

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES AUTHORITY BOARD
February 27, 2026

A regular meeting of the Cleveland Utilities Authority (CUA) Board was called to order at 12:30 p.m. in Cleveland Utilities' Tom Wheeler Training Center (TWTC).

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

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; Walt Vineyard, Executive VP; Jonathan Stratton, Senior Engineer Water & Wastewater; Anthony Hicks, Line Foreman; Eric Smith, Line Foreman; Brandon Ingram, Lineman; Dalton Montgomery, Lineman; Gus Miller, Lineman; Zach Trew, Lineman; Shane Ware, Lineman; and Will Bublitz, *Cleveland Daily Banner*.

Following the Pledge of Allegiance to the American Flag, Anthony Hicks delivered the invocation.

PUBLIC COMMENTS-NONE

MANAGER'S UPDATE & ANNOUNCEMENTS

Winter Storm Fern Mutual Aid Recognition

Henderson opened his update by acknowledging the outstanding efforts of CUA crews who assisted fellow local power companies with power restoration efforts from Winter Storm Fern. Two separate crews were deployed to provide mutual aid. The first crew, consisting of Eric Smith (Foreman), Colt Fernandez, Brandon Ingram, Gus Miller, and Dan Whitlock, assisted the Harriman Utility Board over a four-day period. The second crew, comprising Anthony Hicks (Foreman), Dalton Montgomery, Bill Raulston, Zach Trew, and Shane Ware, assisted Nashville Electric Service (NES) for approximately one week, responding to widespread outages caused by ice.

The crew members reflected on their experiences and discussed the work they performed. Henderson emphasized the professionalism, talent, and dedication of Cleveland Utilities personnel and noted the pride they take in restoring service, whether locally or at other utilities. He highlighted that these mutual aid deployments provide valuable experience and learning opportunities for both Cleveland Utilities personnel and the utilities they assist. The crews expressed appreciation to CUA staff and board for investing in high-quality equipment, which enabled them to work efficiently under challenging conditions. The board and staff recognized the crews for their commitment to service and representing CUA with professionalism and skill during these deployments.

Tree Line USA Recognition

CUA was recently recognized for receiving its 25th Tree Line USA award, marking a significant milestone in the organization's ongoing commitment to responsible tree care and electric system reliability.

This recognition highlights CU's long-standing efforts to maintain high standards in vegetation management, which is a critical component of ensuring reliable electric service to the

community. Proper tree trimming and proactive forestry practices play an essential role in minimizing outages and protecting infrastructure, particularly during severe weather events.

To qualify for Tree Line USA status, utilities must meet five core standards. CU continues to successfully uphold each of these, including maintaining quality tree care practices, conducting annual worker training, supporting community tree planting initiatives, providing public education on tree care and energy conservation, and observing Arbor Day through coordinated efforts with the city's tree board.

CU's investment in a full-time urban forester demonstrates the organization's proactive approach and dedication to excellence in urban forestry. The presence of both a qualified arborist on staff and an active tree board further reinforces compliance with Tree Line USA requirements and underscores CU's leadership in this area.

The board extended its appreciation to the electric division for continued excellence and dedication in achieving this milestone and enhancing the overall electric system resilience and beauty of the community.

Public Information Session

Henderson reminded board members about the Cleveland Utilities public information session to be held following the board meeting today at 2:00 p.m. in the TWTC. The purpose of the session is to provide an open and engaging opportunity to communicate CUA's plans for future growth and infrastructure development, with a particular focus on the wastewater system. The session will emphasize the importance of continuing progress over the next decade while addressing existing system challenges and necessary improvements.

The format of the meeting will be casual and informational in nature, designed to clearly convey key messages to the public regarding system needs and long-term planning. At this time, no individuals have registered to speak during the session, and it is anticipated that the meeting will primarily consist of staff-led communication and presentation of information.

Fiber Project Update

Henderson announced fiber construction is now complete, and all design areas are now open for fiber service. He then added preliminary insights into the upcoming annual budget planning process, which is currently underway. Based on current financial projections, there is strong optimism that electric rates can remain flat. It was noted that final decisions will be made upon the formal budget approval presentation in a few months.

In addition, Henderson advised reductions in certain fiber packages may be possible. This reflects CU's commitment as a public utility to pass along financial efficiencies to customers whenever feasible.

An operational update on the fiber division was then provided by Stinnett and Vineyard. As of the current reporting period, the system has surpassed 2,500 active customers and is approaching a 10% take rate, which is ahead of schedule.

The division continues to experience strong growth, with a steady influx of new service orders. Efforts are ongoing to reduce installation backlogs and connect subscribers. Due to increased demand and operational needs, plans are in place to add additional staff to support both customer service and network operations.

Financially, the fiber division continues to outperform expectations. The utility reported two consecutive months of positive net income, with January exceeding December's performance. Additionally, the division is operating under budget and ahead of its projected construction schedule, contributing positively to overall financial health.

It was further noted that the success of the fiber division is directly benefiting the electric system. Higher-than-expected returns from fiber operations are helping support the goal of potentially maintaining stable electric rates.

Customer service remains a key priority, with staff going above and beyond typical service expectations to assist customers, even in areas outside standard support. Positive community feedback and strong public support were also highlighted as indicators of the program's success.

The Board expressed appreciation for the progress made and the continued dedication of staff in delivering high-quality service while maintaining financial responsibility.

CUA Awards Banquet

Henderson announced CUA will be holding its Annual Awards Banquet on Tuesday, March 3rd, in the TWTC at 11:30 am and invited board members. 82 employees will be recognized for perfect attendance, and 36 employees will receive years of service awards.

CONSENT AGENDA

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

A. Approval of the Minutes from January 23, 2026

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

FINANCIAL REPORT

1. **Electric Division January 2026** – During the month of January, the cost of purchased power as a percentage of retail sales was 75.8 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 \$11,714,851 which was offset by a purchased power expense of \$8,874,667. This resulted in an operating margin of \$2,840,184 and can be compared to the budgeted margin of \$2,926,628 for the month. Operating expenses for the month were \$2,271,476 and can be compared to a budgeted operating expense of \$2,303,120. The division serviced 35,098 customers during the month. The net income for the month was \$1,015,944 and can be compared with a budgeted net income of \$1,085,345 for the month.
2. **Water Division January 2026** – During the month of January, water sales revenue was \$2,147,308 and can be compared to the budgeted amount of \$2,088,234. Other revenue sources contributed an additional \$324,411 for the month. The division serviced 35,758 customers during the month. Operating expenses for the month were \$1,790,762 and can be compared to the budgeted amount of \$1,866,240. The division recorded an operating income of \$680,958 which can be compared to a budgeted operating income of \$362,497 for the month.

3. **Wastewater Division January 2026** – For the month of January, wastewater treatment revenue was \$1,768,441 and can be compared to the budgeted amount of \$1,702,478. Other revenue sources contributed an additional \$192,677 for the month. The division serviced 22,041 customers. Operating expenses for the month were \$1,344,660 and can be compared to the budgeted amount of \$1,478,631. The division recorded an operating income of \$616,458, which is compared to the budgeted operating income of \$317,487 for the month.
4. **Fiber Division January 2026** – For the month of January, fiber sales revenue was \$205,829 and can be compared to the budgeted amount of \$142,157. Operating expenses for the month were \$207,110 and can be compared to the budgeted amount of \$249,260. The division serviced 2,110 customers during the month. The net income for the month was \$10,775, which is compared to a budgeted operating loss of \$102,435 for the month.

ELECTRIC REPORT

1. Cleveland Utilities dispatched a five-man crew (Eric Smith, Brandon Ingram, Gus Miller, Dan Whitlock, and Colt Fernandez) to Harriman Utilities to assist with power restoration efforts following Winter Storm Fern. The following week, an additional five-man crew (Anthony Hicks, Bill Raulston, Zach Trew, Dalton Montgomery, and Shane Ware) was sent to Nashville Electric Service to support their extensive restoration efforts. Cleveland Utilities is extremely proud to assist fellow Tennessee Valley Power Distributors in their time of need.
2. In January, CUA Electric Engineering selected Survalent as the preferred vendor for the new electric SCADA system. A final summary report, including justification for the selection, was completed and presented to the CUA Board, which approved the recommendation. A signed purchase order has been issued to initiate the project. Over the coming months, hardware (servers, monitors, and related equipment) will be procured, and CUA Electric Engineering will work with the Survalent team to begin system setup. The new system will operate in parallel with the existing system for a minimum of one year to ensure a smooth transition. Transitioning to the new system will require each substation and associated downline device to be taken out of service and tested individually. While this process will be time-consuming, it is necessary to ensure system accuracy and help prevent control errors.
3. Engineering issued a work order for the installation of underground primary service and a three-phase transformer for a new commercial building, Ziebert Auto, located on Georgetown Road. A total of 1,680 feet of #1/0 underground primary cable was installed, along with a three-phase, 75 kVA, 120/208-volt transformer. The building is expected to have a demand between 50 kW and 60 kW. Due to an anticipated low load factor, the customer paid the cost difference between single-phase and three-phase service. At this time, only temporary service will be connected to support building construction. Permanent service is expected to be connected within the next few months.
4. In January, Epperson Homes began installing conduit for Phase I of the Willow Run Subdivision, located on Freewill Road at 22nd Street NW. By the end of the month, most of the conduit for the first phase—consisting of 62 lots—had been installed. This phase will include approximately 2,800 feet of #1/0 underground primary, 3,310 feet of #350 aluminum underground secondary, and nine single-phase pad-mounted transformers. Electric Operations plans to install the electric facilities in February, and the developer anticipates beginning home construction this spring.
5. In early January, grading work began at the Encompass Health site on Stuart Road. Electric Engineering issued a work order to install a temporary overhead 15 kVA

transformer and approximately 250 feet of #4 aluminum triplex to serve a temporary jobsite trailer. Electric Engineering also provided a cost estimate for the relocation of two streetlights and one guy pole along the front of the property on Stuart Road. These facilities must be moved away from the roadway to accommodate construction of a new deceleration lane. Upon execution of a Contribution-in-Aid (CIA) agreement and receipt of payment, a work order will be issued to relocate the poles. Electric Engineering will continue to coordinate with the contractor on the installation of conduit for the underground primary to the future transformer location.

6. The Meter Lab has issued purchase orders for 10,000 200-amp Itron meters and 500 320-amp Landis+Gyr meters with Tantalus modules. A purchase order in the amount of \$900,000 was issued to Wesco for the Itron meters, and a purchase order totaling \$1,200,390 was issued to Irby Utilities for the Landis+Gyr meters, modules, and associated licenses. Upon receipt of the equipment, CUA will begin the first phase of its AMI metering changeout. This phase will involve the Electric Division replacing meters located outside the Water Division's service footprint. This approach will avoid interference with the Water Division's existing meter communications and allow the Electric Division to redeploy Honeywell meters for new installations in other existing areas until water meter replacements are also undertaken. Subsequent phases will require coordinated efforts between both divisions, as the legacy system utilizes shared communication infrastructure.
7. The Deerfield Farms Subdivision has been in planning for over a year, and grading work commenced at the site in late 2025. Electric Engineering completed the initial conduit design for the project in October 2024. The subdivision will consist of 149 single-family residential lots. In January, Electric Engineering met with the contractor for a project kickoff meeting, during which revisions to the original subdivision layout were identified. As a result, Electric Engineering updated the conduit design and provided the revised plans to the contractor. By the end of January, conduit installation had begun for the first phase. Electric Engineering plans to issue a work order in February for installation of electric facilities in the first phase; however, residential construction may not begin for several months.
8. The U.S. Army Corps of Engineers is working with the city to renovate the water drainage channel that runs parallel to Blount Avenue SW near Smith Drive. This channel is also located adjacent to a 69 kV transmission line. To accommodate the project, Electric Engineering issued a work order to temporarily remove two down guys from the transmission line. The guys will remain out of service for several months and will be reinstalled upon project completion. The city will be responsible for covering the costs associated with the work performed by CUA for this project.
9. A developer is renovating the former Tomlinson College dormitory on Northside Drive NW and converting it into apartments for residents age 55 and older. In January, Electric Engineering issued a work order to remove an existing live-front transformer and the triplex #1/0 aluminum underground primary serving the site. Due to its age and safety concerns associated with live-front equipment, the transformer will not be reused. The underground primary was also removed to assess the condition of the existing conduit. The conduit was found to be in good condition and will be reused for the project. The contractor will install a new transformer pad to accommodate a three-phase pad-mounted transformer. Electric Engineering anticipates issuing a work order in February or March for installation of the new primary service and transformer.
10. Engineering has met with Lee University representatives to discuss plans for a new engineering building, which will face Paul Conn Parkway and be served from Trunk Street. A transformer pad detail has been provided, and the project is in the early stages

of development. The building is expected to require a 3,000-amp panel, and Cleveland Utilities plans to install a 225 kVA transformer to support the load.

11. Engineering issued a work order to extend the existing three-phase line on New Murraytown Road beyond the new Waterstone Subdivision. This extension will allow for service to future developments along New Murraytown Road. A total of five poles will be set or replaced as part of the new line installation.
12. Engineering issued a work order for a new shell warehouse building on Cherokee Gateway Boulevard. The tenant for the building has not yet been identified, but a large transformer pad has been poured, which will also accommodate the fire pump.
13. Engineering issued a work order for the Westland Ridge Subdivision, located off Westland Drive SW. The subdivision will require three-phase service and will consist of 96 lots, including a mix of townhomes and single-family homes. Approximately 6,500 feet of primary wire will be installed to serve the subdivision.
14. An update for traffic lighting was presented:
 - The Traffic Signal Coordinator attended training for updating the Linux kernel in Q-Free traffic controllers. All new controllers will ship with the updated Linux kernel from the factory beginning in February. The upgrade will increase security and be necessary for the Dynamic Signal module within the central software platform.
 - A work order was released to provide electrical service to a new traffic signal on Georgetown Road at Food City. The new traffic signal is being built by the contractor Davis H. Elliot. Currently the mast-arms and signal heads are installed, but the pedestrian signals and pavement striping are not complete. Once complete, the new traffic signal will be placed in flashing operation for a minimum of 7 days before normal stop/go operation begins.
 - A meeting was held to discuss adding traffic signals to the broadband network. Members of Accounting, IT, Customer Service, Engineering, and the Meter Lab all provided feedback on the necessary process and structure. IT is in the process of establishing the basic network structure and testing of ONT devices that are best suited for the application with the GPON network.
 - The traffic signal at Exit 27 northbound and Paul Huff Parkway was accepted as complete. The Traffic Signal Coordinator is still working with TDOT and NABCO on punch list items for the four traffic signals on Georgetown Road (SR-60).
15. Electric engineering completed 97 work orders during the month of January.

WATER & WASTEWATER REPORT

1. The Wastewater Treatment Plant (WWTP) Non-Potable Reuse Project is approximately 35 percent complete and funded by an ARPA competitive grant. The contractor has poured the bottom slab and will be working in the walls.
2. The Cleveland Filter Plant (CFP) Window Replacement Project is approximately 75 percent complete.
3. Cleary Construction has installed about 2,600 feet of pipe and 14 structures to date for the King Den Trunk Line Installation Project. The creek crossing at Mouse Creek Road has been completed and tied into the existing manhole on the outfall line.
4. Engineering is reviewing the following plans:
 - Briar Ridge Subdivision on Buchanan Lane SE comprising 73 single family lots. The development includes 4,672 feet of 6-inch DIP water main, 663 feet of 2-inch PEX water main, 2,921 feet of 8-inch gravity sewer main, and 590 feet of 2-inch low pressure force main.

- Raven Ridge Subdivision on Varnell Road SW including 30 single family lots. The project scope encompasses 823 feet of 6-inch DIP water main and 1,219 feet of 8-inch gravity sewer main.
5. An update was provided for the following developments:
 - In reference to the Upton Landing Subdivision, the contractor has completed 70 percent of the 6-inch water main and all of the 2-inch PEX waterline and sewer main installations.
 - Hampton Backhoe has completed 80 percent of the water and sewer main installations for The Crossing @ Willows Run.
 - Silvers Plumbing has completed 20 percent of the water main, 50 percent of the sewer main and 0 percent of the force main sewer for Deerfield Farms Subdivision.
 - Bob Murray Construction has completed 90 percent of the water main and all of the gravity sewer installations for Waterstone Subdivision.
 - Concept Construction has completed the water main installation and 85 percent of the booster pump station for Woodland Heights Subdivision.
 - In reference to the Westside Village Development, Utility Construction has completed 75 percent of the DIP water main installation, and 0 percent of the PEX installation. Allied Underground has completed 95 percent of the gravity sewer installation.
 - CF Underground has completed 90 percent of the water main and gravity sewer installations for the Appalachia Park Subdivision.
 6. The Meter Services Department has completed approximately 41% of the Badger Endpoint changeout and installation project within the rural areas of CU's water service territory. During this reporting period, crews installed 256 endpoints. To date, 3,458 of the total 8,500 planned endpoints have been completed.
 7. The Meter Department set 48 meters through January 2026, compared to 62 for January 2025 and 37 for January 2024. Of the 48 sets, 22 were single family homes, 6 were townhomes, 15 were apartments, 4 were irrigation and 1 was commercial.
 8. The total amount of rainfall recorded at the CFP as of February 24, 2026, was 5.41 inches for the year. This can be compared to 19.98 inches for the same period in 2020 (highest rainfall totals through February 1996-2026) and 3.49 inches in 2007 (lowest rainfall totals through February 1996-2026). The projected departure for 2026 is 23.82 inches below normal.
- C. Approval of a purchase order to Distributors Insurance Company (DIC) in the amount of \$237,307.50 for the reimbursement of sewer claim payments made by DIC in 2025 on behalf of Cleveland Utilities.
 - D. Approval of a purchase order with Adtran, Inc., in the amount of \$517,000 for the purchase of 3,250 Residential Gateways (RG's) for fiber customer installations.
 - E. Approval of a purchase order with Hampton Backhoe Service, LLC, in the amount of \$362,392.64 for the installation of 4,126 lineal feet of 2-inch PVC waterline and 1,990 lineal feet of 6-inch DI waterline along Harris Creek Trail, Helton Road, Mysinger Road, Bettis Avenue, Joel Drive and Bailey Circle SW. The project replaces 2-inch galvanized waterlines. This project is budgeted for FY2026.

F. Approval of a purchase order with Flottweg Separation Technology in the amount of \$279,944.15 for a new rotating assembly and start-up assistance for the Wastewater Treatment Plant (WWTP) centrifuge. The existing rotating assembly will require extended offsite machine work during the upcoming rebuild. This necessitates the purchase of a spare rotating assembly to ensure continued operation and uptime of the centrifuge, allowing for limited interrupted processing of biosolids at the WWTP. This is a sole source purchase.

G. The following Safety Internal Performance Measures (IPMs) for 2025 were provided:

- *OSHA Recordable Incident Rate* (a mathematical calculation that describes the number of employees per 100 full-time employees that have been involved in a recordable injury or illness) – a combined total of 6.68 companywide; 6.25 for the Electric Division; and 7.24 for the Water/Wastewater Divisions.
- *DART Rate* (a mathematical calculation that describes the number of recordable incidents per 100 full-time employees that resulted in lost or restricted days or job transfer due to work-related injuries or illnesses) – a total of 4.45 companywide; 3.91 for the Electric Division; 5.17 for the Water/Wastewater Divisions.
- *Lost-Time Case Rate* (a mathematical calculation that describes the number of lost time cases per 100 full-time employees in any given time frame) – a total of 1.34 companywide; 1.56 for the Electric Division; 1.03 for the Water/Wastewater Divisions.
- *Vehicle Accident Rate* (a mathematical calculation that describes the number of accidents per million miles driven) – a total of 3.10 companywide; 5.31 for the Electric Division; 1.69 for the Water/Wastewater Divisions.

The following data went into the calculations:

- A total of 224,390 consecutive hours have been worked companywide without a lost-time injury (LTI). Electric Division employees contributed 20,312 of those hours with the last lost-time injury occurring on December 4, 2025. The Water Division has reached 204,078 hours with the last lost-time injury occurring on December 6, 2024.
- A total of 449,334 cumulative hours were worked companywide in 2025. 126 employees in the Electric Division worked 255,928 hours, and 89 employees in the Water Division worked 193,406 hours.
- In addition, a total of 968,278 cumulative vehicle miles were driven by employees in 146 vehicles during the year. 376,555 miles were driven by Electric Division employees and 591,723 miles by Water Division employees.

The below table provides a comparison summary of the IPM data for the last 11 years:

| Year | OSHA – RIR | DART | LTCCR | VAR |
|------|------------|------|-------|-------|
| 2015 | 3.51 | 2.01 | 0.5 | 6.84 |
| 2016 | 1.53 | 0.51 | 0.00 | 6.78 |
| 2017 | 4.04 | 2.53 | 1.01 | 2.29 |
| 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 | 4.41 |
| 2022 | 3.22 | 1.84 | 1.84 | 4.45 |

| | | | | |
|------|------|------|------|------|
| 2023 | 3.72 | 3.25 | 1.39 | 5.69 |
| 2024 | 4.06 | 3.61 | 2.71 | 3.19 |
| 2025 | 6.68 | 4.45 | 1.34 | 3.10 |

NEW BUSINESS

Don Ledford Automotive Purchase Order

On motion by Eddie Cartwright and seconded by Vice Chairman Joe Cate, the Utility Board voted to approve a purchase order with Don Ledford Automotive in the amount of \$132,252 for three 2026 model ½ ton pickup trucks. The units will be the Meter Setter and Fiber Departments. Don Ledford submitted the low bid meeting CU specifications. Board member Debbie Melton recused herself from the vote due to a conflict of interest.

OTHER ANNOUNCEMENTS

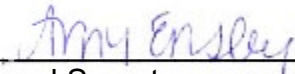
Future Meeting Dates

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

- Friday, March 27
- Friday, April 24
- Friday, May 22
- Friday, June 26

ADJOURNMENT

There being no other business, Debbie Melton made a motion to adjourn the meeting. Vice Chairman Joe Cate seconded the motion. The motion carried unanimously, and the meeting adjourned at 1:09 P.M.


 Board Secretary


 Board Chairman

March 27, 2026
 Date