

HARRIMAN UTILITY BOARD
AGENDA
Monday, February 24, 2025, at 5:30 P.M.

- A. Call to Order**
- B. Prayer / Pledge**
- C. Roll Call**
- D. Adoption of Previous Minutes**
- E. Hearing of Delegations**

F. Old Business

- 1. Status/Update on Ongoing Projects.

G. New Business

- 1. Discussion and possible action to approve the purchase of a CASE 580SN 4WD Loader Backhoe from Contractor's Machinery, Inc.
- 2. Discussion and possible action to approve a RESOLUTION AUTHORIZING THE PROVISION OF BROADBAND SERVICES.
- 3. Discuss high winter energy bills and possible solutions for temporary relief.

H. Board Member Comments

General Manager Comments
General Counsel Comments
Staff Comments

I. Informational Items for Board

General Manager's Activity Report
TVA Total Monthly Fuel Cost – March 2025
Electric Reliability Statistics – January 2025
Monthly Financial Reports – January 2025

J. Adjournment

Agenda Item F-1:

Administrative/Multi-Department Projects:

HUB Organizational Chart Updates: HUB currently has 76 full-time and 5 part-time employees (not including Board members). We have extended a job offer for a new GWS Utility Worker, who is expected to begin in early March. We are still seeking to fill an opening in the Customer Service Department.

AMI Project: We are essentially fully implemented, except for a few more meters to install. We have been conducting staff training with Sensus and NISC to ensure we take full advantage of the system's capabilities. Over the next few months, we want to educate customers better so they can take advantage of the information the AMI system can provide them.

Fiber/Broadband Design & Implementation: This item is covered under New Business. I also want to remind the Board that you have a Special Called Meeting on Friday, March 7th, at 9:00 a.m. ET to review and possibly award multiple contracts for this project. We have been working hard to evaluate and check references for the low bidders on the construction and material proposals. We are also close to making a recommendation for our major technology provider for the project.

Infrastructure Planning Grant (IPG): No major updates to report.

Electric Projects:

Line Crew Update / New Services & Maintenance: The line crew installed fifteen (15) new electric services this month, bringing our total to eighteen (18) for the calendar year 2025 thus far. Additionally, the line crew removed all poles and equipment from the old Papermill site on Emory Dr. This included the removal of an old river crossing for the electric as well as an old fiber route that went to the sewer plant. Our crews are making plans now for two (2) new projects to begin next month: 1) a Quick Trip on Pine Ridge Rd. and 2) a new Dollar General Market on Bitter Creek Hwy.

Re-Route Work: The line crew re-routed an overhead primary line this month for the Wartburg Middle School to allow them to establish a new softball field. Our GWS department assisted during the excavation of one of the pole holes by using their Vac truck to better manage the wet and rocky environment. On the same day, GWS helped the line crew excavate and repair a conduit located within the drive area of our main office that had been previously damaged. This conduit can now be used for getting fiber into the basement of the main office as part of the fiber/broadband project. Lastly, the line crew re-routed a powerline along Ben Henry Rd. This work was to help minimize costs and permits for the upcoming fiber/broadband project. Similarly, the line crew was able to remove a railroad crossing for the powerline along W. Carter Ave with this re-route.

ROW Updates: ROW crews have been continuing work in multiple areas of the system, including Fairview Rd., Orchard View Rd., and Scandlyn Hollow Rd. Our mowing crew has been working in the Fairview Rd. area, alongside one of our bucket crews.

Utility-Scale Solar Farm: We have conceptually agreed to the proposed purchase power agreement (PPA). We are now working to finalize all attachments before presenting the final draft PPA to this Board for review and possible approval.

TVA Electric Vehicle Fast Charger Network: We canceled our ribbon cutting ceremony scheduled for February 7th due to delays with the site becoming fully operational. The good news is that our charging station is working and getting used. The bad news is that only two of the four ports are currently available. ChargePoint's commissioning group was concerned with the grounding lugs used by their partner installer. It appears we've had at least 24 charging sessions between February 5th and 19th, and during that time, we've not been advertising on the ChargePoint Map due to only half of the ports working.

TVA Support Pilot for Voltage Optimization: HUB met with TVA on February 13th and 17th to continue work on the business case phase of our Voltage Optimization study. We expect to share the results with you this Spring, but preliminarily, we are concerned that the benefits don't outweigh the costs to the level where we could justify the project without substantial grant funding. We do plan to pursue grant funding after the business case study is complete.

Gas Projects:

Gas Maintenance Work: Since our last meeting, GWS crews have installed two (2) new gas taps, repaired five (5) gas leaks, and decommissioned one (1) gas service.

Water Projects:

Water Maintenance: Since our last meeting, the GWS crews have repaired five (5) mainline water leaks and four (4) service line water leaks. In addition, they installed two (2) water taps. Lastly, they installed a new pump at the Emory Heights pump station, discovered a major corrosion problem at Catoosa Ridge pump station #2 that will need to be addressed soon, and repaired a leaking grommet on pump #2 at Gormley pump station.

Water Plant Updates: No significant updates to report.

2022 ARPA Water System Improvements: HUB hosted a pre-construction meeting on February 13th with our engineers and W&O Construction for the Wolfe Branch Pump Station Replacement project. Additionally, we opened bids on that same day for the "Wolfe Branch Waterline Replacement." Rather than request approval to award the project this evening, I want to postpone this decision to our Special Called Meeting scheduled for March 7th. This will allow us adequate time to research the low bidder who appears to be a communications company that we are unfamiliar with.

2023 Harriman Utility Board & Crab Orchard Utility District Water Systems Interconnection: On February 17th, we met with our engineers to review a draft copy of the design plans. We have a meeting scheduled next week with our engineers and Crab Orchard Utility District to discuss several concerns about the project.

Sewer Projects:

Sewer Maintenance: Since the last meeting, GWS crews installed one (1) new sewer tap, unstopped eight (8) sewer services, and replaced 60 feet of 4” concrete sewer main with a new 6” PVC sewer main along Old Roane Street.

Sewer Plant Update: The GWS department experienced a major break of its 24” concrete effluent line along Bullard Ford Rd. on February 12th. Due to this major failure, the WWTP could not pump to Outfall #1 (TN River) for 2-3 days. Normally, that is okay for this time of year because we can discharge to the Emory River through Outfall #2. Due to the high rainfall that week, our WWTP was receiving too much influent flow to handle hydraulically, which forced an overflow situation at the WWTP. The information was shared with TDEC. Our GWS Manager, Frankie Davis, expressed his gratitude to his crews for working hard to repair the line as quickly as possible and Luther Manning for locating the hard-to-find replacement parts required to repair the line. A copy of the report our Chief WWTP Operator Donnie Fitzhugh sent to TDEC is included in this packet for your understanding.

2022 ARPA Sewer System Improvements:

Construction Updates: The contractor has mobilized this week, materials have been delivered (manholes, gravel, pipe), and work is planned to start back up the week of February 24th for the Old Roane St. portion of the project.

Engineering/Planning Update: Our engineers arranged to install temporary flow monitors throughout our sewer system to assess areas of concern for rainfall and groundwater getting into the system. We received the first batch of flow results on February 17th and will review the information soon. This data will be used to help calibrate the sewer flow model our engineers are building for us.

2022 ARC Pine Ridge Road Sewer Extension: No new updates since last month.

Agenda Item G-1:

Purchase of CASE 580SN 4WD Loader Backhoe: Enclosed for your review and possible approval is a quote from Contractor’s Machinery, Inc for a CASE 580SN 4WD Loader Backhoe. Pricing for the backhoe is based on Case Sourcewell Contract # 011723-CNH. As a reminder, a Sourcewell contract number identifies a contract from the Sourcewell cooperative purchasing program. Sourcewell is a government agency that helps organizations buy goods and services. Purchasing a product with a Sourcewell contract number means that we do not need to solicit competitive bids, because this process has already been completed.

This backhoe was included in our current FY25 budget for the Gas Department. Our GWS Manager, Frankie Davis, requested that we add a newer and more reliable backhoe to our fleet to ensure continued reliability. We currently have a 2012 and a 2016 backhoe, with 4,500 and 6,500 hours of use, respectively. We budgeted \$160,000. I'm recommending the purchase of the new backhoe with optional accessories, as listed on the quote from Contractor's Machinery, Inc., for a total price of \$158,547.00.

Agenda Item G-2:

Resolution authorizing the Provisioning of Broadband Services: As you know, this past month, the Board gave public notice and held a public hearing on the provision of broadband service. While we heard many words of support during the public hearing, we did not receive any written comments during the following days.

Therefore, I recommend the Board approve the enclosed RESOLUTION authorizing the provisioning of broadband services to allow HUB to provide broadband services under the authority of Tennessee Code Annotated Section 7-52-601, et seq., and otherwise applicable law subject only to the approval of the City Council of the City of Harriman, Tennessee. I plan to present a similar resolution for final approval at the March 4th meeting of the Harriman City Council.

Agenda Item G-3:

Discussion of High Energy Bills: As we expected after an unusually cold month, we have received many customer complaints over high energy bills. I'd like to discuss the issue, summarize the comments we have been hearing, and discuss some possible options the board could allow to extend temporary relief to our customers.

I am providing some information to help communicate with the public regarding the high energy bills. I am also providing a summary from our Customer Service Manager, Andrew Knobloch, of solutions that could provide temporary relief, especially for those who are facing potential service disconnection due to their inability to pay the high bills.

Agenda Item H:

TVA Total Monthly Fuel Cost: Enclosed is information from TVA stating the Total Monthly Fuel Cost (TMFC) adjustment for March.

The TMFC for Standard Service in March will be 2.910 cents per kilowatt hour, an increase from February's cost of 2.302 cents per kilowatt hour. The TMFC for Large General Service customers will be 2.540 cents per kilowatt hour, an increase from February's cost of 2.223 cents per kilowatt hour. Furthermore, the TMFC for Large Manufacturing customers will be 2.523 cents per kilowatt hour, an increase from February's cost of 2.233 cents per kilowatt hour.

The March TMFC rate is 17% higher than the three-year average due to severe weather, cold temperatures, and forced nuclear outages in January. Fuel expenses were \$192 million higher than expected in January, contributing to the TMFC rate increase.

Manager's Activity Report: On January 31st, I attended a bimonthly meeting of the ADPDA in Greenville, where I heard a presentation about Greenville's recently launched fiber/broadband project. On this day, the CEO of TVA announced his retirement. This comes soon after their CFO announced his retirement. On February 5th, I hosted a HUB Pension Committee meeting. Then on February 10th we had our public hearing on the broadband project. On February 12th and 13th, I attended the Valley Public Power Leadership Academy (VPPLA) in Knoxville, TN. During those days, I attended the TVA Board Listening Session, where I provided public comments, and the regular board meeting the following day. Otherwise, I've attended various meetings with HUB staff this month regarding the fiber/broadband project, the TVA pilot study, and some of our GWS projects.

Electric Reliability Statistics: The HUB Electric Reliability Statistics for January 2025 are enclosed.

Monthly Financial Reports: Financial reports for January 2025 are enclosed for your review.

Important Dates:

- ❖ **Friday, February 7th** – HUB Special Called Board Meeting at 9:00 AM
- ❖ **Monday, March 31st** – HUB Board Meeting at 5:30 PM
- ❖ **Friday, April 4th** – Roane Gala (fundraiser for the Roane Alliance)
- ❖ **Friday, April 18th** – HUB Closed for Good Friday
- ❖ **Monday, April 28th** – HUB Board Meeting at 5:30 PM
- ❖ **Monday, May 26th** – HUB Closed for Memorial Day Holiday