

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES AUTHORITY BOARD
May 22, 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; Sofia Carden, Executive Assistant/Communications Specialist; Alisha Kimsey, Customer Service Representative; and Tim Siniard, *Cleveland Daily Banner*.

Following the Pledge of Allegiance to the American Flag, Alisha Kimsey delivered the invocation. Henderson welcomed Tim Siniard back.

PUBLIC COMMENTS-NONE

MANAGER'S UPDATE & ANNOUNCEMENTS

CUA Leadership Academy Graduation

Henderson reported that CUA held its first graduation for the Leadership Academy. He recognized John Corum and his dedication towards this program from the very beginning. He then asked Corum to share his experience with this first cohort and its impact. Corum explained that this first cohort exceeded his expectations. The employees were engaged, completing assignments and truly discussing the topics given to them. Mary White, the academy's instructor covered a variety of different leadership topics every month and in return, the groups discussed and evaluated those topics. Corum explained that the bar has been set and this cohort raised expectations for the program moving forward. He stated that it was an honor to lead that initiative and that he is excited for the second cohort to begin. He highlighted Alisha Kimsey, who participated in the first cohort and how she was an amazing asset to the leadership academy. Corum thanked the utility board for the opportunity to host programs like the leadership academy and the resources that CUA provides for employees. Board member and City Councilman, David May Jr., asked about tangible outcomes, to which Corum answered, that at the start of the academy four topics were assigned that the utility will work to address moving forward. The purpose of the project was then to research and pull in resources that were verifiable, not just based on opinion. At the end, each group presented their studies on the topics to leadership, the executive team, and management staff. The topics discussed were workforce development, communications, succession planning and organizational culture. Corum explained that the topics are what, as an organization, CUA is grappling with over the next five years. The real suggestions given by each group were left for the executive team to consider moving forward. Corum explained that it was a lot of additional work for all participants and that he is thankful he participated as well.

Valley Public Power Leadership Academy

Henderson highlighted Corum for his participation in the Valley Public Power Leadership Academy, which is a year-long program. He explained to the utility board details of the program

and that it is comprised of individuals from TVA and LPCs across the entire Tennessee Valley. These participants are leaders in the utilities field that dig much deeper into public power and what that holds as an experience. There are multiple applicants per year, and it is a very competitive selection process. The major component of the program is to network. Corum was able to meet with leaders across different organizations and hear them speak about their experiences in the industry. Corum stated that it was definitely worth the effort put in and that he gained a lot of exposure by participating in the program. He thanked Henderson for his support in the endeavor.

Penny Shortage

Henderson provided an update regarding the national penny shortage. There is now a limit to the number of pennies that CUA receives per week. In return, CUA has started rounding to the nearest nickel. If a cash payment rounds up and results in a small overage, customers may choose to apply the credit toward their next month's bill. If the amount rounds down, any remaining balance under \$1.00 can be carried forward to the next month without penalty.

Fiber Update

The fiber division surpassed 3,000 customers last month and CUA hosted an internal celebration with all employees being invited to attend to attest to the hard work that all divisions offer to ensure the success of fiber at the utility. Walt Vineyard then updated the board that CUA is now headed towards 4,000 customers. The fiber division has offered employment to a new addition to the team that is currently an employee already. This employee has been promoted to the operations side as a supervisor. The previous position will now need to be filled, which is a network technician.

Stinnett added that the growth within the commercial space has been vital to the success of the organization. Currently, 15% of Cleveland Utilities Authority fiber customers are businesses. CUA is very appreciative to the local businesses that are making the switch and supporting fiber. With the addition of phone services that are now available, Stinnett said that CUA is seeing a rise in commercial businesses and hopes the count continues to grow.

Henderson then informed the board about two giveaway opportunities CUA is offering during the month of June. The prizes are two solo stoves; one winner will be chosen from a list of existing customers and the other will be chosen from a list of new customers that have signed up by the deadline of June 26th.

Memorial Day Holiday Office Closure

CUA offices will be closed on Monday, May 25th, in observance of Memorial Day. As always, the Call Center/Plants will remain open, and crews will be on standby to respond to any service-related issues.

CONSENT AGENDA

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

- A. Approval of the Minutes from April 24, 2026
- B. Approval of the following written Financial, Electric, and Water/Wastewater Division Reports:
FINANCIAL REPORT

1. **Electric Division April 2026** – During the month of April, the cost of purchased power as a percentage of retail sales was 74.4 percent and can be compared to the budgeted percentage of 72.0 percent for FY2026. The results for the month are an electric sales revenue of \$9,583,713 which was offset by a purchased power expense of \$7,132,216. This resulted in an operating margin of \$2,451,498 and can be compared to the budgeted margin of \$2,323,578 for the month. Operating expenses for the month were \$2,297,955 and can be compared to a budgeted operating expense of \$2,331,017. The division serviced 35,255 customers during the month. The net income for the month was \$592,774 and can be compared with a budgeted net income of \$401,458 for the month.
2. **Water Division April 2026** – During the month of April, water sales revenue was \$2,218,934 and can be compared to the budgeted amount of \$2,052,314. Other revenue sources contributed an additional \$332,643 for the month. The division serviced 35,983 customers during the month. Operating expenses for the month were \$1,846,189 and can be compared to the budgeted amount of \$1,874,126. The division recorded an operating income of \$705,388, which can be compared to a budgeted operating income of \$316,274 for the month.
3. **Wastewater Division April 2026** – For the month of April, wastewater treatment revenue was \$1,759,411 and can be compared to the budgeted amount of \$1,731,205. Other revenue sources contributed an additional \$149,449 for the month. The division serviced 22,288 customers. Operating expenses for the month were \$1,428,450 and can be compared to the budgeted amount of \$1,502,258. The division recorded an operating income of \$480,410, which is compared to the budgeted operating income of \$324,167 for the month.
4. **Fiber Division April 2026** – For the month of April, fiber sales revenue was \$277,524 and can be compared to the budgeted amount of \$175,588. Operating expenses for the month were \$219,689 and can be compared to the budgeted amount of \$249,260. The division serviced 2,972 customers during the month. The net income for the month was \$68,142, which is compared to a budgeted operating loss of \$69,005 for the month.

ELECTRIC REPORT

1. Electric engineering received three quotes in response to the bid request for new 15kV breakers at Wildwood Substation. The lowest bid came from Ruffin and Associates for ABB breakers at a total price of \$139,260.10. Electric Engineering has reviewed the specifications for the breakers quoted and determined they do meet the requirements. Electric Engineering is requesting approval to purchase the three breakers. The lead time is 27 weeks, which should allow installation to be scheduled for Spring 2027.
2. Revisions for the SCADA project contract agreement continued to be reviewed by Cleveland Utilities representatives, Miller and Martin, and Survalent through the month of April. Progress has been made, but a final agreement between both sides had not been reached by the end of April. Electric Engineering hopes to have the agreement finalized and signed by the end of May.
3. Electric engineering along with Glass Energy Company completed a request for proposal (RFP) and specifications for an energy storage (batteries) project. The RFP will be issued at the first of May with a pre-bid meeting on May 11th. This project will include batteries and inverters required to supplement load during peak shaving events. A vendor list has been created for potential suitors.
4. Enercon sent a Task Order draft to electric engineering in April for an arc flash study to cover the entire electric system. The order was reviewed, and some small revisions were requested. The task order should be approved and signed in May, and the study should

begin this summer. The estimated cost for the study is approximately \$59,000 and will be divided between the 2026 and 2027 budgets.

5. Working alongside the substation department, electric engineering assisted with the replacement of the SCADA remote at Sequoia substation in April. The remote is a data concentrator that handles all status, telemetry, and control points for the entire substation and communicates to SCADA at the main office. The old remote was out of date and needed to be replaced. The new remote installed is an SEL 3350 RTAC. To install the new remote, the substation had to be switched out of service, and all control points were thoroughly checked. There were a couple of small issues that arose during the installation, but the project was completed in approximately one week. The substation was placed back into service by the end of April. This project was part of the 2026 budget.
6. Electric Engineering has completed and sent through a conduit plan for the new Anguilla subdivision which is located off North Lee Highway across from Anatole. The subdivision has a total of 47 lots, and engineering plans to use approximately 3,000 feet of primary wire.
7. Electric Engineering has completed and sent through a conduit plan for the new Briar Creek subdivision located off Michigan Avenue across from Powhatan Drive NE. This subdivision will be a mix of town homes and single-family homes with a total of 45 lots. Engineering has designed the subdivision for two phases and approximately 2,700 feet of primary wire.
8. Electric Engineering released a work order to connect the electric service for the new Firestone Auto Care facility on Callen Lane NW. The facility has a 400-amp, 3-phase, 120V/208-volt electric service. The property owner had paid CUA to install a 3-phase transformer several months ago to provide temporary service to the site. The transformer at the site is a 30kVA, 120V/208-volt, 3-phase transformer. The expected demand of the facility is approximately 20kW. The facility should be open for business in the next few weeks.
9. Line crew foreman interviews were completed, and Scott Hawkins was selected for the position. In addition, Trevor Cartwright was hired as a new journeyman lineman.
10. Operations issued purchase orders to Ring Power for two new service trucks. These new vehicles will replace units #137 and #138 in the electric division. The small units will then be utilized in the Fiber Department.
11. An update for traffic lighting was presented:
 - The Traffic Signal Coordinator worked with the contractor on the Food City traffic signal on SR-60 to end the flashing operation and begin full vehicle operation. Before a final punch list can be completed, the contractor must return and complete the pedestrian signals installation.
 - The Traffic Signal Coordinator participated in a utilities deconfliction meeting for the intersection improvements at 25th Street and Ocoee Street. Several traffic related items including pedestrian pole locations were addressed for TDOT's upcoming road widening project. Right-of-way acquisition should begin later this year with construction scheduled to begin at the end of 2027.
 - The Traffic Signal Coordinator assisted Fire Station 5 with programming the pre-emption equipment in their new Engine. The old Engine 5 will be turned into a training vehicle, and the pre-emption can be disabled by turning the power button off directly on the device.
12. Electric engineering completed 101 work orders during the month of April.

WATER & WASTEWATER REPORT

1. The Cleveland Filter Plant (CFP) 0.5 MG Clearwell Rehabilitation Project is complete.
 2. The CFP Handrail Replacement Project is approximately 50 percent complete. Handrails are being installed, and the remaining handrails are being fabricated.
 3. The Lower River Road Water Distribution Project is complete. Minor cleanup items remain. Overrun was due to the use of additional fittings to avoid conflicts with existing utilities.
 4. The Harris Creek Trail and Bettis Avenue waterline replacement is underway and roughly 30 percent complete.
 5. The contractor has completed installation of all pipe and structures for the King Den trunk line installation and cleanup is being finished.
 6. The South Cleveland Sewer Improvements Project design is being performed by CUA staff. There are several proposed developments in the area.
 7. Engineering is reviewing the following plans:
 - The Stonebrook Subdivision on Stone Lake Road comprising 72 single family lots, 1,418 feet of 6-inch DIP water main, 1,408 feet of 8-inch DIP water main, and 2,475 feet of 8-inch gravity sewer main.
 - The Echo Creek – Fleeman Place Development, Phase 3 on Foxfire Road NE comprising 17 single family lots, 461 feet of 6-inch DIP water main and 750 feet of 2-inch sewer force main.
 8. An update was provided for the following developments under construction:
 - The Upton Landing subdivision on Michigan Avenue Road at Prikle Road NE comprising 42 single family lots is complete. It includes 1,086 feet of 6-inch DIP water main, 262 feet of 2-inch PEX waterline, and 1,250 feet of 8-inch gravity sewer main.
 - The Crossing at Willows Run on Freewill Road at 22nd Street NW comprising 101 single family lots is complete. It includes 5,160 feet of 6-inch DIP water main and 4,624 feet of 8-inch gravity sewer main.
 - The Waterstone subdivision on New Murraytown Road comprising 38 single family lots is complete. It includes 1,741 feet of 6-inch water main, 1,054 feet of 12-inch gravity sewer, and 1,554 feet of 8-inch gravity sewer.
 - The Lone Oaks Farm on Wilkinson Road NE is underway and will comprise 145 single family lots. It will include 7,526 feet of 6-inch DIP water main, 5,485 feet of 8-inch PVC gravity sewer and 536 feet of 3-inch force main.
 9. The Meter Services Department has completed approximately 61 percent of the Badger Endpoint changeout and installation project within the rural areas of CUA's water service territory. During this reporting period, crews installed 465 endpoints. To date, 5,149 of the total 8,500 planned endpoints have been completed.
 10. The Meter Department set 55 meters through April 2026, compared to 84 for April 2025 and 45 for April 2024. Of the 55 sets, 37 were single family homes, 3 were townhomes, 4 were apartments, 8 were irrigation and 3 were commercial.
 11. The total amount of rainfall recorded at the CFP as of May 19, 2026, was 15.02 inches for the year. This can be compared to 43.77 inches for the same period in 2020 (highest rainfall totals through May 1996-2026) and 9.79 inches in 2007 (lowest rainfall totals through May 1996-2026). The 2026 annual departure from normal was 10.20 below normal and the projected departure for 2026 is 20.02 inches below normal.
- C. Approval of Resolution 2026-01 Adopting the Annual Budget for the fiscal year beginning July 1, 2026, and ending June 30, 2027.

- D. Approval of Asset Transfer Agreement with City of Cleveland, Tennessee - Authorizes the President/CEO of Cleveland Utilities to sign the agreement with the City of Cleveland, TN to transfer traffic signals and related equipment to support municipal ownership, operation and maintenance of the traffic control system.
- E. Approval of a purchase order with ABB, Inc., in the amount of \$139,260.10 for three 15 kV vacuum circuit breaks for Wildwood Substation. ABB submitted the low bid meeting CUA specifications, and the equipment is budgeted for FY2027.
- F. Approval of a purchase order with Project Solutions of TN in the amount of \$186,682.35 for the furnishing of all tools, labor, and materials to remove, recoat and reinstall spiral lift pump No. 201 at the WWTP. This also includes the annual recoating and preventative maintenance on the torque tubes and flights for Pumps 202, 203, 204, 205 and 206. This work is budgeted for FY2027.
- G. Approval of a purchase order with Jackie Evans Trucking, Inc., in the amount of \$120,000 for the annual hauling and disposal of basin solids from the Cleveland Filter Plant (CFP). The purchase period is from July 1, 2026 – June 30, 2027. This item is budgeted for FY2027.
- H. Approval of an Authorizing Resolution 2026-02 with the TN State Revolving Fund to pursue a loan in the total amount of \$1,920,000 for the design on the WWTP expansion. CUA originally applied for the design loan in 2024, and funding has just now become available. Due to the time to design and construct the proposed plant expansion, CUA elected to proceed with the design in January 2025 through approval of a contract with JR Wauford in the amount of \$2.2 million. To date, \$1.26 million has been paid under the original design contract. Therefore, CUA would be able to utilize \$940,000 of the available SRF funds to pay the balance of the design contract. This money would be borrowed at an interest rate of 1.93% with repayment over a five-year term. This is a more equitable rate than available through the current bond market for funding alternatives.

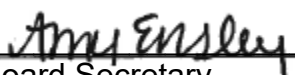
Future Meeting Dates

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

- Friday, June 26
- Friday, July 24
- Friday, August 28

ADJOURNMENT

There being no other business, Eddie Cartwright made a motion to adjourn the meeting. Debbie Melton seconded the motion. The motion carried unanimously, and the meeting adjourned at 1:07 P.M.


Board Secretary


Board Chairman

June 26, 2026
Date