

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES AUTHORITY BOARD
December 19, 2025

A regular meeting of the Cleveland Utilities Authority (CUA) Board was called to order at 10:30 a.m. in Cleveland Utilities' Tom Wheeler Training Center (TWTC).

The following board members were present: Aubrey Ector, Chairman; Joe Cate, Vice Chairman; Eddie Cartwright; Councilman David May, Jr.; Councilwoman Marsha McKenzie; and Debbie Melton. Absent: Mayor Kevin Brooks.

Others in attendance were Tim O. Henderson, President/CEO; John Corum, VP Administrative Services; Amy Ensley, Utility Board Secretary; Jimmy Isom, Electric VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; Sofia Carden, Executive Assistant; Greg Clark, Water and Wastewater Engineering Manager; Travis Hamby, LJA; Travis Wilson, LJA; and Will Bublitz, *Cleveland Daily Banner*. Walt Vineyard, Executive VP, was present via Microsoft Teams. Following the Pledge of Allegiance to the American Flag, John Corum delivered the invocation.

PUBLIC COMMENTS-NONE

MANAGER'S UPDATE & ANNOUNCEMENTS

Fiber Project Update

Henderson advised the fiber project is going well. Vineyard and Stinnett then provided the following update:

- **Customer Growth:** Active fiber customers are approaching 2,000 and expected to exceed that threshold in the coming days. Stinnett reported 1,983 active customers at the time of the update.
- **Installs:** Installations are scheduled/booked through January 20th, with approximately 500 customer orders currently in the queue.
- **Service Outage:** A brief outage recently affected 12 customers and was restored within approximately four hours. The damaged fiber was due to a squirrel. Board members commended the restoration efforts and communications.
- **Construction Status:** Mainline construction is complete. Remaining activities include splicing and testing, with most project work expected to conclude within the next 2–3 weeks.
- **Contractor Transition:** The division is transitioning from general contractor ITG Communications to subcontractors (Lakua and FiCOM) for 2026 at existing pricing. Cleveland Utilities will add in-house staff to support ongoing operations.
- **Schedule & Budget:** Project completion has advanced from the original Q1–Q2 2026 timeline to an expected end of 2025. The project is projected to be \$10–\$12 million under budget, attributed to the use of existing conduit and strong inter-division cooperation.

Horizon Square Preservation TVA EnergyRight Multi-Family Residential Rebate

CU and TVA EnergyRight recently presented Horizon Square Preservation apartment complex with a \$31,500 rebate following the replacement of 63 eligible HVAC units at the property. As a result of this project, Horizon Square Apartments is now recognized as the largest residential multi-family energy efficiency project completed in the TVA service territory to date. DynaMech Heating, Cooling, Electrical & Plumbing completed the project. The HVAC upgrade is expected to deliver substantial energy savings, with an estimated 46,256 kilowatt-hours (kWh) of gross energy savings in the first year alone.

This rebate underscores TVA and Cleveland Utilities' shared commitment to advancing energy efficiency across the region—helping property owners lower operating costs while providing residents with a more comfortable and sustainable living environment.

Retirements

Henderson publicly recognized the retirements of Steven Dodd, Ken Flowers, and Barry Marshall. Dodd served as a Meter Technician with 33 years of dedicated service. Flowers served as a Crane Operator and completed 25 years of service. Marshall served as a Journeyman Lineman with 30 years of service. Henderson expressed appreciation for their dedicated service and wished them all the best in their retirement.

Mainstreet Christmas Parade

CU won Best in Category with its new *Santa's Workshop* theme in the Mainstreet Cleveland Christmas Parade held earlier this month. The committee was recognized for its hard work on the redesign and for doing an outstanding job. The float featured various mascots representing all departments across the organization. It was noted that it was wonderful to be with and participate alongside the community.

Chamber of Commerce Annual Meeting

The Cleveland/Bradley Chamber of Commerce Annual Meeting will be held on Thursday, January 22, at 6:00 p.m., at Westmore Church of God. Board members were invited to attend.

Upcoming CU Holiday Closures

CU offices will be closed for the following holidays:

- Christmas - Wednesday, December 24th through Friday December 26th
- New Years - Thursday, January 1st and Friday, January 2nd
- Martin Luther King, Jr. – Monday, January 19th

As always, the 24/7 Call Center/Plants will be operational and regular emergency/standby services will be maintained.

ELECTION OF OFFICERS

On motion by Eddie Cartwright and seconded by Councilman David May, Jr., the board voted unanimously to elect the same officers: Aubrey Ector as Chairman; Joe Cate as Vice Chairman; and Amy Ensley as the Board Secretary for the CU Authority Board.

CONSENT AGENDA

Eddie Cartwright made a motion to approve the following items from the Consent Agenda. The motion was seconded by Councilman David May, Jr., and the Utility Authority Board voted unanimously to approve the Consent Agenda.

A. Approval of the Minutes from November 21, 2025

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

FINANCIAL REPORT

1. **Electric Division November 2025** – During the month of November, the cost of purchased power as a percentage of retail sales was 73.0 percent and can be compared to the budgeted percentage of 72.0 percent for FY 2026. The results for the month are an electric sales revenue of \$8,637,084 which was offset by a purchased power expense of \$6,302,297. This resulted in an operating margin of \$2,334,787 and can be compared to the budgeted margin of \$2,248,777 for the month. Operating expenses for the month were \$2,360,405 and can be compared to a budgeted operating expense of \$2,293,821. The division serviced 34,953 customers during the month of November. The net income

for the month was \$406,929 and can be compared with a budgeted net income of \$357,286 for the month.

2. **Water Division November 2025** – During the month of November, water sales revenue was \$2,222,950 and can be compared to the budgeted amount of \$2,072,607. Other revenue sources contributed an additional \$215,192 for the month. The division serviced 35,691 customers during the month. Operating expenses for the month were \$1,919,046 and can be compared to the budgeted amount of \$1,858,139. The division recorded an operating income of \$519,096 which can be compared to a budgeted operating income of \$353,920 for the month.
3. **Wastewater Division November 2025** – For the month of November, wastewater treatment revenue was \$1,732,212 and can be compared to the budgeted amount of \$1,669,645. Other revenue sources contributed an additional \$123,322 for the month. The division serviced 21,972 customers during the month. Operating expenses for the month were \$1,481,669 and can be compared to the budgeted amount of \$1,466,569. The division recorded an operating income of \$373,865, which is compared to the budgeted operating income of \$294,911 for the month.
4. **Fiber Division November 2025** – For the month of November, fiber sales revenue was \$176,109 and can be compared to the budgeted amount of \$119,535. Operating expenses for the month were \$218,417 and can be compared to the budgeted amount of \$249,260. The division serviced 1,756 customers during the month. The net loss for the month was \$33,240, which is compared to a budgeted operating loss of \$125,058 for the month.

ELECTRIC REPORT

1. A section of line along Kile Lake Road was modified a couple of months ago to provide 3-phase service to a new facility off Kile Lake Road. This new line changed the circuit from which several customers are fed along Kile Lake Road and created more outage exposure to the circuit. To help isolate outages, engineering released a work order to install a fuse for a single-phase tap connected to the new three-phase line. With the fuse, if a fault occurs on the single-phase line, it will prevent the substation breaker from tripping and several hundred customers being without electric service.
2. Electric Engineering released a work order to relocate two 600 kVAR capacitor banks on the Chatata Creek 244 circuit. For best efficiency and circuit voltage profile, it is good practice to install power factor correction capacitor banks as close to the load as possible. Due to circuit reconfigurations over the years, the existing capacitor banks are no longer in an optimum location. Using the engineering analysis tool from Milsoft, a better location for the cap banks was determined. The new locations should also help raise end of line voltage, especially during peak loads when voltage reduction is active.
3. In November, the 25th Street recloser, a G&W Viper three-phase recloser located in front of the Speedway on 25th Street, tripped interrupting electric service to several hundred customers on a Friday afternoon. Working with the electric substation department, electric engineering found that no fault events were recorded in the device's database. CU reached out to the supplier, and they communicated there is a known issue that can cause the device to randomly trip. With this information, CU removed the device from service and followed the vendor's instructions on how to solve this issue. After the modification was implemented, the electric substation department tested the recloser and found the issue had been resolved. The recloser should be returned to service in December.
4. Engineering completed a work order to extend a three-phase line north on Dry Valley Road to provide service to customers in areas that have been recently annexed. The line

will consist of 24 new wood poles and approximately 15,000 feet of #795 AAC primary wire. This extension will also allow CU to pick up its Water Filter Plant and future annexations of open land out Dry Valley Road. Volunteer Energy presently serves this area and according to State Law, CU will reimburse them a portion of lost revenue for 10 years.

5. The meter lab installed a Tantalus TRUSense metering gateway and 32 Aclara meters in Cumberland Hills Subdivision as part of the first phase of the Tantalus metering pilot project. The gateway is connected to the broadband fiber network and relays the readings from the meters to the Tantalus servers. CU's internal IT network team and meter lab are working with Tantalus and Central Service Association (CSA) to proof-out the system before a commitment is made. Once the meter information is routed through the existing billing system, additional meters will be installed to continue testing. Additional meters, including three-phase meters, are expected to arrive at the end of November. Provided the system meets expectations, CU will start changing over to the new system after the first of the year.
6. In November, CU electric engineering answered a few miscellaneous questions from the SCADA Vendors QEI and Survalent as they prepared for the demonstrations in December. Survalent chose December 11 for their demo, and QEI chose December 12. Several representatives from engineering watched the demo and completed an evaluation sheet for each vendor. This demonstration will be a key factor in making a final decision.
7. CU management met with City officials to discuss the possibility of the city taking over ownership of the City Traffic Lighting System. The city has done an initial presentation to the City Council. Cleveland Utilities has contacted TVA to get their blessing and determine possible ways of facilitating this purchase. If the City decides to proceed, future meetings will be held to work out the purchase details and transition of that system.
8. An update for traffic lighting was presented:
 - A work order was issued to replace the serial communications and legacy traffic controllers on 3rd Street South at Ocoee Street and Broad Street. Fiber was previously installed on the Road Diet project for these two intersections. Q-Free traffic controllers will be installed with Ethernet communications.

Electric engineering completed 74 work orders during the month of November.

WATER & WASTEWATER REPORT

1. A preconstruction meeting was held for the Cleveland Filter Plant (CFP) Window Replacement Project, which includes a total of 32 windows.
2. CTI has completed 56 percent of the engineering for the CFP 0.5 MG Clearwell Rehabilitation Project. The project includes replacement of the baffle system and cleaning.
3. The Harriman Road 12-Inch Water Line Project design is complete. The project consists of the installation of 6,441 feet of 12-inch ductile iron pipe and 5 fire hydrants. This line will help provide redundant flow in the new Spring Branch Industrial Park. CU is working with the Industrial Development Board to pursue grants and funding opportunities.
4. The Harris Creek Trail and Bettis Avenue Water Line Replacement Project is 90 percent complete. This project consists of the installation of 2,080 feet of 6-inch ductile iron pipe on Harris Creek Trail and 2,700 feet of 2-inch PVC on Bettis Avenue. These will replace the existing 2-inch galvanized water lines, which have had ongoing maintenance issues.
5. The King Den Trunk Line Installation Project is 49 percent complete. The contractor has installed about 1,700 feet of pipe and 8 structures to date. They have completed the

creek crossing at Mouse Creek Road and tied into the existing manhole on the outfall line.

6. Engineering is reviewing the following plans:

- Marti Meadows Townhomes on Durkee Road NE (20 townhome units). The project comprises 374 feet of 6-inch DIP waterline and 327 feet of 2-inch low pressure force main. Lonnie Hood is the developer.
- Chestnut Hill Estates on Brentwood Drive NW (45 single family lots). The project scope is 1,300 feet of 6-inch DIP water main and 1,730 feet of 8-inch gravity sewer main. Morgan Lane is the developer.
- Echo Subdivision on Old Tasso Road NE (42 single family lots) comprising 1,590 feet of 6-inch DIP water main and 1,016 feet of 8-inch gravity sewer main. Psalm 29, LLC, is the developer.
- Maple View Subdivision on Benton Pike NE (32 single family lots and 28 townhome units). The project includes 1,530 feet of 6-inch DIP water main and 1,583 feet of 8-inch gravity sewer main. The development is being done by Bent Tree Development LLC.

7. The following development plans have been approved/under construction:

- Ridgedale Forest, Phase 4, on Frontage Road NW. The project is being done by Duggan Development and comprises 22 single family lots and 1,264 feet of 8-inch DIP water main.
- Bower Place Subdivision on Blythe Avenue & Bower Lane SE. The development consists of 20 single family lots, 618 feet of 6-inch DIP water main and 655 feet of 8-inch gravity sewer main. Duane Goff is the developer.
- Brooksyde Townhomes on Pleasant Grove Church Road SW comprising 38 townhome units, 665 feet of 6-inch DIP water main and 873 feet of 8-inch gravity sewer main. Duane Goff is the developer.
- Westside Village on Westside Drive at Raben Drive. The development is being done by Barry Payne Development and consists of 30 townhomes, 118 units, 1,932 feet of 6-inch DIP water main, 908 feet of 2-inch pex, and 2,300 feet of gravity sewer.
- Appalachia Park Subdivision on APD-40 at Holloway Road comprising 86 residential lots, 3,100 feet of 6-inch DIP water main and 3,494 feet of 8-inch PVC gravity sewer. Bassam Issa is the developer.

8. The Meter Services Department has completed approximately 35% of the Badger Endpoint changeout and installation project within the rural areas of CU's water service territory. During this reporting period, crews installed 139 endpoints. To date, 2,954 of the total 8,500 planned endpoints have been completed.

9. The Meter Department set 40 meters through November 2025, compared to 51 for November 2024 and 69 for November 2023. Of the 40 sets, 15 were single family homes, 19 were townhomes, 1 was an apartment, 3 were irrigation and 2 were commercial.

10. The total amount of rainfall recorded at the CFP as of December 16, 2025, was 42.94 inches for the year. This can be compared to 79.25 inches for the same period in 2020 (highest rainfall totals through December 1996-2025) and 32.74 inches in 2007 (lowest rainfall totals through December 1996-2025). The projected departure for 2025 is 13.53 inches below normal.

C. Approval of the FY 25 Audit Communication Letter. ATA is planning to present the Audit Report in January.

- D. Approval of a purchase order with Lakua, LLC, in the amount of \$1,600,000 for fiber drops and mainline construction in 2026. This replaces a portion of the contract with ITG Communications as the original fiber construction project nears completion. Lakua is currently a subcontractor for ITG Communications.
- E. Approval of a purchase order with FiCOM Group, Inc., in the amount of \$600,000 for fiber drop and installation services in 2026. This replaces a portion of the contract with ITG Communications as the original fiber construction project nears completion. FiCOM is currently a subcontractor for ITG Communications.
- F. Approval of a purchase order with Gresco Supply, Inc., in the amount of \$189,660 for three-phase pad-mount transformers for stock. Gresco submitted the low bid meeting CU specifications.
- G. Approval of a purchase order with Consolidated Pipe & Supply Co., Inc., in the amount of \$191,027.70 for the purchase of 7,506 lineal feet of 6-inch ductile iron pipe. The pipe is for inventory.
- H. Approval of CU Policy Updates, which includes a new Artificial Intelligence (AI) Policy to address AI in the workplace. Other policy clarifications included revisions to the Travel Policy (updates Per Diem for day travel); Employee Testing & Recognition Policy (addresses Per Diem for company approved CDL programs); Protective Footwear Policy (allowance amount changes effective January 1, 2026); Professional Appearance Policy (addresses hats); and Retiree Insurance Policy (clearly defines full retirement).

RECESS/EXECUTIVE SESSION

At 11:03 AM, Vice Chairman Joe Cate made a motion to take a recess and move into Executive Session. The motion was seconded by Councilman David May, Jr., and the motion carried by a unanimous vote of the board.

The executive informational session began at 11:20 AM. Henderson introduced LJA consultants Travis Hamby and Travis Wilson who have worked closely with Mullinax, Clark and CU staff. Hamby & Wilson briefed the board on the current wastewater infrastructure and discussed planning for growth/projects/funding as well as options to address capacity constraints. Henderson, Mullinax, Clark and Stinnett interjected with comments at various points during the session.

In April 2025, CU staff and LJA Engineering completed a Wastewater Master Plan. The plan expands CU's service area in conjunction with the Urban Growth Boundary and includes capital projects through year 2055. The master plan helps in understanding the necessary upgrades to serve the growing population and new developments.

A 20-year Capital Improvement Program (CIP) was discussed along with prioritizing projects, balancing immediate needs and future system capacity. The board was briefed on aging wastewater infrastructure and the need for significant investments, with the recent interceptor repair being used as an example. The cost of repairing the existing line versus upgrading it was discussed, with the latter being a more cost-effective long-term solution.

Stinnett then discussed options to address capacity constraints and associated financial impacts. The Equivalent Residential Unit (ERU) and capacity fee concept was then introduced

and discussed. This fee structure aims to balance the needs of existing customers and new developments. Various examples of assessing capacity fees was discussed. The board consensus was to develop a fee structure to fairly share cost across existing customers and future developments.

The board emphasized public information and transparency. Henderson communicated further outreach and communication would be in the works with plans for a public informational session to be held in February. The point was made that CU staff and board want to make sure costs are fairly shared for associated impacts on the wastewater system and moves are being made to avoid future moratoriums. Having a clear roadmap and plan in place to help developers make informed decisions was highlighted with a focus on sustainable growth.

Debbie Melton made a motion to enter back into the regular board meeting. Joe Cate seconded the motion. The motion carried unanimously, and the board returned to the regular portion of the meeting.

OTHER ANNOUNCEMENTS


Future Meeting Dates

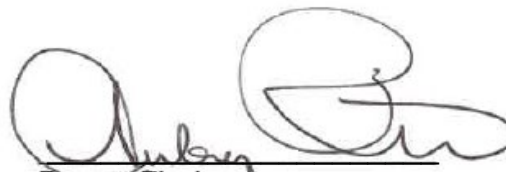
The next Authority Board Meetings will be held in the TWTC at 12:30 PM on the following dates/times:

- Friday, January 23
- Friday, February 27
- Friday, March 27

ADJOURNMENT

There being no other business, Debbie Melton made a motion to adjourn the meeting. Councilman David May, Jr., seconded the motion. The motion carried unanimously, and the meeting adjourned at 12:51 P.M.


Board Secretary


Board Chairman

January 23, 2026
Date