



# 2021 ANNUAL REPORT



## **Mission**

**To enhance our community through exceptional service.**

## **Vision**

**To inspire social and economic improvement through intentional action.**

## **Core Values**

- **Commit to providing exceptional customer service.**
- **Consistently strive to improve the quality, safety, and reliability of our services.**
- **Collaborate with others to encourage community growth and improvement.**
- **Become a leader in our industry, improving the quality of life for our customers and inspiring others by our superior results.**
- **Methodically plan our actions in keeping with our mission.**
- **Achieve greatness through discipline and consistency, not luck.**



# Table of Contents

<b>A Message from the General Manager</b>	<b>4</b>
<b>HUB Organization</b>	<b>6</b>
<b>Management Team</b>	<b>7</b>
<b>Supervisors</b>	<b>8</b>
<b>General Statistics</b>	<b>9</b>
<b>The New Normal</b>	<b>10</b>
<b>Rehabilitation of Clarifier No. 2 at the Wastewater Treatment Plant</b>	<b>11</b>
<b>“Sludge Press” Repair at Wastewater Treatment Plant</b>	<b>12</b>
<b>Installation of Weir Box at Wastewater Treatment Plant</b>	<b>13</b>
<b>Filter Rehabilitation at Water Treatment Plant</b>	<b>14</b>
<b>Home Uplift™ Program</b>	<b>15</b>
<b>HUB Takes Advantage of Historically Low Interest Rates</b>	<b>15</b>
<b>Supply Chain Disruption of 2021</b>	<b>16</b>
<b>Recruiting and Retention, a Moving Target</b>	<b>18</b>
<b>HUB Participates in “Hooray for Harriman”</b>	<b>19</b>
<b>HUB Partners with the City of Harriman for “Trunk or Treat”</b>	<b>20</b>
<b>HUB Gives Back to the Community during the Holidays</b>	<b>21</b>
<b>Safety</b>	<b>22</b>
<b>How can HUB Serve You Better?</b>	<b>23</b>

## A Message from the General Manager



To the Community we serve:

To say that 2021 has presented HUB with challenges...would be gross understatement. The changes to procedure, routine, and forward progress presented by 2020's COVID-19 pandemic carried direct impacts on operations this year. However, I am proud to say that we have forged ahead, despite these dynamic times, and even found ways to thrive despite them.

Top challenges in 2021 for HUB included the supply chain disruption and unprecedented labor shortage. Included in this report is an article on how the supply chain disruption has impacted your HUB. Many people aren't even aware that essential infrastructure has been at risk over the

past year and will continue to be through the coming year. Materials we were used to ordering on demand with 2-day shipping are now taking weeks to obtain. Items that we used to get in a few weeks are now taking up to 18 months, and we can't even know for sure what the cost will be when those materials arrive. That being said, HUB has an exceptional process in place for identifying and addressing such needs well ahead of any emergency created by them. We are developing these methods further into a long-range capital expenditure plan to ensure we can stay ahead of critical needs moving into the future.

The COVID-19 Pandemic caused many employees to re-evaluate their priorities. It has been more difficult to attract and retain employees in the competitive market as a result. When folks ask me what my single largest concern is for the future of the utility industry, my answer is simple - I am concerned that we won't be able to find people to fill our highly skilled and demanding careers in the future. These days, companies across the nation are offering more competitive wages and enhanced benefits such as telecommuting and flexible work schedules. The reality is that it will be increasingly difficult for us to fill positions on our Line and Right-of-Way Crews as well as Gas, Water & Sewer positions. Many of these positions require employees to be on call every 4 to 5 weeks. The Millennial and Gen Z workforce really value their time away from work, so accepting positions that require frequent callouts is a tough pill to swallow for many of them, especially when they can earn similar pay in a less demanding industry. In the past, when HUB posted an entry level position, we would be flooded with applications. Nowadays, we are receiving only a few applications for any posted position. And some of our more skilled positions are taking months to fill.



The next most pressing concern for the future is aging infrastructure. On the electric side, the industry is moving swiftly toward modernization and new technologies such as electric vehicles and renewable energy sources. The truth is our customers will require more from their HUB in the future. And we will require more from them. If (or when) electric vehicles flood the market, customers system wide will need to upgrade their electric services. And over time, we expect that time-of-use pricing will become a requirement. That means that customers may eventually be charged more for energy used during peak demand times. That is why it will be critical for every utility to implement Advanced Metering Infrastructure (AMI). HUB started this project in 2021 and should be fully implemented over the next 18 months or so. Another concern we must stay aware of is cybersecurity. More and more often were receiving information from federal agencies of cyber threats against utility infrastructure by potential domestic and international agents.

The most disruptive factor affecting our Natural Gas department this past year has been the volatility of the wholesale gas rates. HUB has not altered its natural gas rates since July 2011. We have charged a flat rate for gas used by our customers. Moving forward, we will need to modernize our billing practices to include a purchased gas adjustment (PGA) which will allow us to fluctuate our gas rates based on the wholesale pricing of the natural gas we are purchasing from the pipeline. This means that customer will pay more when prices are up, and customers will pay less when prices are down. This change will be considered by our Board in Spring 2022.

For water and wastewater, our focus this past year has been on identifying projects that may qualify for funding through the American Rescue Plan (ARP). To date, HUB has received no “stimulus” funding. If you recall, in 2020-2021, many businesses qualified for the paycheck protection program (PPP) funding. Electric cooperatives qualified for this, but municipally owned electric systems did not. When Biden signed the ARP back in March 2021, the U.S. Treasury allocated funding directly to State and Local Governments nationwide. However, there is no guarantee that HUB will receive any ARP funding. The ARP money has specific eligibility requirements. What HUB does receive is expected to only apply to its water and wastewater systems and is mainly aimed at correcting major issues such as aging infrastructure. In 2022, HUB will apply for this funding through the State of Tennessee, Roane County, Morgan County, and the City of Harriman. Another funding source we are keeping our eye on is the Infrastructure Investment and Jobs Act passed by Congress in late 2021. Of the \$550 billion in new spending, \$55 billion is directed to drinking water, wastewater, and storm water infrastructure. Between the ARP and the Infrastructure Act, HUB is poised to receive a significant amount of funding aimed at repairing or replacing critical water and wastewater infrastructure. We will certainly keep our customers informed with future updates.

What I would like everyone to know is that HUB, despite these challenges, remains healthy, fiscally sound, and well-equipped to continue to meet our community’s needs today and tomorrow. I am excited about the projects we have upcoming. We continue to listen to our customers and are in process of implementing more modern procedures and technologies to make doing business with us much easier in the future. We also continue to be active in our community, communicating the important work our employees do and partnering with other agencies to promote social and economic improvement.

Sincerely,

Candace Vannasdale, P.E.  
General Manager



# HUB Organization



## Lonnie Wright - Chair & Council Representative

Mr. Wright is a graduate of South Harriman High School, the Castle Heights Military Academy, and the University of Tennessee. And he retired as the Plant Utilities Operation Manager at the Y-12 facility in Oak Ridge. He has served several terms on both the Harriman City School Board, and Harriman City Council. He was initially appointed to the Harriman Utility Board from 2005-2008, and has been serving his second term since 2016.

Mr. Wright is also an active member of Trenton Street Baptist Church.

## Alicia Harris - Vice Chair

Alicia Harris is a graduate of Harriman High School and has two Associate Degrees from Roane State Community College. Alicia has been an employee with the U.S. Department of Energy since 1985 in the Environmental Management Organization.

Alicia is a member of St. Mary's Baptist Church in Harriman, TN and has served on the Harriman Housing Authority Board for over 15 years and a temporary assignment to the Harriman City Council.



**Diana Knobloch**  
Board Member

Mrs. Knobloch graduated from Robert Morris Business College in 1980. She then worked for several years in sales at the Ampex Corporation. In 1990, Diana, along with her husband, Bruce, purchased the Farnham Building and opened Farnham's Café on Roane Street.

Mrs. Knobloch served as Executive Director of the Roane County United Way from 1998-2011. She has also held positions as President and current Secretary of the Harriman Rotary Club and served as part of Leadership Roane County.



**Charlie Jones**  
Board Member

Mr. Jones is a graduate of Roane County High School and enlisted in the Army National Guard in 1981. He graduated from the U.S. Army Infantry School at Fort Benning, Georgia in 1982, and continued to serve with the Guard until 1991.

Following the terrorist attacks in New York on September 11th, 2001, he once again volunteered, joining the Tennessee Air National Guard.

Charlie was appointed to the Harriman Utility Board in 2015.



**Shawn Smith**  
Board Member

Shawn graduated from the University of Tennessee at Chattanooga in 2004 with a Doctorate Degree in Physical Therapy, is a certified McKenzie practitioner in Mechanical Diagnosis and Treatment as well as a Certified Mulligan practitioner.

After 6 years as the Director of Rehab at NHC Oak Ridge, he completed the Administrator in Training program to become a Nursing Home Administrator.

He currently serves as Choir director at Riverside Baptist Church in Harriman.

Full biographies are available at our website: [hub-tn.com/board.html](http://hub-tn.com/board.html)

## Monthly Board Meetings

HUB board meetings are open to the public on the last Monday of every month. Except as posted, board meetings are held at 5:30 pm at the Main Office located at 200 N. Roane Street, Harriman, Tennessee 37748. Workshop sessions are also open to the public. Dates for these meetings are always posted on our company website, [www.hub-tn.com](http://www.hub-tn.com).



# Management Team



## Candace Vannasdale - General Manager

Candace Vannasdale, P.E., has served as the General Manager for HUB since May 2018. Prior to this role, she served as the Manager of Gas, Water & Sewer (GWS) Administration & Engineering. Before beginning her career for HUB in 2014, she gained over 5 years of civil and environmental engineering consulting experience in Nashville and Knoxville and worked during college for both the Jackson Energy Authority in Jackson, TN and the White House Utility District in White House, TN.

Born and raised in McMinnville, TN, Candace holds a M.S. in Environmental Engineering from the University of Tennessee (2013) and a B.S. in Civil Engineering from Tennessee Technological University (2008). She is a licensed Professional Engineer in the State of Tennessee and is a certified Grade II Distribution System and Grade II Wastewater Collection System Operator in the State of Tennessee.

## Dusty Fagan - Manager of Finance

Dusty Fagan graduated from the University of Tennessee at Knoxville where he earned a Bachelor of Science degree in Accounting in 2005. He subsequently received an MBA from Tennessee Tech University in 2014.

He worked for the Lenoir City Utility Board before joining HUB in May of 2017 as the Accounting Manager. Mr. Fagan then was promoted to Manager of Finance in May of 2018.

Dusty also provides leadership to the Administrative Departments of HUB, overseeing operations related to Human Resources, Accounting, Billing, Customer Service, Information Technology, and GIS/Engineering.



## Heath Lewis - Manager of Electric

Heath Lewis graduated from Harriman High School and attended the University of Tennessee at Knoxville where he earned a Bachelor of Science degree in Electrical Engineering in 2004.

He worked as a Production Supervisor for General Shale, and a Process Engineer for Exedy America before joining HUB in 2010 as the Electrical Engineer. He was promoted to the Manager of Electric in 2017.

In this role, Heath is responsible for aspects of engineering, design, construction, and operation of the HUB electric system. In addition, he provides overall supervision of scheduling of the work of the Line and Right of Way crews. These functions include coordinating new service and system upgrades, as well as regular maintenance of all substations and associated equipment.

## Frankie Davis - Manager of GWS

Frankie Davis serves as the Gas, Water, and Sewer (GWS) Manager for HUB. After graduating from Harriman High School with several years' experience working in his father's welding shop, Frankie gained experience in the construction industry before coming to work for HUB as a cashier in 1986. He quickly progressed within the company becoming a tree trimmer, utility man, meter reader, wastewater plant operator, welder, GWS foreman, GWS superintendent, and eventually the GWS Manager. During his time in GWS, Frankie has managed many major projects including the recovery from the TVA Coal Ash Spill Disaster, acquisitions of neighboring systems, and TDOT Utility Relocations and system extensions throughout the HUB service area. Mr. Davis was also instrumental in starting the Roane County Utility Forum, which allows all utility providers in Roane County to meet quarterly to discuss current projects and issues/concerns with one another.





# Supervisors



**Tommy Barnard**  
Director of IT



**Andrew Knobloch**  
Customer Service Manager



**Jeremy Gibson**  
Director of Safety



**Terecia Kreis**  
Billing Manager



**Joshua Gillespie**  
Director of Communication



**George Melhorn**  
Electric Superintendent



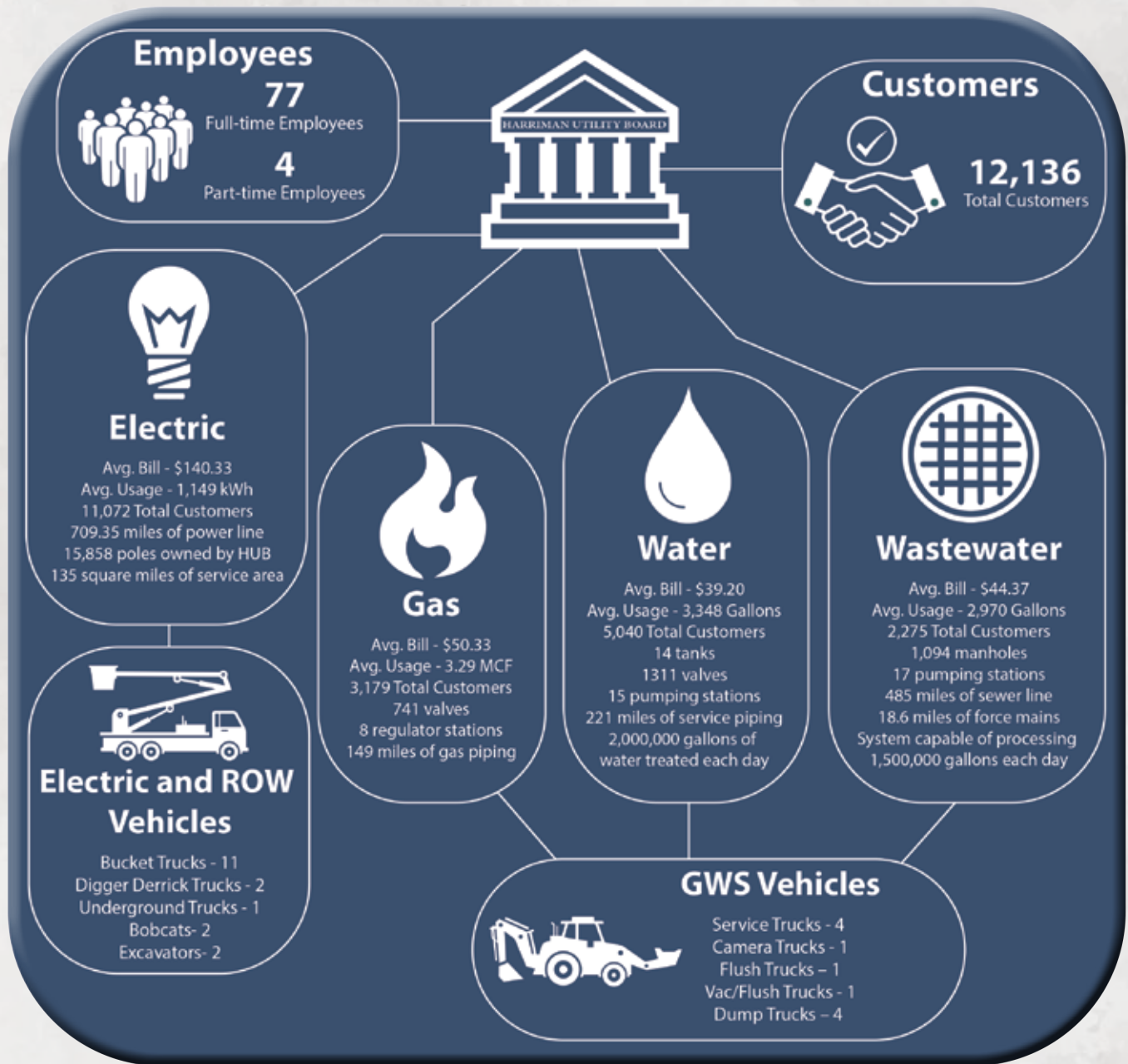
**Whitney Helton**  
Director of HR



**Jeff Mize**  
GWS Superintendent



# General Statistics



As a public entity, HUB is required by the State of Tennessee Utility Management Review Board (UMRB) to conduct annual audits. The primary purpose of these audits is to ensure that gas, water, and sewer departments are self-supporting, and avoid financial deficiency. As a distributor of electric power, HUB submits to further federal oversight by the Tennessee Valley Authority (TVA).

# The New Normal

Despite how many things have changed over the last couple of years, many things remain the same here at HUB.

Our early adoption of a Pandemic Response Policy allowed us to manage the threat posed by COVID-19 to our employees and rate payers. In 2021, we stayed “open”, and continued to welcome you to visit our lobby during regular business hours. Our crews are worked at full strength and under a mostly normal routine, allowing us to manage summer foliage growth and respond to spring and winter outages. The majority of our staff and office employees continued to report to work on site, each day. We had policies in place that addressed exposure to COVID-19, while respecting the indications that like many other illness... this one is likely to be with us for some time, and can be managed without unduly disrupting operations, or the rights of employees and rate payers.

HUB continues to follow State Law and does not require employees to wear masks or provide proof of vaccination as a condition of employment.

As a result of our decisions, 2021 was a rewarding year, marked by the return of many traditions set aside in 2020. These included the return of “Hooray for Harriman” on Labor Day 2021. In addition, the City of Harriman and HUB sponsored a truly impressive annual “Trunk or Treat” Halloween celebration, providing food and entertainment free of charge to the local population. This was followed by one of the most memorable Christmas Parades in recent memory, supported by a large contingent of County and City government departments, businesses, and schools.

HUB continued to show our appreciation for the community through support of its “Angel Tree” and “Santa Day” programs, providing Christmas cheer to area children.

Following the “Omicron” over the winter, HUB is hopeful we can return to pre-pandemic “normal” in 2022. We appreciate the patience and understanding our community has shown us these past two years.





## Rehabilitation of Clarifier No. 2 at the Wastewater Treatment Plant

One of the most critical services HUB provides is wastewater management. This not only ensures the continued health of our community... but has a direct impact on the environmental health of the entire region. In order to continue to do so, it is imperative that we periodically address, repair, and upkeep critical infrastructure such as our secondary clarifiers at our activated sludge plant. Secondary clarifiers are essentially “settling tanks” with mechanical removal of waste solids. Over time, the surfaces of the clarifiers and associated machinery are assaulted by atmospheric corrosion caused by the elements and the waste being treated. In 2021, HUB undertook a substantial project to refurbish Clarifier No. 2.



The contract was bid out and ultimately awarded to W&O Construction Company, Inc. of Livingston, TN, and managed by CTI Engineers, Inc. of Knoxville, TN. Notice to proceed was given in September of 2021, and the project was deemed substantially complete on December 17th, 2021. The total construction cost of the project was just under \$262,000. We are hopeful that this project extended the life of the infrastructure by at least 20 years.

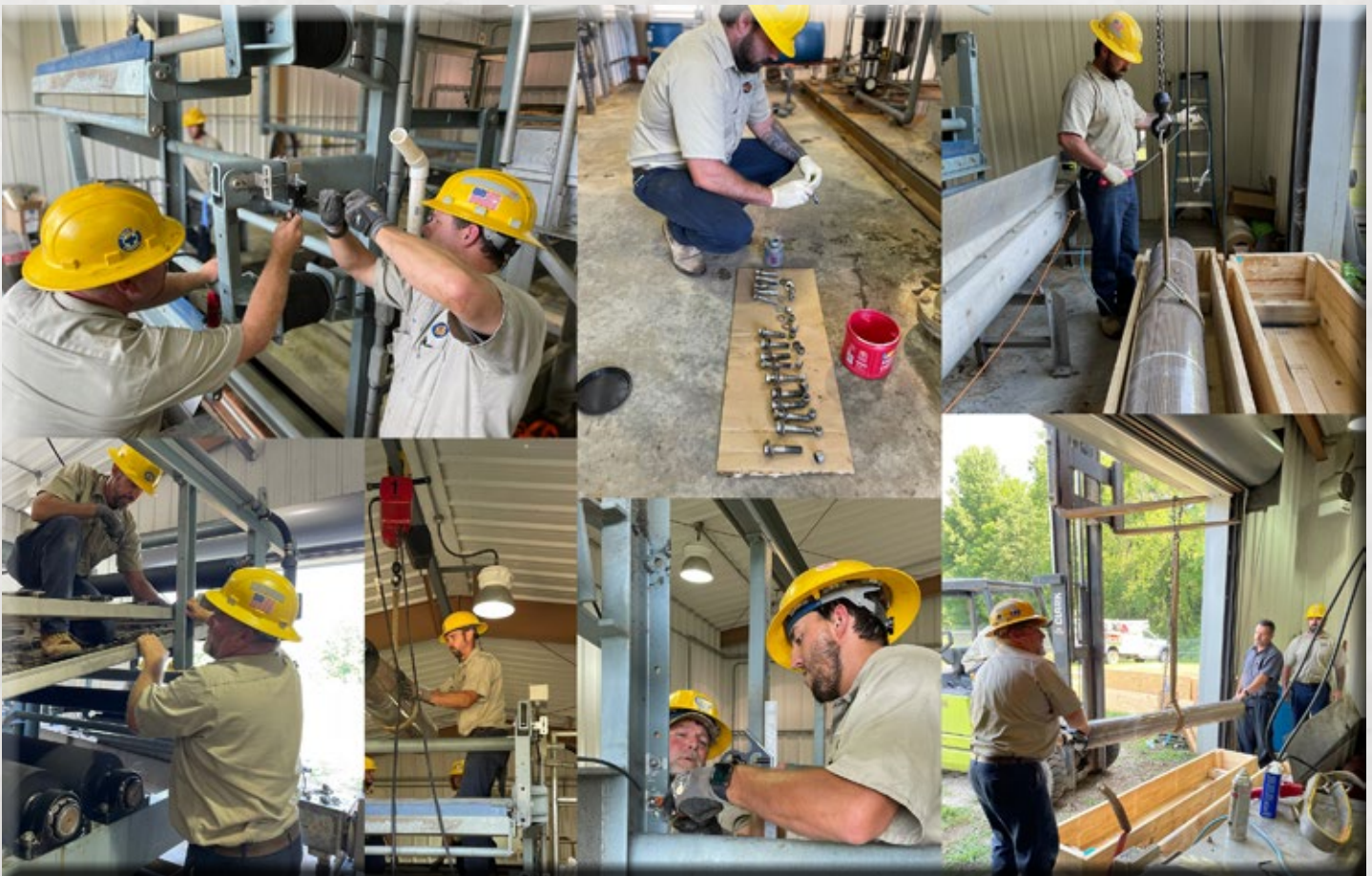




## “Sludge Press” Repair at Wastewater Treatment Plant

This past Fall, HUB completed an urgent refurbishment of the “sludge press” at its Wastewater Treatment Plant. A sludge press is a critical component of solids handling at the plant. Biosolids that are “wasted” from the biological treatment of wastewater are sent through the sludge press for dewatering prior to land disposal. The sludge goes into the mechanical press as a liquid slurry and comes out with a consistency like that of garden soil. Without a sludge press to dewater, the cost of transporting the liquid waste would be extraordinary!

HUB’s plant operators reported a year ago that the press was showing some visible wear, but it wasn’t until the equipment was taken down for inspection that we discovered the components were in poor enough state to require a full replacement. In April 2021, HUB ordered all the necessary parts to perform the refurbishment from Phoenix Process Equipment Company for approximately \$94,000. Also, around that time, HUB’s Frankie Davis (Manager of Gas, Water, and Sewer) designed a monorail to help the installers move the heavy equipment in and out of the building to avoid having to remove the walls and/or roof of the building to lift (or drag) the press out with heavier equipment. Altogether, a typical project of this size would cost \$200,000 or more for parts and labor. However, under the leadership of Mr. Davis and an on-site factory representative from Phoenix, HUB’s crews were able to complete 100% of the labor to remove the old equipment and install the new equipment entirely in house! This level of commitment from the entire Gas, Water and Sewer department is to be commended!





## Installation of Weir Box at Wastewater Treatment Plant



This past spring, HUB took the “final step” toward full utilization of its new NPDES Permit received in February of 2021. Unlike previous versions over the past several decades, this new and updated permit allows HUB to discharge treated effluent into the Emory River during certain times of the year when the river flow is above 200 cubic feet per second (cfs) as measured by the USGS gauge located in Oakdale. This translates to tens of thousands of dollars per year in savings at HUB’s Wastewater Treatment Plant in reduced pumping costs.

To discharge to the Emory River, however, HUB had to have a way to measure the flow going in the new direction. We are required to report to the EPA and State of TN each month the total daily flow discharged to the Emory River vs. the Tennessee River (several miles downstream). Since HUB’s plant sits adjacent to the Emory River, the discharged effluent can flow by gravity, rather than be pumped. Measuring gravity-flowing water, however, requires a different method of flow measurement than that of pressurized water (like the effluent pumped to the TN River). HUB hired a consultant to design a “weir box” with a steel, v-notch weir and accompanying flow measuring

apparatus. The concrete structure was constructed by C.R. Barger & Sons, Inc. for a cost of \$16,000. Other than a third-party crane operator (~\$4,000) that physically moved the heavy structure in place, HUB’s Gas, Water, and Sewer (GWS) crews performed all labor required for the new install. This included excavating a deep hole, leveling the foundation, connecting the piping, and carefully backfilling the hole around the structure. The day the crane was on site to move the structure to its prepared site was one to remember. It was May 4th, 2021, when our GWS crews braved periodic and torrential rain to help guide the new structure into place. During the days that followed, the excavated site was backfilled and compacted, and new grass was planted. Now, we are saving considerable dollars for our sewer rate payers by utilizing this newly permitted outfall site.





## Filter Rehabilitation at Water Treatment Plant



In 2016, HUB completed a major rehabilitation and repainting project for one of its two Trident™ package water treatment systems located at its drinking water treatment facility on Margrave Drive in Harriman. The project cost \$194,000. At the time, the package plant was about 22 years old and the project was expected to extend its life by another 20 years. However, due to budget restraints, HUB was only able to complete rehabilitation and repainting of one of the two plants.

Fast forward to 2021, HUB bid and awarded a contract to W&O Construction Company, LLC of Livingston, TN for \$209,000 to complete the rehabilitation and repainting for the second package treatment plant. During each project, our plant operators worked around the clock to ensure enough water was being produced while operating at half capacity.

The 2021 rehab project required draining the tanks and removing the media and piping components, pressure washing and abrasive washing of the steel walls, application of a 3-4 part coating system (including weld repairs and pit filler where necessary), installation of the new and repaired piping systems, installation of the new filter media, and refursihment of the existing clarifier media.

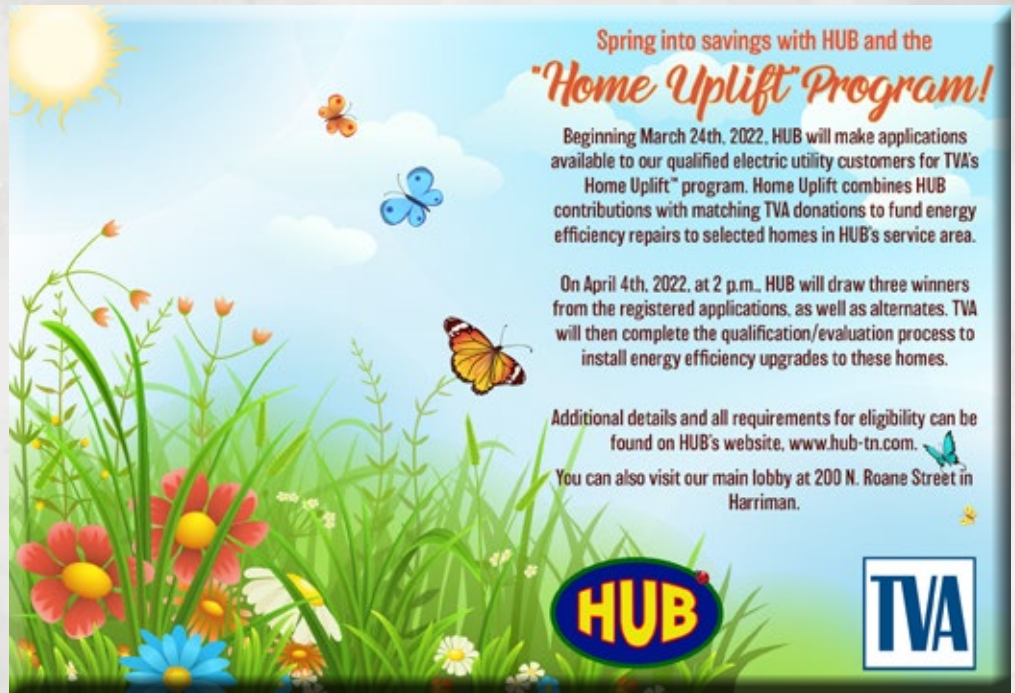
Now that these important maintenance projects are complete, we are hopeful that our package plants will last another 20 years.





## Home Uplift™ Program

HUB realizes what a struggle it is for lower income families to pay utility bills that are worsened by low energy efficiency in their homes. That is why we created our “Warming the Heart” program years ago that provides payment assistance to customers in need. While this program certainly helps, it does not provide the customer long-term support. That’s why we partnered with TVA to offer a program called “Home Uplift”. Using a 50/50 matching grant from TVA, HUB can now assist households throughout our service area with no-cost-to-them weatherization services such as high-efficiency heating and air conditioning, duct repair/replacement, improved insulation, and upgrades to heat pumps, water heaters, high-efficiency lighting, and more. Several thousand dollars’ worth of upgrades can be made for each home selected.





Spring into savings with HUB and the  
**"Home Uplift" Program!**

Beginning March 24th, 2022, HUB will make applications available to our qualified electric utility customers for TVA's Home Uplift™ program. Home Uplift combines HUB contributions with matching TVA donations to fund energy efficiency repairs to selected homes in HUB's service area.

On April 4th, 2022, at 2 p.m., HUB will draw three winners from the registered applications, as well as alternates. TVA will then complete the qualification/evaluation process to install energy efficiency upgrades to these homes.

Additional details and all requirements for eligibility can be found on HUB's website, [www.hub-tn.com](http://www.hub-tn.com).

You can also visit our main lobby at 200 N. Roane Street in Harriman.



In 2021, HUB's Board committed over \$16,000 of electric revenue to receive the matching grant and administration of the program by TVA. This was enough to support three homes in our service area. HUB will continue this program into 2022. Customers will apply in early Spring for the competitive grant. In the future, we hope to gain additional funding through our existing “Warming the Heart” program or through partnerships with other non-profits in our area.

## HUB Takes Advantage of Historically Low Interest Rates

In early 2021, HUB took advantage of the historically low interest rates in the bond market to refinance approximately \$7.6 Million in debt across three of its departments (electric, water and wastewater) as well as fund \$2.2 Million in new construction projects. In total, we were able to secure just under \$10 Million at an interest rate of approximately 1.4%! Regarding the refinancing, we made sure that no terms were extended and that we eliminated all variable interest rates for our old debt.

Just a few months after that, HUB was able to secure approximately \$4.4 Million for financing its AMI project at an interest rate of approximately 1.6% over 20 years. This project is expected to have a return-on-investment of approximately 10 years. The savings primarily are attributed to the elimination of traditional meter reading. Other savings opportunities come from increased efficiency of operations and reduction of administrative costs.



# Supply Chain Disruption of 2021



As most of the world began to awaken from the “slumber” induced by the Pandemic, businesses took stock of what was “bent”, if not “broken” when the world was told to “shelter in place”. Undeniably, one of the most severely impacted areas of business was the global supply chain. With government issuing almost daily and often contradictory guidance on best practices; factories shut down, ships stopped entering ports, and distribution centers across the world went silent.

What many knew, and most are currently being made aware of, is how “fragile” this supply chain truly is. With decades of “optimization” coupled with unprecedented advances in technology... the world got very used to “same day” shipping, low on-site inventories, and “lean” manufacturing processes. The net result is that even the slightest interruption can lead to cascading shortfalls for everything from computer chips to heavy equipment.

For HUB, this means that critical parts; even basic pieces of capital equipment such as transformers and meter bases, are taking longer to stock. What this translates to from a budgeting standpoint, is that we are being compelled to make purchasing decisions earlier, in anticipation of longer lead times.

HUB employs two full-time Warehouse Clerks/Purchasing Agents to keep us stocked on materials for all four of our departments (electric, gas, water, and wastewater). Luther Manning and Chris Stafford have had their hands full this year navigating these uncertain times. They have done a tremendous job ensuring we always had the materials we needed, despite the fact that lead times (and prices) seemed to grow and grow each day.

Residential, pole-mounted transformers that we would normally see delivered in 8-12 weeks are now taking up to 56 weeks! Prices have increased from about \$800 pre-pandemic to nearly \$1,800 now (more than double in price)! We are now seeing residential, pad-mounted transformers for underground electric service priced over \$3,000, as opposed to their pre-pandemic price of approximately \$1,000 each. As you can see, prices have been extremely volatile since the pandemic interrupted the supply chain. This is a huge concern for residential development. What we are hearing from other utility managers (and what we ourselves are doing) is that linemen are going out into their systems to collect any unused transformers to bring back to their warehouses to bolster their supplies for potential new customers. Like transformers, a 200-amp meter base (which is a typical residential size) is currently taking about 39 to 41 weeks to receive, when it used to take about 6 to 8 weeks. While the market prices for meter bases have not increased substantially like some other materials, Luther did report seeing a 400-amp meter base (~\$400 market value) selling on eBay for around \$2,300 in 2021! As you might imagine, folks are desperate to get these materials in stock, especially those systems that are seeing rapid growth in new customers.

The last order we placed for underground electric conduit (2.5-inch, PVC Schedule 40) was priced at \$4.87 per foot. Whereas we used to pay \$0.93 per foot pre-pandemic. Lead time has increased from about 8 weeks to 16-20 weeks now. Conduit that has primary electric already included inside used to cost us \$2.90 per foot pre-pandemic. Today, the same product costs \$6.10 per foot. And its lead time has increased from 4-6 weeks to up to 23 weeks now.



Standard, everyday small hardware that we used to order with next day shipping is now taking up to 16 weeks for many items. Standard light bulbs are taking up to 8 weeks to receive. LED light bulbs are taking 3 to 5 months to receive.

A new, residential-sized gas meter is taking 48 to 52 weeks to receive, as opposed to 12 to 16 weeks pre-pandemic. Luckily, we can still get remanufactured gas meters in about 12 to 16 weeks. If those become unavailable, then we are left waiting about a year for a basic gas meter.

For standard water and sewer PVC pipe, most of our suppliers are low in stock, so it might take about 90 days to receive an order. In the past, we would have received this basic material in about a week. Suppliers are being limited on how much they can receive at one time. As soon as the pipe arrives at the supplier, its already spoken for, leaving none to remain in stock. For 6-inch ductile iron water pipe, we are seeing lead time of at least 220 days. Of course, its even worse for the larger sizes. If we order the pipe today, the vendors are unable to hold the prices stable until delivery. So nowadays we are not sure when we place some of our orders what the final pricing will be. And if we refuse the prices at the time of delivery, then we must start over waiting another 220 days with unknown pricing.



Like many other businesses, HUB has experienced great uncertainty in vehicle orders. As an example, in November 2021, HUB approved the purchase of a new 41-foot bucket truck. The anticipated delivery date at the time was listed at 770-800 days (over 2 years)! On another note, a service truck (2021 Chevrolet Silverado 2500HD) we ordered from a local dealership for our Gas Department in November 2020 still hasn't arrived.

Supply chain challenges are also holding up ongoing projects, such as implementation of Advanced Metering Infrastructure (AMI). As you may recall from our 2020 Annual Report, HUB's AMI project will greatly improve our ability to aid customers in monitoring their utility usage and managing their costs as well our ability to provide more timely response to outages. We had hoped to be much further along by now, but meters are being held up many, many months due to the worldwide shortage of microchips.

While drastically extended lead-times and exponential increases in pricing for certain parts and equipment have been disruptive (and aggravating) to both our operations and our budgets, we have not suffered a great deal in 2021.

Luther and Chris at our warehouse have done a fantastic job of keeping us stocked on the most essential items. And we have yet to run out of any essential items. In the event of a major storm like the windstorm of May 2017, there are systems in place to allow critical infrastructure to get replenished. FEMA has contracts with vendors to ensure that we receive the materials we need to recover from major disasters. We also keep emergency stock on hand. And lastly, we utilize mutual aid when appropriate.

Our hope is that the supply chain greatly recovers in 2022, and that the frustrating supply issues of 2021 are soon distant memories.



## Recruiting and Retention, a Moving Target

Most of us can remember when an opening at the Utility Board drew in no shortage of applicants; most expecting that once hired... would be with us for at least twenty years or more. Among the many other aspects of “business as usual” changed forever by COVID-19, is the ongoing challenge of recruiting and even retaining quality employees.



The single greatest impact seems to have been a shift in the way people view productivity in the wake of months (if not years now) of “teleworking”. As industrious, flexible, problem-solvers, we have proven that many roles; particularly those involved in administrative functions, can be successfully performed from home. As a result, more companies are continuing to offer “telework” options for these types of positions; something HUB will have to consider when competing for top talent in these disciplines.

Naturally, much of what we do requires fieldwork or on-site management of facilities. As these employees are not eligible for telework, companies focused on operations are seeking ways to incentivize these “essential workers” who are now looking at factors beyond base wages and retirement when considering careers in related trades. At the end of the day, this means we must be very careful not to take too lightly the importance of the very competitive benefit packages we offer; in particular, features such as Paid Time Off (PTO).

Ultimately, while we do not want to let temporary “trends” disrupt time-tested methodology; we owe it to our rate-payers to respond to changes in the labor market with foresight, and an open-mind.



## HUB Participates in "Hooray for Harriman"

With 2020's installment of this recurring event interrupted by the COVID-19 Pandemic, Harriman's residents, businesses, and civic partners were certainly ready to come back in a big way for "Hooray for Harriman" 2021. HUB was a key supporter and partner, providing entertainment for the whole family, ranging from the "Dunkin' Booth" and the famous "Greasy Pig Chase", to a Nerf™ shooting gallery. Over a third of HUB's employees volunteered their off-duty time to man event tables, sit in the "Dunkin' Booth", and take care of set-up before and clean-up afterwards.





# HUB Partners with the City of Harriman for "Trunk or Treat"

In 2021, the City of Harriman was eager to bring back traditions set aside or modified for safety during the COVID-19 Pandemic. This included the highly favored "Harriman Trunk or Treat" event in downtown Harriman. While the drive thru event of 2020 was nice, it was disruptive to traffic around town, and it didn't give the children the opportunity to show off their costumes. Thanks to careful planning, on October 27th, 2021, this year's event was a huge success! Everyone agrees this may have been the best year so far! HUB provided free refreshments to include hot dogs, nachos, popcorn, cookies, sodas, and bottled water. Once again, dozens of HUB employees showed up (many in costume) to serve food, hand out candy to the children, or help with set-up and clean-up.





## HUB Gives Back to the Community during the Holidays

Every child deserves to experience the joy of Christmas Morning. Unfortunately, for many families in our service area, that is not always a reality. That's why HUB employees partner with the Harriman Housing Authority each year to identify families in need. Those families submit the sizes and wishes of each of their children. HUB employees personally purchase gifts to be delivered to the parents and distributed accordingly. This year, each child received an abundance of new clothing, shoes, coats, hats, and mittens, and of course TOYS. We are always grateful to be able to answer the large number of requests we receive. Some children go big like asking for a Barbie® Dreamhouse® or Kindle Fire Tablet, while others go small and ask for building blocks or dinosaur toys. This year some of the popular toys requested included "Baby Yoda" from the Star Wars Disney+ series The Mandalorian, Kinetic Sand, and the traditional baby doll.





# Safety

2021 was a great year for HUB in terms of Safety.... In fact, it was the best year ever! Everyone should be congratulated for doing their part and working safe, truly, day in and day out, 24/7. Not only did HUB not have any lost time, we didn't even have one OSHA recordable injury for 2021. To our knowledge, this is the first time this has been accomplished at HUB! All in all, we worked a total of over 145,000 hours accident free.



As a result of this hard work on everyone's part, HUB was awarded the First Place in Group E for the American Public Power Association (APPA) Safety Award in 2021! This accomplishment is scheduled to be publicly recognized at the 2022 Engineering and Operations Conference on March 29th. 318 utilities from across the country entered the annual Safety Awards. Entrants were placed in categories according to their number of worker-hours and ranked based on the most incident-free records during 2021. A utility's incidence rate, used to judge entries, is based on its number of work-related reportable injuries or illnesses and the number of worker-hours during 2021, as defined by the Occupational Safety and Health Administration (OSHA).

"In our industry, safety is the top priority," said Bob Scudder, Chair of APPA's Safety Committee and Industrial Hygiene and Corporate Risk Manager at Grand River Dam Authority. "This is a commitment that needs to come from the top down and permeate every aspect of operations. These awarded utilities have embraced this priority, and they deserve to be celebrated."

The Safety Awards have been held annually for more than 65 years. A complete list of winners is available at [www.PublicPower.org](http://www.PublicPower.org).

Also worth noting, although we did have a few minor fender benders and plenty of close calls on the roads, our employees put over 335,000 miles on the road in various HUB vehicles this past year. I think this is a great accomplishment considering all the many hazards out there, especially other distracted drivers. Always, always, always pay attention and be a Defensive Driver!





## How can HUB Serve You Better?



HUB's management team is always interested in ways we can serve our community better. Do you have suggestions or ideas for how we can improve our service? You can stay on top of recent developments, current projects, and other HUB activities on Facebook™, or contact us through our website, [www.hub-tn.com](http://www.hub-tn.com). You can also visit our primary location at 200 N. Roane Street during regular business hours, 8:00 a.m. -4:30 p.m., Monday-Friday.

Thank You for being our partners in

# Enhancing Our Community Through Exceptional Service





**Connect with us!**

**Call, Click, or Stop by  
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