

MINUTES OF REGULAR MEETING
CLEVELAND UTILITIES AUTHORITY BOARD
August 28, 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; Eddie Cartwright; Mayor, Kevin Brooks, Councilman David May, Jr.; and Councilwoman Marsha McKenzie.

Absent: 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; Freddie Gray, Meter Services Administrator; and Tim Siniard, Cleveland Daily Banner.

Following the Pledge of Allegiance to the American Flag, Freddie Gray delivered the invocation.

PUBLIC COMMENTS-NONE

MANAGERS UPDATE

Fiber Update

The Fiber Division is moving forward with MDU (Multi Dwelling Units) orders that are lined up. Marshall Stinnett informed the board that there are 300 waiting to be installed, and installers are doing 10 to 15 installs per day. With these numbers, the fiber division is heading towards 5,000 customers at the end of the year. Stinnett touched on the importance of having the right employees in the right positions and how this has helped set the personality and character for the fiber division. He mentioned that CUA is hearing success stories almost every day where team members are meeting with businesses or individuals to foster relationships and increase customer numbers. CUA is extremely appreciative to the community and the support given. Hearing positive testimonies about CUA fiber is what this division was all about. Stinnett provided an in-depth overview of how the fiber PILOT (Payment in Lieu of Tax) payments are made to the city.

Recent Retirements – Eric Bowman & Bill Raulston

Water Distribution Foreman Eric Bowman and Journeyman Lineman Bill Raulston will be retiring. The board and staff expressed appreciation to Bowman for his 23 years of service and Raulston for his 26 years of service. They were both wished the best in this next chapter.

Labor Day Holiday – Monday, September 7

CU offices will be closed Monday, September 7th, in observance of Labor Day. As always, the 24/7 Call Center/Plants will be operational and regular emergency/standby services will be maintained.

Customer Appreciation Celebration – Friday, September 18, 11 AM – 1 PM

Cleveland Utilities will be hosting a Customer Appreciation Celebration at the main office on Guthrie Avenue on Friday, September 18th from 11 a.m. to 1 p.m. Board members were invited to attend. CUA will be providing hot dogs and will have informational workshops set up around the campus for the public to attend. Henderson explained that CUA is very excited to have the opportunity to do this.

CUA Annual Family Picnic – Thursday, October 15th, 4 PM to 7 PM, Fletcher Park

Henderson announced the CUA Annual Family Picnic is scheduled for Thursday, October 15th at Fletcher Park. The event will be held from 4:00 p.m. to 7 p.m. The food will be catered by Aubreys, and they will be onsite grilling burgers and hot dogs with various side options and Whit's Custard for dessert.

New CUA Office Building

Henderson informed the board of the upcoming legal publication announcing the bid opening of October 29th at 3 p.m. for construction of CUA's new office building. The bid opening will be held in the Tom Wheeler Training Center. A mandatory pre-bid meeting will be held Thursday, September 17th at 10 a.m.

Special Presentation

Henderson presented Marsha McKenzie with a plaque to recognize her dedication and 2 years of service to the CUA Board. He expressed gratitude for her dedication to the utility and willingness to learn.

CONSENT AGENDA

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

A. Approval of the Minutes from July 24, 2026

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

FINANCIAL REPORT

1. **Electric Division June 2026** – During the month of June, the cost of purchased power as a percentage of retail sales was 74.9 percent and can be compared to the budgeted percentage of 71.9 percent for FY 2026. The results for the month are electric sales revenue of \$11,579,571 which was offset by a purchased power expense of \$8,677,607. This resulted in an operating margin of \$2,901,964 and can be compared to the budgeted margin of \$2,682,378 for the month. Operating expenses for the month were \$1,730,578. This is compared to a budgeted operating expense of \$2,349,615. 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 35,384 customers during the month of June. The net income for the month was \$1,592,261 and can be compared with a budgeted net income of \$773,160.
2. **Electric Division FY 2026** – The results for FY 2026 are an electric sales revenue of \$124,662,868 which was offset by a purchased power expense of \$93,265,735. This resulted in an operating margin of \$31,397,134 and can be compared to a budgeted margin of \$31,813,595 for the year. Operating expenses for the year were \$26,244,026 and can be compared to a budgeted operating expense of \$27,637,445. The net income for FY 2026 was \$10,633,641 and can be compared with the budgeted net income of \$9,427,984. 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 2026** – During the month of July, the cost of purchased power as a percentage of retail sales was 73.6 percent and can be compared to the budgeted percentage of 74.5 percent for FY 2027. The results for July are electric sales revenue for the month of \$13,047,901 which was offset by a purchased power expense of \$9,606,471. This resulted in an operating margin of \$3,441,431 and can be compared to

- a budgeted margin of \$2,942,326 for the month. Operating expenses for the month were \$2,346,006 and can be compared to a budgeted operating expense of \$2,412,622. The division serviced 35,437 customers during the month of July. The net income for the month was \$1,534,811 and can be compared with a budgeted net income of \$967,006.
4. **Water Division June 2026** – During the month of June, water sales revenue was \$2,415,302 and can be compared to the budgeted amount of \$2,385,891. Other revenue sources contributed an additional \$343,243 for the month. The division serviced 36,113 customers during the month. Operating expenses for the month were \$1,503,840 and can be compared to the budgeted amount of \$1,950,272. 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 \$1,254,705 which can be compared to a budgeted operating income of \$596,147.
 5. **Water Division FY 2026** – For FY 2025, water sales revenue was \$27,149,212 and other revenue sources contributed an additional \$3,946,663 for the month. Operating expenses for the year were \$21,709,939 and can be compared to a budgeted operating expense of \$22,643,700. The net income for the year was \$9,385,936 and can be compared with a budgeted net income of \$5,440,462.
 6. **Water Division July 2026** – For the month of July, water sales revenue was \$2,525,227 and can be compared to the budgeted amount of \$2,624,311. Other revenue sources contributed an additional \$291,636 for the month. The division serviced 36,177 customers during the month of July. Operating expenses for the month were \$2,038,754 and can be compared to the budgeted amount of \$2,076,848. The division recorded an operating income of \$778,109 which is compared to a budgeted operating income of \$788,353.
 7. **Wastewater Division June 2026** – For the month of June, wastewater treatment revenue was \$1,923,115 and can be compared to the budgeted amount of \$1,817,452. Other revenue sources contributed an additional \$231,003 for the month. The division serviced 22,365 customers during the month. Operating expenses for the month were \$1,103,320 and can be compared to the budgeted amount of \$1,530,089. 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 \$1,050,798 which is compared to the budgeted operating income of \$387,327 for the month of June.
 8. **Wastewater Division FY 2026** – For FY 2026, wastewater treatment revenue was \$21,068,000. Other revenue sources contributed an additional \$2,551,728 for the year. Operating expenses for the year were \$16,729,269 and can be compared to the budgeted operating expense of \$17,826,691. The net operating income for the year was \$6,890,459 and can be compared to the budgeted net operating income of \$4,213,772.
 9. **Wastewater Division July 2026** – During the month of July, wastewater treatment revenue was \$1,989,309 and can be compared to the budgeted amount of \$1,835,914. Other revenue sources contributed an additional \$202,803 for the month. The division serviced 22,417 customers during the month. Operating expenses for the month were \$1,520,467 and can be compared to the budgeted amount of \$1,509,630. The division recorded an operating income of \$671,646 and can be compared to the budgeted operating income of \$514,190 for the month.
 10. **Fiber Division June 2026** – For the month of June, fiber sales revenue was \$309,975 and can be compared to the budgeted amount of \$197,772. Operating expenses for the month of June were \$403,292 and can be compared to the budgeted amount of

\$249,260. 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 3,479 customers during the month. The net loss for the month was \$82,822, which is compared to a budgeted operating loss of \$46,821 for the month of June.

11. **Fiber Division FY 2026** – For FY 2026, the fiber sales revenue was \$2,518,563, which is compared to budgeted revenue of \$1,637,309. Operating expenses for the year were \$2,619,130 and can be compared to a budgeted amount of \$2,991,123. The net income for the year was \$8,720 which can be compared to a budgeted operating loss of \$1,297,803.
12. **Fiber Division July 2026** – For the month of July, fiber sales revenue was \$360,338 and can be compared to the budgeted amount of \$272,486. Operating expenses for the month of July were \$178,628 and can be compared to the budgeted amount of \$277,166. The division serviced 3,689 customers during the month. The net income for the month was \$189,764, which is compared to a budgeted operating income of \$1,234 for the month of July.

ELECTRIC REPORT

1. Engineering released a work order to install a transformer for a new apartment complex on Northside Drive. The building being used for the apartments is an old dormitory of Tomlinson College. It will be set up to target those above 55 years old. To provide electric service, CUA will be installing a new 225kVA, 120/208-volt, 3-phase transformer at the building. The expected demand of the building is 200kW. A total of 820 feet of #1/0 aluminum underground triplex primary will be installed to the transformer. In addition to setting and energizing the new transformer, CUA will also be updating old underground primary in the area and converting an underground sector box to an above ground sector cabinet. This will be a much safer setup for CUA crews. All work is expected to be completed in August. The estimated cost for the project is \$53,519.92.
2. In July, all contracts and agreements were signed, and Survalent created a team for CUA's SCADA project. A short discussion took place between CUA electric engineering and the team leader to discuss the kick-off meeting and schedule of events for the project. The preliminary schedule was reviewed by CUA, and comments were submitted. The kick-off meeting is scheduled for the first week of August. It will include everyone involved in the project from both sides and will be the official start of the project. As part of the quote for the new system, Survalent will be required to set up four substations in the new system. To get a jump start on the project, CUA engineering selected the four substations in July. A meeting was held with the CUA fiber team to discuss a plan to connect the four substations to the new broadband fiber. Communication reliability will be greatly improved using the new broadband fiber.
3. Engineering received and evaluated bids for the energy (battery) storage system at Lang Street Substation. Based on cost and experience, the bid was awarded to Tesla to provide two, 2 MW battery stacks with a single control cabinet. Engineering is currently providing a one-line diagram and technical information to TVA for approval. Also, engineering will begin site preparation work and order ancillary equipment as needed.
4. Engineering has issued a purchase order to an engineering consultant to perform the SPCC (spill, prevention, control, containment) study at all substation locations. This will ensure that Cleveland Utilities is following all regulations in regard to potential oil spills at these sites. The study is expected to be completed in December.
5. Engineering ordered 10 new GE MDS 900Mhz radios in July. These radios are an upgrade to the GE radios that have been in service on CUA's system for many years.

They are mainly used now for SCADA communications to line capacitor banks and small single phase reclosers. CUA has had two trial radios in service for several months, and they have proved to be reliable and able to communicate with the old, existing radios (this prevents the need to change out all radios at once). The new radios will be phased in as old ones fail, or new equipment is installed in the field.

6. The meter lab has replaced approximately 2,500 meters to date, averaging about 1,000 meter changeouts per month. This matches delivery of 1,000 new meters being received from the factory each month. CUA is replacing every other electric meter in focus areas in order to keep communications with the existing Elster water meters. Once the water meters get changed out, the remaining Elster electric meters will be replaced with the new Tantalus units. These focus areas are in the northwest part of CUA's electric system around the Freewill Road area. This will be a three-year changeout process.
7. The GIS Technician from engineering attended the ESRI GIS users conference in San Diego, California, for training classes, demos, and seminars with industry professionals. The employee was able to interact with GIS peers and attend specific user group meetings. These types of conferences are vital for continuing education and staying up-to-date on the latest technologies.
8. Operations held a public bid opening for pole testing and treating. Osmose Utilities was awarded the bid and should begin in mid-to-late September.
9. An update for traffic lighting was presented:
 - The traffic control engineer attended a basic, intermediate, and advanced training for Trafficware's Synchro modeling studio software. The course covered data entry and how to properly build intersections and network connections. The advanced class covered the simulation of new networks.
 - Engineering worked with the signal contractor on the 25th Street at Peerless Road project to modify the existing cabinet and install additional radar detection. Time was also spent working with the general contractor to identify and remove/relocate conduit for a bore pit. Signal timing and phasing have been adjusted multiple times to meet different lane configurations.
10. Electric engineering completed 93 work orders during the month of July.

WATER & WASTEWATER REPORT

1. The Wastewater Treatment Plant (WWTP) Non-Potable Reuse Project is 90 percent complete. The project is on schedule for September completion.
2. The WWTP Expansion and Renovation Project plan is at 70 percent. The designs are ongoing and Cleveland Utilities is conversing with TDEC concerning permitting. SRF Funding has been received for the balance of the design work.
3. CUA is completing design drawings for the new Summit Booster Pump Station. A booster pump is on order, and Jacobs is compiling plans and flow data for submission to TDEC.
4. The Harris Creek Trail and Bettis Avenue Waterline Replacement Project is 70 percent complete. The waterline installation is complete, and CUA is preparing to complete a changeover of services.
5. Engineering is currently reviewing the following projects:
 - The Orchard Project, Phase II, on Westland Drive, SW comprising 55 single family lots will include 986 feet of 6-inch DIP water main, 919 feet of 8-inch DIP water main, and 2,058 feet of 8-inch gravity sewer main. This project is located in the county and was approved for sewer on August 6, 2026.
6. An update was provided for the following developments under construction:

- The Holloway Farms Subdivision on Holloway Road and Industrial Way, SW comprising 159 single family lots is 75 percent complete. It includes 600 feet of 8-inch DIP waterline (75% complete), 4,318 feet of 6-inch DIP water main (75% complete), and 150 feet of 2-inch PEX water main.
 - The Leatherwood Townhomes Project on Ramsey Street and Harper Street, NW is 90 percent complete and will comprise 21 townhome units. It will include 478 feet of 8-inch gravity sewer (90% complete).
7. The Meter Services Department has completed approximately 76 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 570 endpoints. To date, 6,420 of the total 8,500 planned endpoints have been completed.
 8. The Meter Department set 70 meters through July 2026, compared to 86 for July 2025 and 55 for July 2024. Of the 70 sets, there were 48 single family homes, 9 townhomes, 5 apartments, 7 irrigation, and 1 commercial.
 9. The total amount of rainfall recorded at the CFP as of August 21, 2026, was 35.81 inches for the year. This can be compared to 59.53 inches for the same period in 2013 (highest rainfall totals through August 1996-2026) and 18.68 inches in 2007 (lowest rainfall totals through August 1996-2026). The 2026 annual departure from normal was 2.62 below normal.
- C. Approval of a Letter of Engagement with ATA, PLLC, for auditing services for the year ended June 30, 2026, in the amount not to exceed \$45,300.
- D. Approval of a purchase order with Waypoint in the amount of \$123,477.76 for servers and workstations for the electric SCADA system upgrade. This is a budgeted item.
- E. Approval of a purchase order with Waypoint in the amount of \$119,782.80 for CUA's annual Microsoft software subscription. Microsoft is now incentivizing annual payments rather than monthly billing.
- F. Approval of a contract with CTI Engineers, Inc. in the amount of \$131,800 for the robotic inspection of 13 water tanks and the draining, cleaning and repair of 3 water tanks over the next 18 months. CTI will perform project management services, inspection and reporting. This work has been budgeted for FY2027/FY2028.
- G. The following Mid-Year Safety Internal Performance Measures (IPM's) for January through June 2026 were reported:

	Electric & Water Combined	Electric Division	Water/Wastewater Division
OSHA Recordable Incident Rate (RIR)	2.03	1.39	2.93
DART Rate	1.22	0.70	1.95
Lost-Time Case Rate (LTCR)	0.81	0.70	0.98
Vehicle Accident Rate (VAR)	4.08	7.61	1.71

The following data went into the calculations:

- A total of 25,932 consecutive hours have been worked by both divisions combined without a lost-time injury (LTI). Electric employees contributed 2,321 of those hours,

with the last lost-time injury occurring on July 20, 2026. The water division reached 23,611 hours, with the last lost-time injury occurring on May 19, 2026.

- A total of 245,858 cumulative hours were worked companywide during the period. 138 employees in the electric division worked 143,414 hours, and 94 employees in the water division worked 102,444 hours.
- In addition, a total of 490,414 cumulative vehicle miles were driven by employees in 158 vehicles. 197,238 of those miles were driven by electric employees, and 293,176 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	6.68	4.45	1.34	3.10
2026 (Mid-Year)	2.03	1.22	0.81	4.08

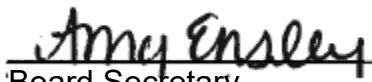
Future Meeting Dates

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

- Wednesday, September 23
- Friday, October 23

ADJOURNMENT

There being no other business, Vice Chairman Joe Cate made a motion to adjourn the meeting. Councilman David May, Jr. seconded the motion. The motion carried unanimously, and the meeting adjourned at 1:02 p.m.


Board Secretary


Board Chairman

September 23, 2026
Date