

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
JULY 23, 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; Shane Lawson, Customer Data Manager; Andrew Phillips, Network Systems Manager; and Tim Siniard, *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag, Shane Lawson delivered the invocation.

MANAGER'S UPDATE AND ANNOUNCEMENTS

Full Lobby Reopening

The lobby will resume normal operations to accommodate all walk-in services effective Monday, July 26.

United Way Day of Action

The annual United Way Day of Action is being held today, and CU is proud to have a team participating. They have been assigned to Woodsong School to perform tasks including tree work, painting, installing insulation & flooring, removing siding and cleaning. The employees really enjoy serving in this capacity and giving back 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 Eddie Cartwright, and the Utility Board voted unanimously to approve the consent agenda.

A. Approval of the minutes from June 25, 2021.

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

FINANCIAL REPORT

- 1. Electric Division June 2021** - Since June represents the end of fiscal year 2021, the year-end financial records are still being compiled and the regular financial and statistical report for June 2021 will be presented on August 27; however, preliminary figures were provided. During June, the cost of purchased power as a percentage of retail sales was 73.3 percent and can be compared to the budgeted percentage of 76.1 percent for FY 2021. The results for June are electric sales revenue of \$9,217,555, which was offset by a purchased power expense of \$6,759,170. This resulted in an operating margin of \$2,458,386. This is compared to a budgeted margin of \$2,040,076. The results for FY 2021 electric sales revenue were \$98,357,656 which was offset by a purchased power expense of \$71,322,322. This resulted in an operating margin of \$27,035,334. This is compared to a budgeted margin of \$23,993,836 for the FY 2021.

2. **Water Division June 2021** - For June, water sales revenue was \$1,511,086, unadjusted for unbilled revenue. This is compared to the budgeted amount of \$1,512,666. The results for FY 2021 water sales revenue were \$16,731,730, unadjusted for unbilled revenue. This is compared to a budgeted revenue of \$17,039,909 for the FY 2021.
3. **Wastewater Division June 2021** - For June, wastewater treatment revenue was \$1,165,229, unadjusted for unbilled revenue. This is compared to the budgeted amount of \$1,144,397. The results for FY 2021 wastewater sales revenue were \$13,408,776, unadjusted for unbilled revenue. This is compared to a budgeted revenue of \$13,537,188 for the FY 2021.

ELECTRIC REPORT

1. The ongoing Cherokee Gateway Substation Project is nearing completion. The construction and electrical connections are complete. CU engineering and operations began programming the SCADA system for the new substation in June. Good progress was made and is expected to be finished by the end of July. Gravel was spread and leveled by the grading contractor, and the metal switch grounding pads were installed by the substation crew. The station is scheduled to be tested by a third party contractor the first week of August allowing for the substation to be energized and load added around the middle of August.
2. An update was provided for the Lang Street Substation Upgrade Project:
69 kV breakers – Engineering received two bids for the 69 kV breakers in May. The price quotes from both bids were very close, and engineering took extra time to review them. A final decision was made to use the Siemens breaker, like those used for recent substation projects, due to proven reliability. The board approved the purchase request in June, and the breakers have been ordered.
Steel Structure – Engineering has been working with Substation Engineering and Design on the new steel structure package. Engineering has requested for the design be reviewed to see if the portion of the structure that will be supporting the 69 kV transmission lines can support more weight than the requested 3,000 pounds per phase. The company is reviewing the design and running some calculations. They are also working on sending the structure approval drawings to CU for review and approval.
Lightning Protection - CU engineering has decided to use Lightning Eliminator's arrays at the new station. These devices are designed to deter lightning instead of redirecting the lightning strike like a lightning mast that has been typically used. CU first installed these devices at Cherokee Gateway substation. When they were ordered for Cherokee Gateway in 2020, engineering ordered two additional devices with the future Lang Street Substation Project in mind. Since 2020, the Lang Street design has changed, and the larger size requires an additional array. CU engineering ordered the additional array in June, and it is expected to arrive in time for the project. CU also ordered an 85-foot steel pole on which the array will be mounted.
3. Engineering has been working with the developer of Graystan Square on Paul Huff Parkway concerning the electric layout for phase 2, which will consist of five lots suited for restaurants or commercial retail shops. CU provided an electric conduit print to the contractor in June. The developer was working on obtaining bids for the conduit installation, which is anticipated to begin in a few months.

4. Cleveland Utilities continues to work with Massey Electric on the electric service at the PIE Center. Currently, the concrete pads have been poured on the south and west transformer locations and all conduits have been installed to each of the meter centers and CU's secondary cabinets. Cleveland Utilities set the new 500 kVA transformers at both the south and west locations and pulled in the primary. Massey Electric is currently in the process of having the concrete pad poured at the north transformer location and installing all conduits from the transformer to the new secondary cabinets on the east side of Parker Street and from there to a dead-end pole serving the gas station on the corner of 25th & Parker. Wet weather has delayed digging by their contractor.
5. Engineering released a work order to install lighting along the new walking path for the city's Blythe Sidewalk Project between 18th Street to 20th Street SE. The project will require the installation of one span of #2 ACSR primary, a new single-phase transformer, twelve new decorative LED fixtures, and 1,200 feet of #6 underground wire. The city's construction crews installed most of the conduit for this project. The estimated project cost is \$29,001.36.
6. Based on risk assessment evaluations, engineering and GIS personnel have been working to configure a private, secure map portal for internal use. These maps include electric, water, and wastewater details used for locating, troubleshooting, and planning purposes. Only employees with an approved username and password will be able to view infrastructure and utility maps. For security reasons, public access was removed once the new portal became active.
7. Liberty Power Service completed scheduled routine testing of Fletcher, Chatata Creek, Wildwood and Payne Gap Substations. It involved complete testing of all substation equipment and relays to verify all equipment is functioning properly and the protection settings are accurate and within tolerances.
8. The Line Department began a new computer-based time entry system in June and discontinued the existing paper time sheets. This should streamline the process and make it easier for field personnel as well as time approval by supervisors.
9. A report was presented for traffic lighting:
 - The City's traffic signal network consisting of 78 signals is managed by the central software IQ Central. The software was part of a TDOT Intelligent Transportation System Project in 2009 and is no longer fully functional or supported by the manufacturer. CU evaluated several replacement software systems and found Intelight's Kinetic Signals as the ideal replacement. It maintains connectivity with the existing traffic controllers while allowing for expansion of future technologies such as connected vehicles. This software will use data from the ATC controllers to provide Automated Traffic Signal Performance Measures (ATSPM) without the need of additional hardware. ATSPM provides insight to traffic engineers to evaluate the signal timing and corridor progression, isolate equipment faults, and could be a source of project funding in the future. Kinetic Signals also integrates directly with the 142 Wavetronix radar detectors already deployed in Cleveland and is the only software with that ability.

WATER & WASTEWATER REPORT

1. The final Risk & Resilience Assessment (RRA) and the draft Emergency Response Plan (ERP) for the Cleveland Filter Plant (CFP) are both complete and have been certified by the Environmental Protection Agency (EPA).
 2. In reference to the ongoing Cherokee Gateway Boulevard Water Storage Tank, the tank is in service. The first layer of paving (binder) has been laid. The second layer (topping) as well as installation of the fencing and the front entrance gate remain to be done.
 3. The Fire Hydrant Painting Project is progressing. Wright Industrial Group has painted 90 new hydrants in Phase 1, which consists of 1,127 total hydrants. The entire project consists of approximately 2,800 hydrants and will be done in three or four phases.
 4. The 17th Street & 20th Street Water Main Relocation Project is underway. HL Construction has completed the water main installation on 20th Street.
 5. In reference to the 2019 Prospect/Hensley Road Annexation Sanitary Sewer Extension Project, the contractor has installed 1,861 feet (47%) of the sewer main and completed the bore under Interstate 75.
 6. The Holloway Road/Industrial Drive Annexation Sewer Project has been bid and awarded to Hampton Backhoe.
 7. The Tillie Road Annexation Sewer Project is complete.
 8. The Ocoee Place Cottages Development on Ocoee Place has been completed. An estimated 200 feet of 8-inch PVC gravity sewer was installed and a master meter for water service was set to serve the 23 private cottages.
 9. An update was provided for the ongoing Wastewater Rehabilitation Project:
 - In reference to the Phase 3 Rehabilitation Project, the contractor has completed 1,743 feet of mainline rehabilitation, renewal of 45 service laterals, 35 manhole rehabilitations and 40 cleanout installations during this period.
 10. The Meter Department set 31 meters through June 2021 compared to 30 for June 2020 and 53 for June 2019. Of the 31 sets, 24 were single family homes, 3 were townhomes, 2 were irrigation, and 2 were commercial.
 11. The total amount of rainfall recorded at the CFP as of July 21, 2021, was 8.48 inches for the month. A total of 38.52 inches has occurred this calendar year and can be compared to 54.17 inches for the same period in 2013 (largest rainfall totals thru July 1996-2021) and 18.04 inches in 2007 (lowest rainfall totals thru July 1996-2021).
- C. The Safety Internal Performance Measures (IPMs) for January 2021-June 2021 were provided. This is a component of CU's Strategic Plan. Results for the period are below:

	Electric & Water Combined	Electric Division	Water/Wastewater Division
OSHA Recordable Incident Rate (RIR)	0.46	0.79	0.00
DART Rate	0.46	0.79	0.00
Lost-Time Case Rate (LTCR)	0.00	0.00	0.00
Vehicle Accident Rate (VAR)	2.19	6.04	0.00

The following data went into the calculations:

- A total of 495,998 consecutive hours have been worked by both divisions combined without a lost-time injury (LTI). Electric employees contributed 29,391 of those hours, with the last lost-time injury occurring on April 20, 2020. The water division reached 466,607 hours, with the last lost-time injury occurring on December 7, 2018.
- A total of 219,335 cumulative hours were worked companywide during the period. 120 employees in the electric division worked 126,072 hours, and 87 employees in the water division worked 93,263 hours.
- In addition, a total of 456,708 cumulative vehicle miles were driven by employees in 121 vehicles. 165,664 of those miles were driven by electric employees, and 291,044 miles were by water employees.

The below data was provided as a comparison to the previous three years:

Year	OSHA – TRIR	DART	LTCR	VAR
2018	2.88	2.40	0.48	2.25
2019	0.48	0.48	0.00	3.67
2020	2.27	1.82	0.45	10.05
2021	0.46	0.46	0.00	2.19

- D.** Approval of a purchase order to KMS Electrical Products in the amount of \$50,086.04 for 26 ductile iron poles ranging in heights of 45 to 55 feet to replenish stock. These poles have a weathered rust finish and are generally used in areas with existing wood pole lines. They have a much longer lifespan than wood poles and are used when difficult to transfer equipment such as three-phase transformer banks and underground primary dips. KMS Electrical Products is the only supplier of these poles.
- E.** Approval of Change Order 1 with Cleary Construction, Inc., in the amount of \$122,916 for the 2019 Annexation Project - Sewer Service to Prospect/Hensley Road NW. The original contract amount was \$1,676,953 and the adjusted contract amount is \$1,799,869. This represents a 7.3% increase. The additional cost includes the following: full width paving of a portion of Old Freewill Drive, installation of several sewer service connections and service laterals, bedding stone, and rock excavation. The bedding stone and rock excavation quantities are actual/estimates to complete the project. The overage to date in bedding stone and rock excavation were encountered between manholes 2 and 6.
- F.** Approval of a purchase order with HL Management Services, LLC, in the amount of \$62,368.50 for the installation of approximately 830 lineal feet of 8-inch ductile iron waterline located along 22nd Street NW, beginning near New Murraytown Road. The area was annexed in 2014 and is budgeted for installation in FY 2021.
- G.** Approval of a purchase order to Waypoint Business Solutions, LLC, in the amount of \$657,003.34 for the purchase of dual VxRail Hyperconverged Infrastructure Systems for CU’s main campus and disaster recovery site. This system will replace existing virtual environments for the Network Operations production environment, AMI production environment, ORBIT (Customer Information/Billing/Accounting) production environment and phone system production environment at an estimated 60 percent savings versus the cost to upgrade each environment individually. The system will allow for real time writing of data to both physical

sites for robust redundancy for all of CU's critical IT systems. The purchase is a budgeted item in all three divisions, and the equipment is being purchased through a state contract.

OTHER BUSINESS

Future Board Meeting Dates

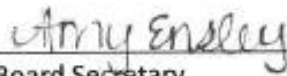
Future scheduled board meeting dates at the TWTC are as follows:


Friday, August 27, 12:30 p.m.

Friday, September 24, 12:30 p.m.

Friday, October 22, 12:30 p.m.

There being no other business, David May, Jr., made a motion to adjourn the meeting. Debbie Melton seconded the motion, and the board unanimously voted to adjourn the meeting at 12:51 p.m.


Board Secretary


Board Chairman

8/27/2021
Date