

HARRIMAN UTILITY BOARD
AGENDA
Monday, April 29, 2024, 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.
2. Discuss possible action to approve an updated Charging Station License Agreement with “KF, LLC Christie Wallace”.
3. Discuss possible action to approve the purchase of additional DC Fast Electric Vehicle Charging equipment.
4. Discuss possible action to award a revised contract to Massey Electric of Alcoa, TN for the installation of DC Fast Electric Vehicle Charging.

G. New Business

1. Discuss possible action to reschedule the May 2024 Board Meeting.
2. Discuss possible action to approve the purchase of a new Ford F250 Crew Cab 4WD Truck.
3. Discuss possible action to approve an Agreement with C2RL Engineering, Inc. for professional engineering services related to the Crab Orchard Utility District Interconnection project.
4. Discuss possible action to approve an Agreement with Community Development Partners, LLC for professional administrative consulting services related to the Crab Orchard Utility District Interconnection project.
5. Discuss possible action to approve a Resolution authorizing the Application for a United States Department of Energy (DOE) Grant for the Harriman Grid Resilience Fiber Infrastructure Project.

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 – May 2024
Electric Reliability Statistics – March 2024
Monthly Financial Reports – March 2024

J. Adjournment

Agenda Item F-1:

Administrative/Multi-Department Projects:

HUB Organizational Chart Updates: HUB currently has 78 full-time and 6 part-time employees (not including Board members). We have hired one additional Non-Certified GWS Utility Worker and one Non-Certified WWTP Operator since the last meeting. Both individuals were from the Harriman Job Fair in February. We will be interviewing for the position of ROW Utility Worker soon, and we are still accepting applications for the position of Electrical Engineer.

AMI Project: Our AMI project is progressing well. We are approximately 71% complete with our electric meter changeout. Gas is still on hold until we receive our remaining meters around the end of 2024 but is around 83% complete. Water is still at 48% complete. We are working with E Source (consultant for our AMI project) to essentially take over the bulk of project management responsibilities for us through the end of the project. They will interview HUB staff during the month of May to perform a needs assessment and help us define where they can be most helpful for the remaining months of the AMI implementation. This will include ensuring that all equipment is installed in good working order and is communicating correctly, making sure that HUB staff are well trained and proficient in using the AMI data, working with our customer service/billing software provider to ensure that we are aware of and able to utilize the tools they provide for analyzing AMI data, producing customer education materials, and more.

Fiber/Broadband - Application Phase: We received approval from the State Comptroller's Office on April 3rd, conditional upon TVA approving the plan including the interdivisional loan (see attached letter). We have yet to receive TVA's approval, but we are told their review is nearly complete. This month, our attention has turned largely to the DOE grant application which could allow us to fund a good portion of fiber needed for the future broadband department including many "smart grid" devices which can greatly improve our customer satisfaction.

Emory Creek Subdivision: Construction of the sewer collection system is still ongoing. This month, our line crew began installation of underground primary and conduit for the fiber project.

TVA Connected Communities: HUB continues to partner with REU, the City of Rockwood, and the City of Harriman on the TVA-funded Connected Communities initiative. On April 4th, we had a meeting that included Roane State Community College (RSCC) and Mideast Community Action Agency. Last month, I mentioned the idea of a "Community Change Grant" through the federal Environmental Protection Agency (EPA). Moving forward, we are hopeful that RSCC will take the lead in the grant writing. HUB will continue to help define the vision and facilitate some of the effort. Both HUB and REU expect to see a portion of the funding directed toward helping our most vulnerable customers get access to energy efficiency education and funding assistance. Our next meeting is on May 16th at 9:30 a.m. at the HUB Office. If any HUB Board Member wishes to participate in this

meeting, I hope you will join us. We are talking about an opportunity to bring in \$10-20 Million in federal funding that has zero matching funds requirement. The main focus will be “workforce training”, which is where RSCC’s involvement would be. At this meeting, we will have the Roane County Executive, Roane County Director of Schools, and the President of the Roane Alliance joining us.

Home Uplift: Our application is now live for HUB Electric customers to apply for Home Uplift funding. We will be advertising on Facebook and through other media outlets in the coming days. We will additionally send out a bill insert to ensure that all customers receive notification of the opportunity.

Utility & Safety Expo: Our first “Harriman Utility & Safety Expo” was very successful. We did not have as many attendees as we would have liked, but we suspect the weather played a role in that. We did have attendees from several counties and many from across the City of Harriman and Roane County. The exhibitors at the event covered all the costs associated with lunch for all attendees and volunteers. We are hopeful that this will become an annual event. I want to express my gratitude to the City of Harriman for partnering with us to ensure the event was successful. I also want to thank HUB Employees Courtney Walker, Luther Manning, Wayne Best, and Michael Bailey for handling all the planning and logistics for the event. We received many compliments on the location and the lunch (provided by Roane Street Grille).

Grants Awarded to HUB post COVID-19: We have spoken on and off over the past couple of years about all the grant funding HUB has been awarded post COVID-19. Much of these opportunities were made available through the federal government passing stimulus packages, namely the America Rescue Plan Act (ARPA) of 2021. As you know, HUB and its partners are now looking forward to applying for additional opportunities made available through the Bipartisan Infrastructure Law (also known as the “Infrastructure Investment and Jobs Act”) through which we are seeking smart grid funding (through the DOE) as well as the Inflation Reduction Act through which HUB and REU are working with RSCC to apply for an EPA – Community Change Grant. Enclosed in your package is a summary I developed to help us communicate to the community about the funding we have already been awarded. If we can get additional funding, we will add that to our summary. This does not include the electric vehicle fast charging grant from TVA which is up to \$1 Million because we did not have our numbers confirmed at the time this was produced.

Electric Projects:

Line Crew Update / New Services: The line crew installed a total of six (6) new electric services this past month for a total of 21 for the calendar 2024 thus far. The line crew assisted in the installation of the new sign at Harriman High School this month. The line crew has also been working to install electric service for a new Dollar General Market to be located at the corner of Blair Road and Poplar Creek Road.

ROW Updates: The right of way crew is continuing to work on single-phase taps on the Jonesville circuit. As we get into “growing season”, we are pulling away from routine trimming maintenance to focus on trimming areas that are experiencing outages due to recent tree growth.

Lineman Appreciation Golf Tournament: In honor of Lineman Appreciation Day, which is on April 18th we planned and hosted our 5th Annual Lineman Appreciation Day Golf Tournament, on Friday, April 19th. We were able to raise \$3,500 which we are donating to the Harriman Christmas Shop. We had a total of 36 golfers participate in the golf tournament including HUB employees, Rockwood Electric Lineman, and the many vendor sponsors that help to make the tournament a huge success. In addition to vendor sponsors, TVA was gracious enough to donate \$1,000, which covered the cost of lunch for all HUB employees as well as our guests.

Utility Scale Solar Farm: We finally received comments on our draft agreement sent to SolAmerica on March 1st. We will continue working through this negotiation in hopes of bringing a final purchase power agreement (PPA) for your review in the coming weeks.

TVA Electric Vehicle Fast Charger Network: This item is covered later under Old Business.

Gas Projects:

Gas Maintenance Work: Since our last meeting, GWS crews repaired four (4) gas service line leaks. Crews also installed one (1) new gas tap. A few of our GWS employees were able to attend the TN Gas Associations Distribution & Operations (D&O) Conference in Murfreesboro this month.

Water Projects:

Water Maintenance: Since our last meeting, the GWS crews repaired one (1) mainline water leak and one (1) service line water leak. In addition, GWS crews made three (3) new water service taps and rebuilt a fire hydrant at Carter Ave & Roane Street. Crews also made minor repairs at Snow Lane bladder tank and Boswell pump station. Lastly, I wanted to mention that the GWS department has been installing signs at each of our tank and pump station sites to display the 911 address of each facility.

Water Plant Updates: Our Chief WTP Operator Jessie Russel reports that HUB passed its annual Water Supply Microbiological Evaluation. Also, Jessie has taken the lead on ensuring HUB has submitted paperwork required to participate in a class action settlement with various chemical companies that are thought to have caused water contamination across the United States. We will keep you posted if HUB receives any settlement funds.

Water Loss Update: Our Water Loss Control Foreman Jim Neeley reports that this month we successfully grouped our second zone (Swan Pond) to begin regular

water loss analysis. Jim was able to perform an acoustic survey on a little less than half of the Swan Pond zone before being reassigned to another area. He will continue to work toward completion of that area as time allows. The GWS team has been monitoring this area for all of 2024, collecting “pumped” data for recognizing trends and alerting to potential leaks. So far, they feel our baseline figure for water pumped to that area is reliable due to its lack of large spikes. They have also been laying groundwork for additional zones, mapping both steps and cost to reach our goal of having as many monitored zones as possible. With the help of the WTP, our team is completing a data entry project that consists of logging all previous data collected from master meters in years past. We were able to find at least partial data leading back to 2006, and this past data will be accessible on one network spreadsheet. Lastly, Jim is currently surveying meter to meter, block by block of the downtown area (Roane to Sewanee, starting at Emory).

2021 CDBG Water System Improvements: This project is complete and has been closed out.

2022 ARPA Water System Improvements: April was a good month for this project. We were able to secure the final easement needed for the project. Our plans and specifications were submitted to TDEC for design review as well as to the funding administrator for TDEC’s ARPA funds. We are now working on some permits that will be required for the project. We are hoping to advertise this project for bids in late spring or early summer and begin construction by Fall of this year.

2023 Harriman Utility Board & Crab Orchard Utility District Water Systems Interconnection: This item will be covered under New Business.

Sewer Projects:

Sewer Maintenance: Crews installed two (2) new sewer taps this month. They also performed maintenance at Webb’s, Walnut Hill, Christmas, Armory, and Emory Gap lift stations as well as the WWTP.

Sewer Plant Update: TDEC performed a drop-in visit to the WWTP this month. Our Chief Operator Donnie Fitzhugh completed multiple online training seminars this month. Donnie has been working primarily alone the past several weeks, but we were finally able to hire a second operator this month. She will be learning under Donnie and undergoing several classes to become eligible to apply for licensure by examination.

2022 ARPA Sewer System Improvements: I am happy to report we made good progress over the past few weeks. We now have design approval for the project from TDEC and are only awaiting approval from the ARPA funding administrator to allow us to proceed. We hope to bid the work this Spring and start construction by this Summer.

2022 ARC Pine Ridge Road Sewer Extension: You might have noticed along Pine Ridge Rd, there are some stakes in the ground. These show the route of the new sewer

line. Construction of the sewer line will begin around the end of April while the pump station may not begin until late summer. The entire project should be complete by the end of the calendar year.

Agenda Item F-2:

Updated Charging Station Lease Agreement: Enclosed in your packet is an updated proposed license agreement with KF, LLC Christie Wallace to install our TVA-funded Electric Vehicle Fast Charging station. Several updates have been made after you approved the original version in February 2024. These changes have been a result of continued negotiations between our General Counsel and the attorney representing the property owner.

In the agreement, HUB will collect \$50,000 from the property owner to put toward the total installed cost of the facility. TVA will reimburse 80% of the total installed cost of the facility to HUB. After direct pay benefits from the IRS to HUB, our total investment should be less than \$50,000. I recommend approving the updated proposed license agreement with KF, LLC Christie Wallace.

Agenda Item F-3:

EV Charging Equipment Purchase: In October 2023, the HUB Board authorized the purchase of DC Fast Charging Equipment through 7 States Power Corporation for \$208,653.⁷⁵ With the charging station moving to the Midtown area and with the partnership we will have with the new property owner (per Agenda Item F-2), my staff and I would like to double the size of our charging facility. The TVA grant will still cover 80% of the installed cost. The increased size will allow up to four vehicles to be charged at any given time instead of two. In addition, there will be more power supplying to the facility which will allow for faster charging times (e.g., a typical 30-minute charge at the formerly proposed site might now take only 18-20 minutes).

I recommend approving the purchase of additional DC Fast Charging Equipment through 7 States Power Corporation for a cost of \$429,571.⁴⁷ per the enclosed proposal, contingent upon HUB entering into a Lease Agreement with KF, LLC Christie Wallace, owner of the property.

Agenda Item F-4:

EV Charging Installation: In October 2023, the HUB Board authorized Massey Electric to complete the installation of the DC Fast EV Charging Equipment for \$65,900. As you know, Massey began work for a short period this year when HUB decided to relocate the proposed EV charging facility. Now that we have found an alternate location, I recommend we accept a revised agreement with Massey Electric to complete the installation there instead. Please note that this price includes installation of a 180 KW battery energy storage system that we will need to solicit bids for in order to purchase the equipment. This is a 360-kwh battery. If the power is out, we can still charge about 10 cars. When the power is on, we can use it for peak shaving thus saving HUB up to about \$1,800 per month. As a reminder, we will get a direct pay benefit from the IRS, so along

with the TVA grant, this battery will be essentially free to us. The battery will allow HUB electric department personnel to practice peak shaving using energy storage and learn how to utilize the energy storage especially if we ever were to deploy it on a larger scale.

To date, we have expended \$52,200 of the original agreed upon price. Some of the materials are transferrable to the new facility. I recommend approving Massey Electric to complete the installation of HUB's TVA-funded DC Fast EV Charging Equipment per the enclosed proposal for an additional cost of \$148,000, contingent upon HUB entering into a Lease Agreement with KF, LLC Christie Wallace, owner of the property.

Agenda Item G-1:

The May Board meeting is scheduled for May 27th, the Memorial Day Holiday. The Board may want to reschedule this to another date.

I recommend rescheduling it to Tuesday, May 28th at 5:30 p.m.

Agenda Item G-2:

Ford F250 Crew Cab 4WD Truck: Included in your board packet is a request for bids on a 2024 pickup truck. On Monday April 22, 2024, we received bids for the purchase of a white 2024 Ford F-250 XL 4WD Crew Cab. This vehicle is to replace Truck #3, which is a 2007 Ford F-250. This vehicle is used as a foreman vehicle and was not originally slated to be replaced until 2025. The truck has developed a major oil leak and the cost estimate to repair the leak is around \$17,000. We decided it best not to spend this amount of money on a 2007 vehicle and swap this F-250 for the replacement of truck #45 which was budgeted to be replaced in FY24 for \$85,000. We received three bids; however, only one of the bids fully complied with the bid specifications. Specifically, only the bid from East Tennessee Ford in Crossville met the requirement that the truck be available for delivery no later than May 3rd. This vehicle is currently on the lot at the dealership. The other bidders would have to order it from the manufacturer, and it could take months to receive the truck.

I recommend that the board approve the purchase of a 2024 Ford F-250 for \$52,655.⁰⁰ from East Tennessee Ford.

Agenda Item G-3:

Agreement from C2RL for Engineering Services: In July 2023, the HUB Board selected C2RL Engineering, Inc. (C2RL) to assist HUB with the 2023 Harriman Utility Board & Crab Orchard Utility District Water Systems Interconnection. At that time, you were also approving our application for TDEC funding. By selecting C2RL, we were essentially promising them a contract should we be awarded grant funding.

As you may recall, we did receive an award letter back in November 2023 promising grant funding. Although we still don't have a formal contract in place with TDEC, I believe it's imperative that we go ahead and get started on the project to get the project completed by the September 2026 deadline. An e-mail I received on April 24th from

TDEC promised that grant contracts would be sent by the end of May. Funds expended on the project will be reimbursable. However, to alleviate cash flow constraints, I recommend we award the contract but proceed cautiously. I would like to start surveying and contract negotiations with COUD now but understand that we can't spend too much until we are comfortable that TDEC will be sending reimbursement checks to us in a timely manner. The hardship of waiting is that HUB might not have time to complete the project by the September 2026 deadline. To help alleviate this stress even more, I would like to approach COUD about helping us fund a portion of the project costs which can provide some much-needed cash flow at the beginning of this design phase. HUB is currently working with its General Counsel to draft a "Water Purchase and Sale Agreement" that might commit COUD to paying the matching funds required for the grant and other costs that HUB expended in order to study the system enough to write a compelling grant application.

Enclosed in your packet for review and possible approval is an agreement for engineering services for a total cost of \$905,000⁰⁰. This includes preliminary and final design phase services as well as bidding and construction phase services. With the grant funding, HUB will receive reimbursement for 95% of the estimated project costs. I recommend the Board approve the enclosed agreement for C2RL Engineering, Inc.

Agenda Item G-4:

Agreement from Community Development Partners for Administrative Services: Just like was described in Item G-3, in July 2023, the HUB Board selected Community Development Partners, LLC to assist HUB with the 2023 Harriman Utility Board & Crab Orchard Utility District Water Systems Interconnection. At that time, you were also approving our application for TDEC funding. By selecting Community Development Partners, LLC, we were essentially promising them a contract should we be awarded grant funding.

Enclosed in your packet for review and possible approval is an agreement for professional administrative consulting services for a total cost of \$250,000⁰⁰. This includes planning, project files/general management, reporting and monitoring, equal opportunity/Title VI compliance, project management, financial management, and audit and closeout services. With the grant funding, HUB will receive reimbursement for 95% of the estimated project costs.

I recommend the Board approve the enclosed agreement for Community Development Partners, LLC.

Agenda Item G-5:

Resolution authorizing the Application for a DOE Grant: Last month, the HUB Board authorized ENTRUST to complete grant writing services on the full application for DOE GRIP Topic Area #2 funding. We are nearly complete with the grant application. The official deadline to apply is May 22nd.

Enclosed in your packet is a Resolution authorizing the Application for a United States Department of Energy (DOE) Grant for the Harriman Grid Resilience Fiber Infrastructure Project. I recommend the Board pass this resolution which would then be used as an attachment to our grant application.

Agenda Item H:

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

The TMFC for Standard Service in May will be 1.796 cents per kilowatt hour, a decrease from April's cost of 2.099 cents per kilowatt hour. The TMFC for Large General Service customers will be 1.674 cents per kilowatt hour, a decrease from April's cost of 1.913 cents per kilowatt hour. Furthermore, the TMFC for Large Manufacturing customers will be 1.634 cents per kilowatt hour, a decrease from April's cost of 1.884 cents per kilowatt hour.

TVA says that even though May sales are projected to be 5% higher, the May fuel rate is 17% lower than the three-year average. This is primarily due to lower gas price forecasts (14%).

Manager's Activity Report: I hosted a Staff Meeting with our supervisors on March 27th. On March 28th, Director of External Affairs Wayne Best and I attended a briefing at the Kingston Fossil Plant where we heard about TVA's plan for a future energy complex. That same day, I provided HUB updates to the Harriman Rotary Club. HUB was closed on March 29th for Good Friday. On April 2nd, I gave a presentation to Roane County Broadband Coalition and some of the Roane County Commissioners regarding HUB's plans for fiber broadband. Much effort this month has been made toward accomplishing a DOE grant application which we talked about during the workshop prior to this meeting. I attended several meetings on that topic during the month of April. On April 4th, I attended a TVA Connected Communities meeting which included members of Roane State Community College, Mideast Community Action Agency, HUB, REU, City of Rockwood, TVA, and Guidehouse. On April 11th and 12th, I attended the Annual TVA Valley Partners Meeting in Chattanooga. This was probably the most transparent and "to the point" discussion that TVA leadership has had with LPC managers. The information they focused on was meant to answer our most pressing questions, namely transmission and generation capacity concerns and subsequent wholesale rate pressure. TVA did confirm that we should plan for a 5.25% wholesale rate adjustment effective October 2024. HUB will need to pass this increase directly on to its customers. TVA also expects 4.5% and 5.25% increases to the wholesale rate in October 2028 and 2029, respectively. On April 15th, HUB managers met with our electric rates consultant Chris Mitchell to review our year-to-date financial standing. That evening, HUB management attended a meeting with the City of Harriman, the City's Industrial Development Board, and other key stakeholders on the potential development of property in the northeast corner of the I-40 & Pine Ridge Road intersection. On April 17th, I attended a meeting for TVA's Regional Grid Transformation steering committee. On April 18th, I hosted a HUB pension committee meeting.

Electric Reliability Statistics: Enclosed are the HUB Electric Reliability Statistics for March 2024.

Monthly Financial Reports: Enclosed are financial reports for March 2024.

Important Dates:

- ❖ **Monday, May 27th** – HUB Closed for Memorial Day Holiday
- ❖ **Tuesday, May 28th** – Tentative Date for HUB Board Meeting @ 5:30 p.m.
- ❖ **Monday, June 24th** - HUB Board Meeting @ 5:30 p.m.
- ❖ **Thursday, July 4th** – HUB Closed for Independence Day Holiday
- ❖ **Monday, July 29th** - HUB Board Meeting @ 5:30 p.m.