

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES BOARD
SEPTEMBER 24, 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 board members 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; Josh Day, Journeyman Lineman; Matt Rymer, Class B Lineman; and Tim Siniard, *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag, Matt Rymer delivered the invocation.

MANAGER'S UPDATE AND ANNOUNCEMENTS

Tennessee Valley Public Power Association (TVPPA) Lineman Apprenticeship Training Completion

Dalton Montgomery and Matt Rymer have completed the lineman apprenticeship training through TVPPA. This is a 4-year process involving training in both the field and classroom. These individuals are now officially Class B Journeyman Linemen and can be promoted to Class A after a year.

New Sign at Valleyhead Substation

A new sign was recently installed at Valleyhead Substation on Paul Huff Parkway. Landscaping will follow as well as the installation of a fence to match those in front of the commercial businesses along the thoroughfare. These additions will give the substation property a more professional and attractive appearance. Henderson commended Isom's team for their hard work on this project.

Public Power Week

Public Power Week is October 3-9. This event is celebrated nationally every year by not-for-profit, community-owned electric utilities that take pride in providing safe, reliable, and affordable electricity to their local communities. CU will be posting the typical notices and social media posts to promote and bring awareness to public power.

Columbus Day Holiday

Cleveland Utilities will be closed on Monday, October 11, in observance of Columbus Day. The Call Center will be open and regular emergency/standby services will be maintained 24/7.

CU Employee Health Fair

The annual employee health fair will be held on Wednesday, October 13.

CONSENT AGENDA

Councilman 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 unanimously to approve the consent agenda.

A. Approval of the minutes from August 27, 2021.

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

FINANCIAL REPORT

1. **Electric Division August 2021** - During the month of August, the cost of purchased power as a percentage of retail sales was 73.2 percent and can be compared to the budgeted

percentage of 74.1 percent for FY 2022. The results for August are electric sales revenue of \$10,121,285, which was offset by a purchased power expense of \$7,411,274. This resulted in an operating margin of \$2,710,011. This is compared to a budgeted margin of \$2,404,018. Operating expenses for the month were \$1,775,758. This is compared to a budgeted operating expense of \$1,872,783. These revenue numbers were driven by a customer base of 32,336. The net income for the month was \$1,119,541; this can be compared with a budgeted net income of \$683,482.

2. **Water Division August 2021** - For August, water sales revenue was \$1,679,782. This is compared to the budgeted amount of \$1,594,587. Other revenue sources contributed an additional \$198,503 for the month. These revenue numbers were driven by a customer base of 33,090. Operating expenses for the month were \$1,364,612. This is compared to the budgeted amount of \$1,469,238. The division recorded an operating income of \$513,673, which is compared to a budgeted operating income of \$274,345.
3. **Wastewater Division August 2021** - For August, wastewater treatment revenue was \$1,200,211. This is compared to the budgeted amount of \$1,142,035. Other revenue sources contributed an additional \$127,560 for the month. These revenue numbers were driven by a customer base of 19,877. Operating expenses for the month were \$1,034,906. This is compared to the budgeted amount of \$1,097,221. The division recorded an operating income of \$292,865, which is compared to a budgeted operating income of \$125,950.

ELECTRIC REPORT

1. The Cherokee Gateway Substation was energized in August for testing by the third-party contractor. There was a section of the bus that was slightly damaged during testing, and a replacement part had to be ordered. One side of the substation was left energized, and load was placed on it by the end of August. The new industry, Cannon Automotive, is now being fed by a circuit out of the new station. Additionally, engineering released a work order to install a new 13 kV tie switch on Stone Lake Road SW. When placed into normal service (both transformers energized), the plan is to serve the I-75 Exit 20 area from the Cherokee Gateway Substation. The new normal open point between the Payne Gap circuit 224 and the Cherokee Gateway circuit 214 will be the new switch on Stone Lake Road SW. This switch is a gang operated switch with interrupters, which is best for paralleling circuits or breaking parallel between circuits when they need to be fed from an alternate source.
2. Most of the equipment for the new Lang Street Substation Upgrade Project is on order and anticipated to begin arriving in a few months. Operations sent out bid requests for the breaker and transformer foundations in August so that a contractor can be on the schedule to pour the pads after the grade work is complete. Plans for the new substation control house will begin in September for a spring 2022 delivery. The site grading contractor has moved equipment to the site and will begin as soon as weather allows.
3. Cleveland State Community College's contractor is still working to install the conduit for the new underground electrical lines. CU crews have been examining the conduit installation as it takes place. It will be several weeks before CU can begin installing the new underground lines.
4. Engineering issued an order to purchase SEL fault indicators with communication capabilities. The indicators monitor the load online sections, and if a fault occurs downline from the indicator, it will flash an indicator light and send a notification to the SCADA system. The dispatcher can quickly check the status of the indicator during outages to help

determine the location of the fault. CU currently uses these on the system, and they have proved to be very useful for locating faulted line sections. These new indicators will allow for more line sections to be monitored. Once the new equipment arrives, the substation maintenance personnel will set up the devices and engineering will establish communications in SCADA. This project is part of the 2021/2022 budget.

5. Engineering issued a purchase order for twelve S&C Tripsavers for the 2021/2022 budget year. These devices are small reclosers that can be easily installed on taps to isolate sections when a fault occurs downline from them. They attempt to close and restore power on their own before locking out. Before, to isolate small sections on a circuit, line fuses were commonly used but did not have the ability to reclose. The Tripsavers also have a communication box so the status of the devices can be monitored by SCADA. This allows alerts to be sent to dispatchers and linemen if the device locks out, which will reduce restoration time. The devices are currently being used on the electric system, and these 12 will be added to new locations.
6. Grade work has begun for a new car wash and oil change facility at Graystan Square on Paul Huff Parkway at the corner of Mouse Creek Road. In August, engineering met with the site supervisor and electrical contractor for a preliminary overview of the project. The car wash will require a relatively large 277/480-volt service and the oil change facility will require a small 120/240-volt single phase service. Engineering provided the contractor with a conduit layout for the property so conduit installation can begin when needed. At this time, only a work order has been released for the temporary service. It will be several months before electric service is needed at the property.
7. A new subdivision, Powell Meadows, has been designed for a large vacant property on Durkee Road. When complete, there will be almost 500 homes in the subdivision, which will make it the largest subdivision on the system with underground utility lines. The subdivision will be built in phases with the first phase having about 60 lots. Engineering must make provisions in the beginning for the future sections. Currently, engineering is in the process of determining the best layout for the electric lines. In August, the contractor requested for an overhead service to an old home on the property be removed so the home could be demolished. Engineering anticipates grade work to begin on the first phase soon. The layout for this phase will be finished in September and a conduit print will be provided to the developer.
8. Engineering released a work order to install underground electrical facilities for the Spring Creek Ridge Subdivision. The installation will require approximately 1,400 feet of underground primary and three new pad-mounted transformers. The estimated cost of the project is \$34,986.37.
9. Engineering continues to work with the PIE Center contractors on Parker Street NE. Two of three pad-mount transformers have been installed and connected to customer services in the building. The third transformer is scheduled to be set in September with more overhead utilities along Parker Street set to go underground.
10. A report was presented for traffic lighting:
 - The Traffic Signal Coordinator participated as a panelist for a Microsoft Teams meeting of the Tennessee Traffic Signals Users Group. The training session focused on preventative maintenance. Four cities in Tennessee were used as examples including Knoxville, Memphis, Lebanon, and Cleveland. 117 participants learned best practices for preventative maintenance and why they should be performing PM's every 6 to 12 months.

- The Traffic Signal Coordinator discovered the cause of certain signals going into flashing mode. When multiple fire trucks attempt to pre-empt a traffic signal utilizing an overlap, a software error was occurring. The problem has been resolved by the controller manufacturer, who will release a firmware update to fix all ATC-1000 controllers.
- Three traffic signal controllers in the downtown area were damaged by lightning. The controllers were replaced and the signal timing reprogrammed. There are 13 intersections in this corridor that need cabinet upgrades to reduce the chances of damage from lightning and other transient voltages.
- A work order was released to split phase the signal at Blackburn Road at APD-40 SW. The north and southbound movements will no longer move concurrently, which will reduce conflicts within the intersection. The APD-40 left turns will be converted to flashing yellow arrows to further enhance safety at this intersection. The existing signal conductor will be utilized to reduce the cost of this project.

WATER & WASTEWATER REPORT

1. The design for the ultraviolet disinfection project at the Wastewater Treatment Plant (WWTP) has been completed by J.R. Wauford and submitted to the State Revolving Fund (SRF) for review.
2. HDR has submitted 50% design drawings for the alternative disinfection project at the Cleveland Filter Plant (CFP). CU has provided comments and final drawings are being prepared.
3. TDOT has awarded the Georgetown Road Widening Project from Davis Circle to Eureka Road. Cleary Construction will be relocating both the water and sewer infrastructure.
4. The Cherokee Gateway Boulevard Water Storage Tank construction is complete and in service. Fencing and the access gate remain to be done.
5. In reference to Phase 1 of the fire hydrant painting, Wright Industrial Group has painted 90 hydrants and primed/painted 259 hydrants.
6. HL Construction has completed the 17th & 20th Streets Water Main Relocation Project, and the mains are in service.
7. Hampton Backhoe has completed approximately 20 percent of the 20th Street Water Main Project between Carolina Street and Charles Street.
8. The Rakestraw Road water main extension (160 feet of 6-inch water main) is complete and includes 50 percent cost participation by the customer.
9. The Tillie Road water extension will consist of 500 feet of 6-inch ductile iron pipe.
10. The 2019 Prospect/Hensley Road Annexation Sanitary Sewer Project is nearing completion. All the pipe is installed, and testing is complete. Paving remains and the final walkthrough is scheduled for September 30.
11. Engineering is reviewing the following plans:
 - The Stuart Road Project at 4100 Stephens Road NE consisting of 1,164 feet of 8-inch DIP and PVC gravity sewer with 5 manholes.
 - Foster Lane & 20th Street SE which includes 13 townhome units, 2 single family residences with a scope of 304 feet of 8-inch PVC gravity sewer with 2 manholes.
12. Engineering approved plans for Creekwood Subdivision on 22nd Street. The project includes 31 lots and a scope of 1,455 feet of 6-inch water main (design plans approved 9-16-2021), and 2,020 feet of 8-inch gravity sewer main.
13. The following developments are now complete:

- Falcon Crest, Phase 3, on Frontage Road.
 - Eagle Creek Subdivision, Phase 4, on Mouse Creek Road.
 - Canterbury Ridge Subdivision, Hearthstone Drive extension.
14. An update was provided for the ongoing Wastewater Rehabilitation Project:
- Westco was given maps for the sewer maintenance and easement clearing project, and approximately 3,000 feet has been cleared so far.
 - In reference to the Phase 3 Rehabilitation Project, the contractor has completed 482 feet of mainline rehabilitation, 14 manhole rehabilitations and 5 cleanout installations during this period.
 - CU crews installed 330 feet of sewer main and two new manholes due to conflicts with storm drainage for the 20th Street Sewer Improvements Project.
15. The Meter Department set 40 meters through August 2021 compared to 40 for August 2020 and 27 for August 2019. Of the 40 sets, 25 were single family homes, 14 were townhomes, and 1 was commercial.
16. The total amount of rainfall recorded at the CFP as of September 22, 2021, was 2.99 inches for the month. A total of 53.31 inches has occurred this calendar year and can be compared to 66.45 inches for the same period in 2020 (largest rainfall totals thru September 1996-2021) and 20.78 inches in 2007 (lowest rainfall totals thru September 1996-2021).
- C.** Approval of a resolution authorizing Cleveland Utilities to direct the TVA FY 22 Pandemic Recovery Credit funds to CU's Distribution Automation Project. CU utilized the FY 21 Pandemic Relief Credit funds to forego retail electric rate increases through the period ending June 2023. Electric VP Isom advised CU has been adding communications, fiber and equipment in preparation of distribution automation for many years. Distribution automation takes a lot of planning and money, but will optimize efficiency of the electric system, help with fault detection/outage management and improve reliability. Isom added staff is extremely excited about the project and the benefit to the community as a whole. Chairman Ector asked if the main focus is raising the service level and a direct benefit to the customer base. Henderson advised yes, and these funds are allowing CU to approach the project in a more aggressive and robust manner without raising rates.
- D.** Approval of a purchase order to Exceleron in the amount of \$53,546.75 for the prepay and online telephone payment processing fees for the month of August.
- E.** Approval of a budgeted purchase order to CMS Utility Services, Inc., in the amount of \$56,150 for an additional pole rack system to be installed at the Harrison Building. These racks will be utilized to store various length poles in a more organized and safe manner. CMS was the only company to submit a bid; however, this is the same company that provided the first pole rack system purchased for the property, and staff recommends the purchase.
- F.** Approval of a purchase order to Irby Utilities in the amount of \$64,088 for 12 TripSavers (electronic overcurrent protection devices) manufactured by S&C. CU has had several of these devices in the field for four years. They have proven to reduce the number of permanent power outages and improve reliability in the areas they have been installed. The S&C device is

currently the only CU approved manufacturer of these type devices and Irby is the primary distributor for S&C. The equipment is budgeted for FY 22.

- G. Approval of a contract with CSL Services, Inc., in the amount of \$115,500 for long-term flow monitoring of 19 flow meters, which includes annual maintenance, data collection and reporting. Flow monitoring is a tool used to help determine where inflow is occurring and if that flow is being eliminated. CU has been under contract for the last seven years with CSL. Their annual unit prices have remained the same over that period. The monitoring is budgeted for FY 2022 in the amount of \$115,000.
- H. Approval of a contract with LJA Engineering, Inc., in the amount of \$136,500. LJA will provide SRF coordination, map book preparation, plans & specifications, advertising, bidding, construction administration, and a resident project representative as needed for Phase I of the Rehabilitation Project within Basin 64-14A and Sycamore Basin. Phase I estimated cost is \$3.5 million of CU's approved \$10 million SRF loan and is budgeted for FY 2021 and FY 2022.
- I. Approval of a contract with Jacobs Engineering Group, Inc., in the amount of \$100,000 for the preparation of a preliminary engineering report associated with water distribution and wastewater collection in the Lauderdale Memorial Highway area. The report will address providing additional water and wastewater capacity to a proposed industry in the area. Additional task to include examination of potential future water source/supply options. Funding for the study and report is budgeted in the Engineering Water Capital Budget for FY 2022.
- J. Approval of a contract with J.R. Wauford & Company, Consulting Engineers, Inc., in the amount of up to \$85,000 for the preparation of a preliminary engineering report associated with expansion of the Hiwassee River Wastewater Treatment Plant. The expansion would provide additional capacity to new industry as well as non-industrial customers. Funding for the study and report is budgeted in the Engineering Wastewater Capital Budget for FY 2022.

NEW BUSINESS

On motion by Eddie Cartwright and seconded by Vice Chairman Joe Cate, the Utility Board voted to approve the following purchase order. Debbie Melton recused herself from this item due to the purchase order being issued to Don Ledford Automotive Center, Inc., where she is the Dealer Operator.

- A. Approval of a purchase order to Don Ledford Automotive Center, Inc., in the amount of \$129,574 for two budgeted 2022 model 1-ton crew pickup trucks with utility beds for the Line Department. As shown on the bid tab sheet, Don Ledford was the sole bidder. Ford provided information with their "no bid" that they could not quote due to unavailability of the product until model year 2023. At the bid opening, the Chevrolet representative informed that Chevrolet had a very limited number of vehicles available that could be allocated for municipal purchase, but the window was rapidly closing and would likely be gone if the order was not placed as quickly as possible. Therefore, this purchase order was signed as an emergency purchase on August 31, in an effort to get the order placed to reserve the units. CU is still uncertain if the order will be fulfilled and is awaiting

confirmation from the company representative. If the order is unable to be filled, the purchase order will be voided.

OTHER BUSINESS

Future Board Meeting Dates

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

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

There being no other business, Debbie Melton made a motion to adjourn the meeting. Councilman David May, Jr., seconded the motion, and the board unanimously voted to adjourn the meeting at 1:17 p.m.


Board Secretary


Board Chairman


Date