

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES AUTHORITY BOARD
June 26, 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; Titan Upton, Electric Engineer; Tim Rader; and Tim Siniard, *Cleveland Daily Banner*.

Following the Pledge of Allegiance to the American Flag, Titan Upton delivered the invocation.

PUBLIC COMMENTS-NONE

MANAGER'S UPDATE & ANNOUNCEMENTS

Tennessee Valley Lineman Rodeo Competition – June 6th & 7th – Florence, AL

Henderson reported that a team of CUA linemen participated in the TN Valley Lineman Rodeo held in Florence, AL. 4 Journeyman linemen, 3 apprentices, and 1 judge. Both Henderson and Isom believe that participation in this event has many benefits; some listed were building camaraderie between colleagues and seeing and learning the newest techniques in rescue. Henderson highlighted there is always something to learn and gain with this competition. He then asked Isom to elaborate on the highlights. Isom explained that all employees who participated this year took a lot from the experience. He explained that in addition to team building there are also opportunities for the line workers to network with others from different utilities. They build relationships and most of the time they exchange hats and t-shirts as well. Isom stated that it's a great event and the linemen appreciate being able to participate. Moving forward, Isom did bring up that CUA may have to start holding tryouts due to the amount of interest this competition has gained, especially as younger line workers start joining CUA as more retire.

Fiber Update

The fiber division is quickly approaching 3,500 customers. Amy Ensley informed the board that Marshall Stinnett, Dustin Keith and Sofia Carden will be on Mix 104.1 Thursday, July 2nd to announce the two winners of the solo stoves. In addition, CU plans to do 4 more drawings. The additional prizes were listed as 2 Amazon Firesticks, 1 JBL speaker, and 1 tabletop electric grill.

Stinnett added that CUA's Fiber Division is installing about 60 customers a week. Recently, two positions have been filled within the division as well - a fiber technician and fiber design engineer. In the future, an estimated six more jobs will become available. Stinnett highlighted this is where the marketing and communications take off within this project. He informed the board of campaigns that Ensley has set in place to inform existing and new potential

customers about what makes Cleveland Utilities different. Stinnett mentioned the upcoming decrease in cost for a residential 1-gig package. Stinnett stated, “lowering our rates is a big deal. We can already say we don’t need to raise our rate; we can lower it.” He emphasized the great work of the team so far. They continue to take every opportunity to reach out to small/medium sized commercial customers within a plaza or others very close in proximity. There are multiple occasions that CUA will arrive to do an install and others within the plaza show interest and would like to make the switch as well. Stinnett commended the efforts of the operational team, stating they are lean and mean and doing a lot of work with a small number of individuals.

Independence Day Holiday Office Closure

CUA offices will be closed on Friday, July 3rd, in observance of Independence 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

Eddie Cartwright 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 May 22, 2026

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

FINANCIAL REPORT

1. **Electric Division May 2026** – During the month of May, the cost of purchased power as a percentage of retail sales was 73.7 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 \$9,907,720 which was offset by a purchased power expense of \$7,298,682. This resulted in an operating margin of \$2,609,038 and can be compared to the budgeted margin of \$2,304,278 for the month. Operating expenses for the month were \$2,229,708 and can be compared to a budgeted operating expense of \$2,340,316. The division serviced 35,310 customers during the month. The net income for the month was \$815,673 and can be compared with a budgeted net income of \$371,164 for the month.
2. **Water Division May 2026** – During the month of May, water sales revenue was \$2,306,062 and can be compared to the budgeted amount of \$2,168,258. Other revenue sources contributed an additional \$318,370 for the month. The division serviced 36,015 customers during the month. Operating expenses for the month were \$1,800,357 and can be compared to the budgeted amount of \$1,902,118. The division recorded an operating income of \$824,075, which can be compared to a budgeted operating income of \$412,028 for the month.
3. **Wastewater Division May 2026** – For the month of May, wastewater treatment revenue was \$1,801,458 and can be compared to the budgeted amount of \$1,723,455. Other revenue sources contributed an additional \$296,114 for the month. The division serviced 22,325 customers. Operating expenses for the month were \$1,415,347 and can be compared to the budgeted amount of \$1,507,015. The division recorded an operating income of \$682,225, which is compared to the budgeted operating income of \$311,235 for the month.

4. **Fiber Division May 2026** – For the month of May, fiber services revenue was \$301,312 and can be compared to the budgeted amount of \$186,716. Operating expenses for the month were \$238,819 and can be compared to the budgeted amount of \$249,260. The division serviced 3,253 customers during the month. The net income for the month was \$78,186, which is compared to a budgeted operating loss of \$57,876 for the month.

ELECTRIC REPORT

1. Electric engineering is installing a new control building at the Wildwood Substation in addition to the 13kV breaker upgrade. The control building will be climate controlled and house new relaying for the 69kV breaker and transformer, new batteries, and a new remote for SCADA communications. In May, electric engineering began preparing the bid drawings and documents for the new control building. The tentative plan is to send out the bid request in July. This project was included in the 2027 budget.
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 May. Progress has been made, but a final agreement between both sides had not been reached by the end of May. Electric Engineering hopes to have the agreement finalized and signed by the end of June.
3. Electric engineering hosted a pre-bid meeting in May for upcoming proposals for the energy storage (batteries) system project at the Lang Street Substation. Approximately 15 representatives attended the TEAMS meeting and asked questions clarifying bid requirements. Proposals are scheduled to be opened on June 15th.
4. The Task Order that Enercon sent to CUA in April for the Systemwide Arc Flash Study was reviewed and signed in May. This gives Enercon authority to begin the study. A 3-day visit and kick-off meeting is scheduled for the week of June 22. Enercon engineers will be reviewing specifications for the CUA electric system and conducting interviews of operational personnel. More updates will be provided in the June report.
5. Electric engineering approved and released the Master Service Agreement and Task Order with Enercon to update the utility's Spill Prevention, Control, and Countermeasure (SPCC) Plans. The SPCC Plan is an EPA-required document that outlines procedures for preventing, containing, and responding to oil spills from equipment such as transformers. This effort will update all existing substation SPCC plans and incorporate newly constructed and recently remodeled substations. Work is scheduled to begin in the coming months.
6. The meter lab has begun the process of replacing the Honeywell electric metering system with Tantalus. To date, there are 323 meters that have been replaced with back-office testing going well. Also, due to the ability to get better pricing in the long term, bids were sent out to purchase all the residential class 200 meters. Originally 10,000 meters were purchased from Itron. The new bid of 27,000 meters will be enough to complete the project and have enough meters for future growth. This PO request was in the May agenda. This is a 3-year project, and CUA will be ordering and purchasing 1,000 meters per month until the project is completed. CUA was able to purchase the meters at a reduced price due to the guaranteed volume.
7. Electric Engineering has been discussing the initial plans for two of the Spring Creek Community lots near Jack's restaurant where three new apartment buildings are planned to be added. One building will be 30 units, one will be 31 units, and one will be 28 units.
8. Electric Engineering has been working with the fiber department to connect the first over-current electric device to the new fiber system. The device is the Hunter' Run

recloser located off Mouse Creek Road. There are approximately 750 customers behind this recloser. The device currently has issues communicating to SCADA via a 900Mhz radio, so this makes it an excellent candidate for utilizing fiber. In May, the fiber and substation department installed the ONT on the recloser. Meetings are scheduled for June to discuss the programming for the network connection at the office.

9. A lot of progress has been made at the site for the Encompass Health – Dakota Sage Development on Stuart Road during the month of May. The building is being constructed with modular sections set in place by large cranes. This makes erection of the building much faster than normal. In May, the contractor requested the transformer be set in place so that the electrical contractor can pull in the secondary wire to the building. By the end of the month, the contractor received a good electrical inspection. Electric engineering and operations are preparing to energize the transformer in June.
10. Electric engineering developed a new Interconnection Agreement for customer-owned Distributed Energy Resources (DER). This document establishes clear requirements and expectations for the interconnection of resources such as solar generation systems. It outlines the applicable rules, technical standards, and policies governing interconnection and will serve as the formal agreement between Cleveland Utilities and DER customers. Full adoption of the agreement is expected in the coming months.
11. Electric Engineering released a work order to provide electric service to the Upton Landing Subdivision located on Michigan Avenue NE. The project includes the installation of approximately 2,270 feet of underground primary distribution line and nine transformers to serve a total of 42 residential lots. The total estimated project cost is \$91,000. All primary installations were completed in May, positioning the subdivision for subsequent secondary and service installations as development progresses.
12. Two journeyman linemen, Devin Fine and Trevor Cartwright, represented Cleveland Utilities' Operations Department at Career Day at Blythe Bower Elementary School. This is community service with local school systems showcasing career opportunities at CUA to the young people of the Cleveland community.
13. An update for traffic lighting was presented:
 - Electric engineering worked with multiple parties to prepare for the upcoming 25th Street at Peerless Road closure and culvert extension. A traffic signal pole will be relocated to the other side of the creek as a self-supporting strain pole. Before drilling can commence, an overhead single-phase line will be removed and replaced with secondary to feed a billboard. The road closure is set to begin on June 3rd and last approximately 8 weeks. The traffic signal timing and phasing will be adjusted during this period.
14. Electric engineering completed 78 work orders during the month of May.

WATER & WASTEWATER REPORT

1. The Wastewater Treatment Plant (WWTP) Non-Potable Reuse Project is 74 percent complete. Masonry is complete and construction is 65 percent complete. The contractor will install pumps, and the project is on schedule for August completion.
2. The Cleveland Filter Plant (CFP) Handrail Replacement Project is approximately 75 percent complete. Handrails were installed on June 12, 2026.
3. The new Varnell Road Waterline Extension Project is underway. It consists of 675 feet of 6-inch DIP watermain to connect two dead end lines. This project was identified in

the Water Master Plan as a method to relieve some high-pressure areas in the Bryant Drive pressure zone.

4. An update was provided for the following developments under construction:
 - The Woodland Heights Subdivision on Bancroft Road SW comprising 81 residential lots is nearing completion. It includes 3,773 feet of 6-inch DIP water main (100% complete), 130 feet of 2-inch PVC water main (100% complete, and a booster pump station (95% complete).
 - The Lone Oaks Farm Project on Wilkinson Road NE is progressing and will comprise 145 single family lots. It will include 7,526 feet of 6-inch DIP water main (80% complete), 5,485 feet of 8-inch PVC gravity sewer (95% complete) and 536 feet of 3-inch force main (95% complete).
5. The Meter Services Department has completed approximately 63 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 166 endpoints. To date, 5,315 of the total 8,500 planned endpoints have been completed.
6. The Meter Department set 47 meters through May 2026, compared to 76 for May 2025 and 57 for May 2024. Of the 47 sets, 27 were single family homes, 8 were townhomes, 11 were irrigation and 1 was commercial.
7. The total amount of rainfall recorded at the CFP as of June 10, 2026, was 19.52 inches for the year. This can be compared to 46.37 inches for the same period in 2020 (highest rainfall totals through June 1996-2026) and 13.04 inches in 2007 (lowest rainfall totals through June 1996-2026). The 2026 annual departure from normal was 10.22 below normal for the month of June, and the projected departure for 2026 is 17.02 inches below normal.

- C. Approval of the property and casualty insurance renewal for FY2027 through the Distributors Insurance Company (DIC) Program in the amount of \$1,990,528. DIC is a wholly owned subsidiary of TVPPA. Arthur J. Gallagher & Company is the program manager.
- D. Approval of a purchase order to Cleveland Utilities OPEB c/o First Horizon Bank in the amount of \$791,269 for the annual funding of CUA's Other Post-Employment Benefits (OPEB) Trust.
- E. Resolution 2026-03 - Authorizing the purchase of property on Frederick Street NW (Parcel ID 041K F 004.00) in the amount up to \$220,000, pending a survey and appraisal that is equal to or less than 80% of the purchase price.
- F. Approval to continue the existing contract with the Hiwassee Utilities Commission (HUC) on a month-to-month basis until a new agreement is executed.
- G. Approval of July 2026 water rates with no HUC pass-through rate increase due to delayed implementation by HUC.
- H. Approval of updated water rates effective August 1, 2026, for the remainder of FY2027 to incorporate HUC's 8.7% wholesale rate increase.
- I. Approval of Updated Retiree Insurance & Cybersecurity Policies.

- J. Approval of a purchase order with Blue Street Capital LLC, in the amount of \$190,000 for a five-year Arista support and maintenance agreement, payable in annual installments of \$38,000.
- K. Approval of a purchase order with Wesco Distribution Inc., in the amount of \$2,335,500 for the purchase of 27,000 Itron CL200 residential meters with remote disconnect capability and Tantalus communication modules pre-installed. These meters serve as Cleveland Utilities' standard residential and small commercial meters and utilize radio communications to interface with Tantalus communication collars. This quantity is expected to replace the remaining CL200 meters currently in service while also providing inventory for anticipated system growth and spare stock. The tentative delivery and payment schedule is 1,000 meters per month. These are budgeted.
- L. Approval of a purchase order with Irby Utilities in the amount of \$3,264,054 for the purchase of 27,000 Tantalus single-phase modules, software, and deployment services. These modules are compatible with the Itron CL200 meters and will be installed in the Itron factory. This is also a budgeted item.
- M. Approval of a purchase order with Commercial Painting, Inc., in the amount of \$223,750 for the rehabilitation and repainting of the 10 MG Wastewater Detention tank. The WWDT is 20 years old and this project includes cleaning, repairing surface cracking in the coating and recoating the tank. This project was budgeted for FY2027.
- N. Approval a purchase order with Eco-Tech LLC, in the amount of \$236,250 for the purchase of a new Inovair Geared Centrifugal Blower for the Wastewater Treatment Plant. The WWTP centrifugal blowers provide the air required for the biological treatment process and are critical to plant operations. One of the existing blowers, which has been in service for approximately 16 years, has experienced a failure and must be replaced. Staff has previously budgeted for the replacement of six blowers and recommends replacing the failed unit as soon as possible to maintain reliable plant operations. Funding for the replacement blower is included in the FY2026 budget.
- O. Approval of a purchase order with Jacobs Engineering in the amount of \$113,580 for engineering services related to the demolition of the existing Biosolids containment structure, surveying engineering design, geotechnical review and engineering of a new Biosolids containment structure. This is a not-to-exceed price. The existing structure is nearly 40 years old and consists of a metal frame that has traditionally been covered by a large tarp-style cover. Due to the environment at the plant, the covers typically require replacement every 7 to 8 years. The contractor installing the cover will no longer warranty them due to concerns about the ability to properly tension the tarp on the existing superstructure. Given current biosolids production levels and planned future expansion of the plant, replacing and enlarging the structure will provide the best long-term solution for biosolids storage. This project was budgeted for FY2026.

Future Meeting Dates

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

- Friday, July 24

- Friday, August 28
- Friday, September 25

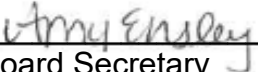
EXECUTIVE SESSION

Chairman Ector recessed the regular meeting of the board at 1:05 P.M. and moved into Executive Session. The purpose of the session was to discuss recent state legislation and its potential impact on CUA's ability to provide electric service to annexed areas. Henderson also informed the Board of recent challenges CUA has encountered in serving certain areas already annexed into the City of Cleveland. CUA informed the board of the steps they plan to move forward with in the future.

At 1:56 P.M. Chairman Ector reconvened to return to the regular meeting of the board.

ADJOURNMENT

There being no other business, Eddie Cartwright made a motion to adjourn the meeting. Vice Chairman Joe Cate seconded the motion. The motion carried unanimously, and the meeting adjourned at 1:56 P.M.


Board Secretary


Board Chairman

July 24, 2026
Date