Other revenue sources contributed an additional \$87,948 for the month. These revenue numbers were driven by a customer base of 19,904. Operating expenses for the month were \$1,006,079. This is compared to the budgeted amount of \$1,094,454. The division recorded an operating income of \$202,943, which is compared to a budgeted operating income of \$114,184.

### **ELECTRIC REPORT**

1. The ongoing Cherokee Gateway Substation Project is nearing completion. Substation personnel have completed the wiring in the control building and have pulled off the job to perform scheduled routine maintenance and testing at various other stations. CU is presently waiting on the grading contractor to spread gravel inside the station, which should be completed by the end of June. The next steps will consist of programming the relays, RTAC (data concentrator), and SCADA. Then, the substation will be energized, tested, and placed in service.
2. An update was provided for the following components of the Lang Street Substation Upgrade Project:
  - 13 kV breakers – The 13.2 kV breakers are on order with expected delivery in November or December.
  - 69 kV breakers – The 69 kV breakers are an agenda item in today’s meeting.
  - Steel Structure – The steel structure is on order and expected to arrive in October or November.
  - Ground Grid Design – In May, Power Centric measured the soil resistance at the new site to determine the ground grid design. The final design was then sent to engineering in early June, and operations will be ordering the associated material.Operations switched the station out of service to reconfigure the existing overhead static lightning protection system. The existing poles as well as the ones utilized for lineman training have been removed to allow the grade work to begin. The site work is expected to begin by the middle of July.
3. Engineering released a work order to install new S&C TripSavers in five locations around the electric system. These electronic devices open and reclose if a fault occurs downline from the device. This helps clear temporary faults and prevent extended long-term outages. They also help isolate smaller sections of the circuit to prevent the rest of the circuit from seeing temporary operations and permanent outages. Additionally, they have a communication device that allows their status to be monitored in SCADA.
4. CU worked with TVA to take the East Cleveland 13 kV Substation out of service to isolate one section of 69 kV circuit E-774 running along Paul Huff Parkway. This allowed TVA to

pull another section of fiber in. Once TVA completed their work, East Cleveland was immediately switched back to normal configuration. Cleveland Utilities has already assisted TVA on a couple of other occasions with this same fiber project. This is part of TVA's communications upgrade that connects their fiber hub inside the East Cleveland delivery station to their new service center being constructed on Highway 58.

5. Engineering released a work order to provide electric service to a 23-unit residential development on Ocoee Place NW. The development will require the installation of four new single-phase, pad-mount transformers and 525 feet of underground primary at an estimated cost of \$29,579.77.
6. Cleveland Utilities, along with the city and county, have elected to purchase GIS imagery needs through Nearmap. CU has been on schedule to purchase imagery on a three-year interval at a cost of approximately \$85,000, which has always been shared by the three entities. There are several benefits to using the Nearmap platform. The first is ease of access. Imagery will be able to be fetched across the internet for both local and remote viewers and editors. There will not be a need for CU to house the data, thus reducing IT infrastructure. The data will also be received in hard copy form allowing redundancy to access in case of internet connection failure. Second, in collaboration with the county and city GIS Departments, costs will be split proportionally just as they have in past purchasing of custom acquisitions. Third, administration and acquisition time in the preparation of scope and bidding of imagery projects will be reduced. Lastly, the maps will be updated every year instead of every three years, and the yearly cost will be less than the previous system.
7. A report was presented for traffic lighting:
  - CU's Traffic Signal Coordinator was interviewed by the Associate Dean for Research at the University of Memphis, and the discussion revolved around traffic signal operations in the state of Tennessee. The research will lead to training development across the state.
  - A work order was released to replace two rotten poles, deteriorating signal heads, and the signal conductor at the intersection of Keith Street & Willow Avenue. Flashing yellow arrows were added to the left turn lanes from Keith Street at Willow and backplates with 2-inch reflective borders were added to all signal heads to improve safety.
  - Bradley County was selected for a pilot program with TDOT's Traffic Operations Division. The Traffic Signal Modernization and Maintenance Program will inventory signals along state routes. New equipment will be provided for any identified deficiencies.

#### **WATER & WASTEWATER REPORT**

1. HDR has completed 30 percent of the design drawings for the Cleveland Filter Plant (CFP) sodium hypochlorite (bleach) project (alternative disinfection).
2. In reference to the ongoing Cherokee Gateway Boulevard Water Storage Tank, the tank and piping are complete. The access road has been paved with an asphalt binder and curbing installed. A final asphalt topping will be laid soon. The fence remains to be installed.
3. Wright Industrial Group has painted 90 (8 percent) of the 1,112 fire hydrants.

4. CU has completed the design for the 17<sup>th</sup> & 20<sup>th</sup> Streets water main relocations. The project currently includes an estimated 830 feet of 6-inch DIP and 340 feet of 8-inch DIP. Additional relocations may be required.
  5. The 22<sup>nd</sup> Street annexation area water main extension design is complete and includes 830 feet of 8-inch DIP.
  6. The Rakestraw Road water main extension design is 25 percent complete. The project scope is approximately 175 feet of 6-inch water main.
  7. In reference to the 2019 Hensley Road Annexation Sanitary Sewer Extension Project, the contractor has installed 800 feet of sewer main from manhole 2-4. In addition, 345 feet of 385 feet of casing has been installed at the interstate bore.
  8. The Holloway Road/Industrial Drive annexation sewer area comprises 500 feet of 8-inch gravity sewer main.
  9. The Tillie Road sewer annexation area includes an estimated 200 feet of 8-inch gravity sewer main.
  10. Hampton Backhoe has completed the relocation of 400 feet of 8-inch gravity sewer main on 17<sup>th</sup> Street. The project contract amount was \$53,925.
  11. Engineering is reviewing plans for The Trails @ Freewill Subdivision. The development includes 4,723 feet of 6-inch water main and 5,849 feet of 8-inch gravity sewer main. Pratt and Associates is the developer.
  12. The following developments under construction are complete:
    - Graywood Farms, Phase 3, on Old Charleston Road. The development comprises 14 residential lots and 753 feet of 6-inch water main.
    - Villa Drive Townhomes (8 townhome lots) with a project scope of 90 feet of 8-inch gravity sewer main and three new services.
  13. An update was provided for the ongoing Wastewater Rehabilitation Project:
    - In reference to the Phase 3 Rehabilitation Project, the contractor has completed 3,960 feet of mainline rehabilitation, renewal of 29 service laterals, 33 manhole rehabilitations and 7 cleanout installations during this period.
    - The 17<sup>th</sup> Street sewer improvements installation is complete; cleanup work remains.
  14. The Meter Department set 38 meters through May 2021 compared to 38 for May 2020 and 40 for May 2019. Of the 38 sets, 25 were single family homes, 9 were townhomes, 1 was an apartment, and 3 were commercial.
  15. The total amount of rainfall recorded at the CFP as of June 21, 2021, was 4.98 inches for the month. A total of 29.83 inches has occurred this calendar year and can be compared to 46.37 inches for the same period in 2020 (largest rainfall totals thru June 1996-2021) and 13.04 inches in 2007 (lowest rainfall totals thru June 1996-2021).
- C.** Approval of the Property Insurance renewal for fiscal year 2022 through the Distributors Insurance Company (DIC) Program in the amount of \$1,178,717. DIC is a wholly owned subsidiary of TVPPA. Arthur J. Gallagher is the program manager.
- D.** Approval of a purchase order to Siemens Energy, Inc., c/o Utility Sales Agency in the amount of \$70,900 for two 69 kV Siemens breakers for Lang Street Substation. The Siemens breakers meet all CU specifications and are identical to existing 69 kV breakers on CU's electric system. Due to familiarity, proven service and being the low bid, the purchase of the Siemens breakers

is requested. This is a budgeted item.

- E. Approval of Amendment No. 2 of an Agreement for Engineering Services with Consolidated Technologies, Inc., dba CTI Engineers, Inc., in the amount of \$13,840. The increase is due to additional construction administration, quality control and site visits as part of the Cleveland Filter Plant Painting Project. The original agreement cost was \$47,600 and the final contract cost will be \$61,440.
- F. Approval of a purchase order with Consolidated Pipe & Supply Company in the amount of \$125,175 for a new TEAM insert valve machine, power unit, training, and valve assemblies. Consolidated Pipe & Supply Company is the authorized dealer for the area. The machine is budgeted for FY 2021 and is a sole source procurement.
- G. Approval of a purchase order with Vulcan Materials Company in the amount not to exceed \$100,000 for the purchase of stone backfill. The purchase period is from July 1, 2021 – June 30, 2022. The stone backfill is budgeted for FY 2022 and is a sole source procurement.
- H. Approval of a purchase order with Bradley Concrete in the amount not to exceed \$80,000 for the purchase of flowable fill backfill. The purchase period is from July 1, 2021 – June 30, 2022. This is a budgeted item for FY 2022 and a sole source procurement.
- I. Approval of a purchase order to Waypoint Business Solutions, LLC, in the amount of \$115,749.38 for 17 network switches and supplemental components to complete Phase 3 of the corporate network backbone upgrade. This is a budgeted item, and the equipment is being purchased through a state contract.

**OTHER BUSINESS**

**Future Board Meeting Dates**

Future scheduled board meeting dates at the TWTC are as follows:

- Friday, July 23, 12:30 p.m.
- Friday, August 27, 12:30 p.m.
- Friday, September 24, 12:30 p.m.

There being no other business, Debbie Melton made a motion to adjourn the meeting. Eddie Cartwright seconded the motion, and the board unanimously voted to adjourn the meeting at 12:44 p.m.

  
Board Secretary

  
Board Chairman

7-23-2021  
Date