

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES AUTHORITY BOARD
August 1, 2025

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; Eddie Cartwright; Councilman David May, Jr.; Councilwoman Marsha McKenzie; Mayor Kevin Brooks; and Debbie Melton.

Others in attendance were Tim O. Henderson, President/CEO; Amy Ensley, Utility Board Secretary; Walt Vineyard, Executive VP; John Corum, Administrative Services VP; Jimmy Isom, Electric VP; Craig Mullinax, Water & Wastewater VP; Marshall Stinnett, VP/CFO; Sofia Carden, Executive Assistant/Communications Specialist; Paul Ponziani, Network Administrator II; Russell Fredericks, *Cleveland Police Department*; Tim Rader; and Tim Siniard, *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag, Paul Ponziani delivered the invocation.

PUBLIC COMMENTS-NONE

MANAGER'S UPDATE & ANNOUNCEMENTS

Fiber Update

Henderson started the fiber update by reporting that CU has now surpassed 1,000 active fiber customers with 400 customers in queue waiting to be installed. CU is very excited about what fiber is doing in the community. Walt Vineyard explained that CU is in the process of hiring more fiber installers to ensure customers get installed as quickly as possible. Marshall Stinnett then touched on the flow of orders and how CU's team is continuing to prove itself with customer service. CU has received a great amount of positive feedback on social media. Stinnett explained, if you see mention of Internet on a post, you now have CU fiber customers speaking about their experience. In return, CU is seeing that impact by word of mouth and on social media through orders. There is a continuous leap in order quantities as time continues. Stinnett reaffirmed what Vineyard spoke about and informed the board that increasing employees on the fiber side is something that CU is focusing on to ensure customers are taken care of. Vineyard advised he believes the number one reason CU is getting this positive response in the community is customer service. Mayor Kevin Brooks then spoke up about his experience with the CU fiber team. "I was looking forward to today, so I could say unbelievable customer service; from drop to install, perfectly seamless." Councilwoman Marsha McKenzie then spoke up about a family member that called her recently to explain their experience with fiber. They said the fiber is amazing and the speed is great.

Henderson then introduced Sergeant Russell Fredericks with the Cleveland Police Department. Fredericks shared with the Utility Board how fiber is assisting the city with crime. The city currently has 11 public safety cameras with 4 sensors on each of those that require internet. Prior to fiber being available in the area, the only option for internet on those cameras was cellular networks. Fredericks explained that when CPD saw how quick fiber was on the cameras compared to cellular, it was no question on what provider to use. To emphasize this, Fredericks said the cameras have a real time monitoring feature. Previously, when using cellular networks, real time monitoring would lag from 12pm to 4pm due to the increased amount of traffic and people using cell phones. Fredericks said that the process of

putting the cameras on CU's fiber internet network has been incredible. Fredericks stated they are a tremendous asset in the community and are making a huge difference in what can be done.

United Way Day of Action Report

Tim Henderson began by introducing and providing background on employee Paul Ponziani, who participated in this year's United Way Day of Action as part of CU's volunteer efforts. Although not originally scheduled to be part of CU's team, Paul stepped in at the last minute to fill in for another employee who was unable to attend. CU's team, comprised of 11 employees, volunteered at the Ludic Spectrum Center. Paul has a personal connection to the Ludic Center, as his son is currently enrolled in the center's summer program. He shared that the staff at Ludic work closely with his son in a one-on-one setting, and the program has had a meaningful and positive impact on his family this summer. Paul read a touching letter about his son that was written by his daughter. He then expressed his gratitude to the board and staff for supporting employee participation in community service efforts like the United Way Day of Action.

Eaton TVA EnergyRight Business & Industry Incentive

Henderson highlighted CU's partnership with the Tennessee Valley Authority and their EnergyRight Programs. Eaton's Cleveland location recently benefited from this program by making improvements to their HVAC system and received a check for \$13,200. Henderson explained these improvements made by Eaton give the organization a greener footprint within our community. He said that CU is proud to continue its partnership.

CUA Leadership Academy

Henderson highlighted Cleveland Utilities' strong commitment to continuing education and workforce development. He emphasized that both he and John Corum have a shared vision to elevate educational opportunities within the organization, leading to the creation of the Cleveland Utilities Leadership Academy. The academy is designed to support employees who are eager to develop their skills and grow personally and professionally within CU. Corum provided additional details to the board, explaining the academy targets employees in non-leadership roles as part of CU's proactive approach to workforce development. The orientation took place on June 15, with 15 employees from various divisions in attendance. The first session was held on July 18 at the Cleveland State Community College Technology Building. The program follows the Inside Insights curriculum and began with a DISC personality assessment, which helps participants understand their communication styles, emotional intelligence, and interaction approaches. Corum said the initial session was terrific. He noted the participants are split into groups and will be tasked with learning how to handle real-life scenarios. The cohort is also reading a book called, *Start with Why*, which will serve as a great resource. Graduation will be in May 2026, and Corum thanked Henderson for the opportunity to launch the Leadership Academy.

CONSENT AGENDA

Vice Chairman Joe Cate made a motion to approve the following items from the Consent Agenda. The motion was seconded by Councilwoman Marsha McKenzie, and the Utility Authority Board voted unanimously to approve the Consent Agenda.

A. Approval of the Minutes from June 27, 2025

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

FINANCIAL REPORT

1. **Electric Division June 2025** – During June, the cost of purchased power as a percentage of retail sales was 77.0 percent and can be compared to the budgeted percentage of 73.0 percent for FY 2025. FY 2025 purchased power expense as a percentage of retail sales was 75.6 percent. The results for June are electric sales revenue of \$11,489,880 which was offset by a purchased power expense of \$8,852,515. This resulted in an operating margin of \$2,637,365 and can be compared to a budgeted margin of \$2,251,119 for the month. The results for FY 2025 electric sales revenue was \$117,737,466 which was offset by a purchased power expense of \$88,976,995. This resulted in an operating margin of \$28,760,471 compared to a budgeted margin of \$26,744,388 for FY 2025.
2. **Water Division June 2025** - For the month of June, water sales revenue was \$2,014,467 (unadjusted for unbilled revenue). This is compared to the budgeted amount of \$2,118,477. For FY 2025, water sales revenue was \$24,323,837 (unadjusted for unbilled revenue) which is compared to a budgeted revenue of \$23,803,092.
3. **Wastewater Division June 2025** - For the month of June, wastewater treatment revenue was \$1,594,037 (unadjusted for unbilled revenue). This is compared to the budgeted amount of \$1,557,896. For FY 2025, wastewater treatment revenue was \$18,589,562 (unadjusted for unbilled revenue), which is compared to a budgeted revenue of \$18,024,470.
4. **Fiber Division June 2025** – For the month of June, fiber sales revenue was \$76,077. This is compared to the budgeted amount of \$282,389. For FY2025, the fiber sales revenue was \$325,664, which is compared to budgeted revenue of \$1,142,173.

ELECTRIC REPORT

1. The new TVA/TDOT Fast Charging Network Project in the front parking lot at Cleveland Utilities is underway. The charging dispensers, rectifier cabinet and main switchgear cabinet have been delivered, and the contractor has been onsite to lay out the locations of the new charging equipment. Cleveland Utilities will be replacing the primary pole across the street. CU will also be installing 220 feet of underground conduit and primary/secondary conductors as well as a 1500KVA transformer to serve the new charging station and the future new office building. This work will begin in July and should be completed, along with the station being ready to serve the public by early August.
2. Electric Engineering released a work order to de-energize four of the five transformers at the former Duracell manufacturing facility at 208 Coppertop Lane NE. The building was purchased by the new owner six months ago and is being used for industrial warehousing. This results in the electric demand being very low compared to when it was used for manufacturing. The owner has transferred all the electrical load to one of the five transformers on the property. The transformer sizes range from 1000KVA to 2000KVA. These large transformers will draw constant usage, even with no load. De-energizing the transformers will lower the KWH usage for the facility. In conjunction with de-energizing the transformers, CU will be changing the CTs on the primary meter to accurately measure the lower demand of the facility. The customer is sharing in the cost to make these changes.
3. In June, CU crews connected the new single-phase service to the former Cleveland Daily Banner building on 25th Street. The building is being renovated for a pharmacy and doctors' offices. It will be divided into six sections. Crews installed a new 45-foot wood pole, 135 feet of underground primary, and a 75KVA single-phase pad mounted transformer. At the transformer, crews connected the six underground commercial

services to the building. At this time, only four of the six new services have been activated. Crews also removed the old 277/480-volt, 3-phase transformer bank along Guthrie Drive and all the CU equipment from the old pole. Once AT&T and Spectrum transfer to the new pole, the old pole will be removed. The total cost for the job is projected to be \$15,000, including the cost to replace the utility pole behind the building.

4. Electric engineering has had a couple of onsite meetings with a contractor regarding a proposed cell tower at 227 James Asbury Lane. The company is proposing to lease some property from the American Legion. The location of the tower on the property has changed once so far, and electric engineering has been working with the contractor to provide details on how to get electric service to the tower at the various locations. A single-phase 50kVA pad-mounted transformer will be installed near the tower most likely. Details should be finalized in a few weeks, and engineering will release a work order shortly afterwards.
5. Engineering released a work order to connect electric service for a new climate control storage facility at 2900 Dalton Pike. This is an addition to an existing facility on the property and is doubling the storage capacity at the site. An existing 150KVA, 277/480-volt transformer on the site will be used to provide service to the new building. The transformer provides service to all the facilities on the property. The expected total demand for the transformer is 130KVA. The only work required by CU crews was to connect the customer owned secondary wire.
6. SCADA is the way engineering and operations remotely monitor the electric system. It has been essential for CU for over 40 years. It is now proving to be even more crucial as technology progresses in the electric distribution field. The current system is ready for an upgrade. The current vendor has quoted approximately \$100,000 for the upgrade. Engineering feels this is a good opportunity to evaluate options/solutions from other vendors. The first step electric engineering took in June was to reach out to Facey Consulting, which was recommended by another utility in the Tennessee Valley. Mr. Facey has years of experience in the SCADA industry, including working for a SCADA company and working for a utility to set up a SCADA system. He will be able to provide expert advice on how to request RFPs from SCADA vendors so that their proposal will be tailored to our exact needs. In June, Electric Engineering had an in-person meeting with Mr. Facey and accepted a proposal for his services. Initially, his fee will be \$4,800 to help create an RFP to send out to different SCADA vendors. After the RFPs are received, we may also use his services to help evaluate the proposals. Facey will have an RFP drafted in early July.
7. Riverstone Construction has installed all conduit and CU operations has inspected all ditches for the Creekside Estates Subdivision located off King Den Drive. This subdivision is across the street from the King Den subdivision. The subdivision is 12 lots, with about 350-feet of primary and 700-feet of secondary conduit. Engineering has turned through a work order to install wire, a transformer, and a switch for this new subdivision.
8. Engineering released a work order for underground facilities to be installed for seven lots off Lead Mine Valley Road in a development called Murnik Lane. These lots are right at the end of Cleveland Utilities' line on Lead Mine. The developer installed about 200-feet of primary conduit and 375-feet of secondary conduit. All ditches have been inspected by operations.
9. The Operations Department has added two new electricians to the Substation Department. Rob David and Andy Schneck were hired at the end of June. Both employees bring knowledge and experience to the table from their previous positions

working as electricians for local contractors. They will start their journeyman electrician program immediately. The two hires backfill for retired employees, Mark Davis and Blake Shelton.

10. An update for traffic lighting was presented:

- A service order was completed to repair broken detection wiring at Benton Pike and Michigan Avenue after rodents had chewed through the wiring in multiple places.
- The Paul Huff paving project was completed which allowed for the removal of a few bagged signal heads and signs. All lanes were opened, and additional signs were added for better lane control and recognition at Paul Huff and Peerless Road.

Engineering completed 121 work orders during the month of June.

WATER & WASTEWATER REPORT

1. Duggan & Meyers is 83% complete with the Sodium Hypochlorite (Bleach) Project at the CFP. Construction is 95% complete. The goal is to transition from chlorine to bleach during the month of August 2025.
2. Construction drawings have been approved by TDEC for the King Den Trunk Line Installation. Easement documents have been mailed, and CU has obtained 16 of 20 easements for the project. Contracts are complete. The notice to begin work is August 1, 2025.
3. Engineering is reviewing the following plans:
 - A residential development on APD-40 and Holloway Road comprising 86 single family lots with a scope of 3,100 feet of 6" DIP water main and 2,910 feet of 8" gravity sewer main. Bassam Issa is the developer.
 - Candies Creek Cottages on Old Freewill Road NW consisting of 25 single family lots. The scope of this project is 655 LF of 6" DIP water main and 708 LF 8" gravity sewer main. Epperson/Allison Homes is the developer.
4. The Hoback Development on Shady Lane and Weeks Drive is complete. The project included 29 townhome units with 730 LF of 2" PVC water main, 1,872 LF of 6" DIP water main, and 3,307 LF 8" gravity sewer.
5. An update was provided for the following Wastewater Rehabilitation Projects:
 - The Williams Street Sewer Relocation Project will begin in the next 2-3 weeks. Clearing has been completed, and manholes are ordered. Hampton Backhoe was the low bidder at \$208,395.50. CU will be reimbursed \$407,640.96.
 - The 2024 Sewer Rehabilitation Project is progressing. Portland Utilities continues with sewer service rehabilitation and lining of manholes. The mainline rehabilitation is complete.
6. The Meter Services Department has completed approximately 14% of the Badger endpoint changeout and installation project within the rural areas of CU's water service territory. During this reporting period, crews installed 456 endpoints. To date, 1,157 of the total 8,500 planned endpoints have been completed.
7. The Meter Department set 60 meters through June 2025, compared to 35 for June 2024 and 34 for June 2023. Of the 60 sets, 52 were single family homes, 4 were townhomes, 3 were apartments and 1 was irrigation.
8. The total amount of rainfall recorded at the CFP as of July 29, 2025, was 32.30 inches for the year. This can be compared to 54.17 inches for the same period in 2013 (highest rainfall totals through July 1996-2025) and 18.04 inches in 2007 (lowest rainfall totals through June 1996-2025). The projected departure for 2025 is 1.53

inches below normal.

- C. Approval of *Amended* FY 2026 Budget. The amendment incorporates the decision to delay the water and sewer access fees to September 1, 2025, the board acted on at the last meeting.
- D. Approval of Resolution 2025-03: Adopting the *Amended* Annual Budget for the fiscal year beginning July 1, 2025, and ending June 30, 2026.
- E. Approval of Resolution 2025-04: Approving a Local Retail Electric Rate Adjustment of 2.74 Percent on Standard Service Effective October 1, 2025. CU was originally projecting a 3.50 percent increase but was able to reduce it to 2.74 percent due in part to the strong performance of the Fiber Division and exceeding projections to date.
- F. Approval of a purchase order to Cleveland Utilities OPEB c/o First Horizon Bank in the amount of \$764,215 for the annual funding of CU's Other Post-Employment Benefits (OPEB) Trust.
- G. Approval of a contract with T. Dewayne Garner in the amount of \$102,300 to purchase property located at 1822 Lower River Road NW in Charleston, TN, identified on Tax Map 010 Parcel 016.01. This parcel of property adjoins CU's Wastewater Treatment Plant and is being secured for future company use.
- H. Approval of CU Cellular Phone & Wireless Device Policy. This is a new policy for CU that focuses on safety and provides guidelines for the use of wireless devices while driving.
- I. Approval of a purchase order with Waypoint in the amount of \$151,404.12 for the final annual payment for CU's Microsoft Licensing.
- J. Approval of a purchase order with The Dycho Company, Inc., in the amount of \$137,800 for the annual supply of corrosion control inhibitor for the Cleveland Filter Plant. The purchase is sole source and is budgeted for FY 2026.
- K. Approval of Amended CU Hiwassee River Wastewater Treatment Plant (WWTP) Septage Receiving Plan. This revision sets minimums when CU receives septage.
- L. The following Mid-Year Safety Internal Performance Measures (IPM's) for January through June 2025 were reported:

	Electric & Water Combined	Electric Division	Water/Wastewater Division
OSHA Recordable Incident Rate (RIR)	3.52	3.88	3.05
DART Rate	2.66	3.10	2.03
Lost-Time Case Rate (LTCR)	0.44	0.78	0.00
Vehicle Accident Rate (VAR)	2.13	0.00	3.44

The following data went into the calculations:

- A total of 168,021 consecutive hours have been worked by both divisions combined without a lost-time injury (LTI). Electric employees contributed 58,867 of those hours, with the last lost-time injury occurring on April 7, 2025. The water division reached 109,154 hours, with the last lost-time injury occurring on December 6, 2024.
- A total of 227,485 cumulative hours were worked companywide during the period. 119 employees in the electric division worked 129,003 hours, and 88 employees in the water division worked 98,482 hours.
- In addition, a total of 469,934 cumulative vehicle miles were driven by employees in 142 vehicles. 179,276 of those miles were driven by electric employees, and 290,658 miles were by water employees.

The below data was provided as a comparison to the previous years:

Year	OSHA – TRIR	DART	LTCR	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 (Mid-Year)	3.52	2.66	0.44	2.13

OTHER ANNOUNCEMENTS

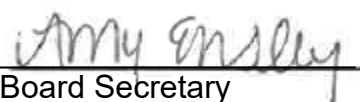
Future Meeting Dates

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

- Friday, August 22
- Friday, October 3

ADJOURNMENT

There being no other business, Eddie Cartwright made a motion to adjourn the meeting. Debbie Melton seconded the motion, and the board voted unanimously to adjourn the meeting at 1:06 p.m.


Board Secretary


Board Chairman

August 22, 2025
Date