

**MINUTES OF REGULAR MEETING**  
**CLEVELAND UTILITIES AUTHORITY BOARD**  
**August 22, 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.; and Councilwoman Marsha McKenzie.  
Absent: 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; Reagan Hicks, Energy Services Advisor; Mark Wells, Lab Analyst; Tim Rader; and Tim Siniard, *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag, Mark Wells delivered the invocation.

**PUBLIC COMMENTS-NONE**

**MANAGER'S UPDATE & ANNOUNCEMENTS**

**Retirement – Mark Wells**

Henderson introduced Mark Wells, who is retiring from CU after 25 years of service. Today marks his final official day. Wells shared a personal story about a life-altering injury he sustained in a boating accident in 2009 and spoke about his recovery journey and determination to return to work. He expressed gratitude to CU for the support throughout his career. The group congratulated him on his retirement.

**Home Uplift Program**

Cleveland Utilities continued its partnership for the third year of participation with the Tennessee Valley Authority (TVA) in the Home Uplift Program. In FY25, 9 customer homes were served. Those homes received \$11,178 in free project measures resulting in an average savings of almost 5,910 kilowatts per home.

A video was shown highlighting program details and customer testimonials. Henderson introduced Reagan Hicks, CU's Energy Services Advisor, who manages this program. Henderson stated he is proud to be able to partner in this program, which makes a meaningful, lasting impact for qualifying customers. For FY26, CU will contribute \$61,774 and TVA will match the contribution dollar-for-dollar for a total of \$123,548. Corum commended the program, thanked the board for its support, and emphasized the positive impact the partnership has on those in need.

**Labor Day Holiday**

CU offices will be closed Monday, September 1st, in observance of Labor Day. As always, the Call Center will be open, and crews will be available to respond to any service-related issues or outages.

**CUA Annual Family Picnic**

Henderson announced the CU Annual Family Picnic is scheduled for Thursday, October 16<sup>th</sup> at Fletcher Park. The event will begin at 5:00 PM, and the food will be provided by food trucks. Board members were invited to attend.

**CONSENT AGENDA**

Councilman David May, Jr., made a motion to approve the following items from the Consent

Agenda. The motion was seconded by Joe Cate, and the Utility Authority Board voted unanimously to approve the Consent Agenda.

**A. Approval of the Minutes from August 1, 2025**

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

1. **Electric Division June 2025** – During the month of 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. The results for the month 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 the budgeted margin of \$2,251,120 for the month. Operating expenses for the month were \$1,893,997. This is compared to a budgeted operating expense of \$2,365,825. This large variance in operating expenses is due to a negative adjustment in recognizing the amortization of the market gains/loses related to the year-end pension and other post-employment benefit adjustment entries. The division serviced 34,762 customers during the month of June. The net income for the month was \$1,093,628 and can be compared with a budgeted net income of \$277,159.
2. **Electric Division FY 2025** – The results for FY 2025 are electric sales revenue of \$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 and can be compared to a budgeted margin of \$26,744,386 for the year. Operating expenses for the year were \$25,623,833 and can be compared to a budgeted operating expense of \$27,815,446. The net income for FY 2025 was \$8,763,414 and can be compared with the budgeted net income of \$3,540,218. This variance was driven by reduced expenditures due to timing across fiscal years related to the pension and other post-employment benefit adjustments for the year end.
3. **Electric Division July 2025** – During the month of July, the cost of purchased power as a percentage of retail sales was 74.7 percent and can be compared to the budgeted percentage of 72.0 percent for FY 2026. The results for July are electric sales revenue for the month of \$12,974,412 which was offset by a purchased power expense of \$9,687,589. This resulted in an operating margin of \$3,286,822 and can be compared to a budgeted margin of \$2,964,808 for the month. Operating expenses for the month were \$2,368,561 and can be compared to a budgeted operating expense of \$2,256,626. The division serviced 34,820 customers during the month of July. The net income for the month was \$1,415,863 and can be compared with a budgeted net income of \$1,173,373.
4. **Water Division June 2025** – During the month of June, water sales revenue was \$2,014,467 and can be compared to the budgeted amount of \$2,118,476. Other revenue sources contributed an additional \$349,429 for the month. The division serviced 35,419 customers during the month. Operating expenses for the month were \$1,625,140 and can be compared to the budgeted amount of \$1,828,498. This large variance in operating expenses is due to a negative adjustment in recognizing the amortization of the market gains/losses related to the year-end pension and other post-employment benefit adjustment entries. The division recorded an operating income of \$738,756 which can be compared to a budgeted operating income of \$463,178.
5. **Water Division FY 2025** – For FY 2025, water sales revenue was \$24,323,837 and other revenue sources contributed an additional \$3,143,929 for the month. Operating expenses for the year were \$21,569,703 and can be compared to a budgeted operating expense of

\$21,299,508. The net income for the year was \$5,898,063 and can be compared with a budgeted net income of \$4,449,688.

6. **Water Division July 2025** – For the month of July, water sales revenue was \$2,423,176 and can be compared to the budgeted amount of \$2,528,315. Other revenue sources contributed an additional \$319,247 for the month. The division serviced 35,569 customers during the month of July. Operating expenses for the month were \$1,989,021 and can be compared to the budgeted amount of \$1,928,486. The division recorded an operating income of \$753,402 which is compared to a budgeted operating income of \$769,943.
7. **Wastewater Division June 2025** – For the month of June, wastewater treatment revenue was \$1,594,038 and can be compared to the budgeted amount of \$1,557,895. Other revenue sources contributed an additional \$229,382 for the month. The division serviced 21,922 customers during the month. Operating expenses for the month were \$1,376,748 and can be compared to the budgeted amount of \$1,442,282. The large variance in operating expenses is due to a negative adjustment in recognizing the amortization of the market gains/losses related to the year-end pension and other post-employment benefit adjustment entries. The division recorded an operating income of \$446,671 which is compared to the budgeted operating income of \$220,181 for the month of June.
8. **Wastewater Division FY 2025** – For FY 2025, wastewater treatment revenue was \$18,589,562. Other revenue sources contributed an additional \$2,046,691 for the year. Operating expenses for the year were \$16,231,710 and can be compared to the budgeted operating expense of \$16,837,017. The net operating income for the year was \$4,404,543 and can be compared to the budgeted net operating income of \$2,397,272.
9. **Wastewater Division July 2025** – During the month of July, wastewater treatment revenue was \$1,715,564 and can be compared to the budgeted amount of \$1,848,067. Other revenue sources contributed an additional \$255,914 for the month. The division serviced 21,966 customers during the month. Operating expenses for the month were \$1,400,784 and can be compared to the budgeted amount of \$1,474,084. The division recorded an operating income of \$570,694 and can be compared to the budgeted operating income of \$475,631 for the month.
10. **Fiber Division June 2025** – For the month of June, fiber sales revenue was \$76,077 and can be compared to the budgeted amount of \$324,360. Operating expenses for the month of June were \$459,421 and can be compared to the budgeted amount of \$219,525. The variance was driven by the increased expenditures due to the increased cost of ownership for new employees hired within the division for pension and other post-employment benefit adjustments for year end. The division serviced 809 customers during the month. The net loss for the month was \$376,383, which is compared to a budgeted operating income of \$115,161 for the month of June.
11. **Fiber Division FY 2025** – For FY 2025, the fiber sales revenue was \$325,664, which is compared to budgeted revenue of \$1,466,532. Operating expenses for the year were \$1,499,765 and can be compared to a budgeted amount of \$2,569,822. The net loss for the year was \$1,027,916 which can be compared to a budgeted operating loss of \$991,240.
12. **Fiber Division July 2025** – For the month of July, fiber sales revenue was \$119,960 and can be compared to the budgeted amount of \$75,090. Operating expenses for the month of July were \$203,060 and can be compared to the budgeted amount of \$249,260. The division serviced 966 customers during the month. The net loss for the month was \$77,618, which is compared to a budgeted net loss of \$169,503 for the month of July.

## **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 installing the conduit and pouring the concrete pads for the equipment. The factory sent the wrong conduit layout for the main rectifier cabinet. This required rework of those conduits and caused a delay. Due to this delay, the commissioning of the units will be pushed out to the end of August or first of September. New landscaping will be added around the equipment and pad-mount transformer in the late fall.
2. Engineering released a work order at Jim Sharpe Park on Candies Lane NW to connect the electric service for the pavilion at the park. The expected demand is 5 KW and the only work required by CU crews is to connect the customer-owned service to an existing #2 triplex wire. Power should be turned on in August.
3. Engineering has been working with the developer of the Northside Subdivision (Old Tomlinson College) on the conversion of the old dormitory into a storage/office space rental. The rental space will be available to those that live in the subdivision. An old 40-plus year-old transformer was at the building. However, engineering decided this would be a good time to upgrade the transformer and released a work order to install a new 112.5 KVA, 120/208-volt, 3-phase transformer to serve the building. The new transformer is being placed in a location that is easier to access. The developer is paying CU for part of the project to install a secondary bus cabinet to intercept the old service wire going into the building. The expected demand of the building is approximately 90 KW. The estimated cost of the project is \$15,000.
4. The electric load demand at the Spring Branch Industrial Park (Cherokee Gateway) has significantly increased over the past year. As of July 2025, the demand for SK Foods exceeded 2000 kW. There are other facilities in the area, like Amaero, who are seeing load growth as well. This has caused an increase in VAR demand on the Cherokee Gateway Substation which is affecting the power factor. To correct this issue, engineering released a work order to install a 1200 kVAR capacitor bank on Harriman Road SW. This should bring the power factor close to unity during peak demand. Engineering will continue to monitor the power factor in the area through historical SCADA data and release orders to install more capacitors as needed.
5. Engineering is working with TDOT and CU's consultant on the new 25<sup>th</sup>/Ocoee Street intersection improvement plan. This will be a Chapter 86 reimbursement project where Cleveland Utilities will get reimbursed for relocation of the electric street lighting and traffic lighting costs.
6. Engineering has kicked off the process to change/upgrade the electric SCADA system. Electric engineering received an RFP draft in July for a new SCADA system for the electric division. The RFP draft was completed by Facey Consulting. The RFP had over 400-line items specifying exact details of what CU electric wanted from the SCADA system. This will help ensure the new system will meet CU's exact needs. In July, electric engineering reviewed the RFP and provided feedback to Mr. Facey. The draft should be finalized in August and sent out to all potential vendors.
7. Engineering has been working with DNK construction on the new Browns Store gas station located at the intersection of Minnis Road and Benton Pike. Engineering has created a work order, and the contractor has dug in the primary conduit along with a fiber conduit from the pole at Benton Pike to where the new single-phase transformer will sit. The old gas station will operate until the new one is complete. Once the electrician has turned in the load report for the new building, engineering will size a transformer and release the work order to operations.

8. CU posted an advertisement for an apprentice lineman position. Interviews will start in August, and offers should be extended by the first of September
9. An update for traffic lighting was presented:
  - CU's Traffic Signals Coordinator met a team from TDOT Region 2 onsite at 25<sup>th</sup> Street and Parker Street. TDOT is in the process of designing the 25<sup>th</sup>/Ocoee Street widening project and plans to install pedestrian signals at Parker Street also. The project originally planned a complete rebuild of the Parker Street intersection but will only replace the detection and install pedestrian signals after budget cuts to the project.
  - A work order was issued to install Miovision detection at Inman and Dooley/Gaut Streets after the existing loop detection was damaged during a TDOT sidewalk project.
  - CU's Traffic Signal Coordinator met with Ervin Cable to locate a possible fiber break near Michigan Avenue and Minnis Road. Four intersections along the Benton Pike/64 Highway fiber corridor are not communicating with the traffic signal server. It was determined that a follow-up visit would be required with additional trucks and equipment.
  - The Traffic Signal Coordinator prepared a list of work that has yet to be completed on the SR-60 project to the contractor. The goal was to get the school zone flashers and pedestrians signals working as soon as possible with the new school year about to begin. The contract term will be up later this summer and a final punch list will be created.

Electric engineering completed 91 work orders during the month of July.

## **WATER & WASTEWATER REPORT**

1. Duggan & Meyers is 93% complete with the Sodium Hypochlorite (Bleach) Project at the CFP. Construction is 97% complete. The goal is to transition from chlorine to bleach during the month of September 2025. Testing is ongoing.
2. The Old Chattanooga Pike/Bigsby Creek Road Water Main Extension Project is approximately 82% complete. B&B Plumbing has installed 100% of the water main on Bigsby Creek Road and 95% of the water main on Old Chattanooga Pike.
3. Hampton Backhoe has completed the Brymer Creek Bridge water main crossing. The project contract amount was \$66,445 and the final project amount was \$35,391 (\$31,054 below the bid price).
4. Construction drawings have been approved by TDEC for the King Den Trunk Line Installation. Easement documents have been mailed, and CU has obtained 17 of 20 easements for the project. Contracts are complete. Clearing began August 1, 2025.
5. Engineering is reviewing plans for the Blythe Ferry Reserve Development on Old Freewill Road NW. The development comprises 25 single family lots, 655 feet of 6-inch DIP water main, and 708 feet of 8-inch gravity sewer main. Epperson/Allison Homes is the developer, and Hampton Backhoe is the contractor.
6. An update was provided for the following Wastewater Rehabilitation Projects:
  - Hampton Backhoe has installed approximately 220 feet of sewer main and two manholes for the Williams Street Sewer Relocation Project. Work should be completed in the next 2-3 weeks.
  - Portland Utilities has completed the major work for the 2024 Sewer Rehabilitation Project. Paving, concrete, and punch list items remain.
7. The Meter Services Department has completed approximately 19% of the Badger endpoint changeout and installation project within the rural areas of CU's water service

territory. During this reporting period, crews installed 492 endpoints. To date, 1,649 of the total 8,500 planned endpoints have been completed.

8. The Meter Department set 86 meters through July 2025, compared to 55 for July 2024 and 55 for July 2023. Of the 86 sets, 41 were single family homes, 34 were townhomes, 4 were apartments and 7 were commercial.
9. The total amount of rainfall recorded at the CFP as of August 20, 2025, was 34.14 inches for the year. This can be compared to 59.53 inches for the same period in 2013 (highest rainfall totals through July 1996-2025) and 18.68 inches in 2007 (lowest rainfall totals through July 1996-2025). The projected departure for 2025 is 5.61 inches below normal.

### **FIBER UPDATE**

Stinnett and Vineyard provided an update on the fiber project, noting steady growth in customer numbers. CU currently serves approximately 1,200 active fiber customers, an increase of 200 since the last report. An additional 420 customers are in the queue awaiting installation, and more service areas will be opening soon. CU is averaging about 50 installations per week with three installers, and that number is expected to rise with the addition of a fourth installer next week. The average weekly intake of new orders is between 75 and 80. CU is actively working to manage the growing demand to ensure customers do not face long wait times for service. There has also been a notable rise in commercial orders, including both local businesses and corporate chains. Overall, the continued growth is encouraging.

The construction phase is nearing completion with main line cable installation expected to wrap up by the end of the year. The original scope of approximately 400 miles of fiber has expanded by an additional 50 miles, reflecting the community's ongoing growth. All design areas are expected to be open by early 2026.

CU is also making significant progress in constructing a dedicated fiber storage facility to house inventory. Isom's team has played a key role in optimizing space for this effort. Stinnett emphasized that the fiber project has been a collaborative, organization-wide effort, crediting the success to the phenomenal teamwork across all departments. The goal is to achieve a 30% take rate with aspiration to surpass that mark.

### **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, October 24
- Friday, November 21

### **ADJOURNMENT**

There being no other business, Chairman Aubrey Ector adjourned the meeting at 12:56 P.M.

  
Board Secretary

  
Board Chairman

October 3, 2025  
Date