

HARRIMAN UTILITY BOARD
AGENDA
Monday, August 31, 2026, 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 an Altec AM55E 55-foot bucket truck for the Electric Department.
- 2. Discussion and possible action to declare the existing Truck #37 as surplus and allow for sale by auction.
- 3. Discuss possible action to approve the renewal of HUB's Medicare Advantage group plan ("Blue Advantage") by BlueCross BlueShield of Tennessee, Inc.

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 – September 2026
Electric Reliability Statistics – July 2026
Monthly Financial Reports – On Hold for Year End Closing

J. Adjournment

Agenda Item F-1:

Administrative/Multi-Department Projects:

HUB Organizational Chart Updates: HUB currently has 81 full-time and 4 part-time employees (excluding Board members). We recently hired a new Fiber Drop Installer and Lead Fiber Installer. We have extended a job offer to a new Water Treatment Plant operator. Pending the pre-employment screening results, we expect he will begin work on August 31st. We will soon post for a new accounting position as well.

Infrastructure Planning Grant (IPG): Our Water Department's Asset Management Plan (AMP), prepared by Ardurra (formerly Cannon & Cannon), was submitted to TDEC on August 10th. Similarly, the AMP for the Sewer Department was submitted to TDEC on August 26th. Now, we are awaiting final completion of the Water and Sewer Master Plan documents.

Main Office Exterior Improvements: Tri-State Roofing Contractors, LLC, completed the project this month.

HUB Fiber/Broadband Department:

HUB Fiber – Customer Growth:

As of August 26, 2026, HUB Fiber serves 941 active customers, representing an approximate 13.0% take rate toward our long-term goal of 40% (active customers versus total passings). Customer growth remains strong, and staff continues to focus on sustaining an average of 25 or more new customer installations per week while placing increased emphasis on attracting business and enterprise customers. We are now accepting customer applications for service across our entire fiber service area.

Construction:

Mainline fiber construction is complete; remaining work includes final splicing, system auditing, and closeout activities. An updated construction progress report is enclosed. Our consultants (EnTrust) and One Call Communications (mainline fiber construction contractor) will complete all contracted work within the next one to two weeks. Fiber drop construction, new service installations, and maintenance and repair work have completely transitioned to in-house labor.

Voice Services Progress:

Implementation of HUB's Voice over Internet Protocol (VoIP) service continues, with customer billing expected to begin by the end of September. This assumes that the data integration with our software company can be completed within the needed timeframe.

Marketing & Community Engagement:

Marketing efforts are ongoing, primarily through social media advertising, printed ads on utility bills, emails to customers who have signed up on our interest list, printed ads on traffic signal boxes around town, yard signs, and community events. We are in

the process of designing and ordering new yard signs matching the “You’re Connected” theme.

SmartTown:

Lastly, staff continues working with Calix and the City of Harriman to deploy “SmartTown” community Wi-Fi at key locations throughout the city. We anticipate launching this free public Wi-Fi service during the City’s Labor Day festival.

Electric Projects:

Line Crew Update / New Services & Maintenance: The line crew has installed 19 new electric services this month, bringing the year-to-date total to 104. The crew also installed a new three-phase recloser in the Little Emory area to help reduce the number of customer outages on Webster Road. In addition, the crew is working with AT&T to address and replace several danger poles along South Roane Street in the restaurant row area.

Streetlight Maintenance: The light maintenance crew replaced 47 city streetlights with LED fixtures as part of HUB's continued efforts to improve lighting efficiency and reliability.

ROW Updates: The right-of-way crew has completed work on Peninsula Road and has moved to a trouble section along Morgan County Highway.

TVA Electric Vehicle Fast Charger Network: In July 2026, 59 unique drivers used the charging station, resulting in 164 sessions (down from 185 in May). As of August 25th, 40 unique drivers have used the charging station this month, for a total of 120 sessions. In addition, this month HUB finally received approximately \$99,000 from the IRS as a rebate for completing the project.

Changes in TVA Wholesale Rates & Charges:

TVA is making significant changes to how it prices large data-center customers because of the rapid growth of data centers and the amount of electric infrastructure and generation capacity required to serve them. Data centers can add very large amounts of load in a relatively short period of time, which creates financial and system-planning risks for TVA and its local power companies. TVA’s goal is to make sure that the costs and risks associated with this growth are paid by the customers creating the need for the additional capacity rather than being spread across residential, commercial, manufacturing, and other existing customers.

TVA is establishing a new mandatory rate classification for data centers with more than 5 MW of demand. Existing data centers are allowed to remain on their existing manufacturing rate, or equivalent rate, until October 1, 2027. However, if the existing data center seeks new or expanded load commitment, that additional load would be subject to TVA’s new Schedule DC requirements, including the non-refundable Capacity Commitment Charge paid directly to TVA. In practical

terms, TVA is allowing existing commitments to continue while establishing a much different framework for future data-center growth so that the significant cost of preparing the electric system for additional data-center load is not shifted to HUB or our other customers. Their rate will change in October 2027 and again in October 2028.

For HUB, these changes affect one existing customer. Because that customer is already contracted and in service, it is not being moved immediately to the new mandatory data center rate or subject to the new Capacity Commitment Charge for its existing 10 MW load.

TVA's 30-day notice letter and accompanying summary are enclosed for your reference.

Gas Projects:

Gas Maintenance Work: Since last month's meeting, GWS crews completed one gas main leak repair and five gas service line leak repairs. Crews also completed a new 4-inch gas main on Old Coalfield Road, which is ready to be placed in service. Staff received additional training from consultant John Grubb regarding lightning protection for transducers at HUB's gas regulator stations, as well as odorant pumps and gas regulators in general.

PHMSA NGDISM Grant Application: No update. Awards are expected to be announced this Fall.

Water Projects:

Water Maintenance & Water Loss Updates: Since last month's meeting, GWS crews completed two new water taps, repaired 18 water main leaks, and repaired eight water service leaks. Crews also replaced a broken 6-inch in-line water valve on Ellis Bingham Road and completed road repairs associated with the Crab Orchard and Boswell Chapel water tanks. Routine maintenance activities continued throughout the distribution system. Staff also completed inspections of the Swicegood and Wolfe Branch water tanks, which were inspected by Mid-South Tank Consultants.

Water Plant Updates: The water treatment plant continues to operate normally for this time of year.

2022 ARPA Water System Improvements:

Wolfe Branch Water Line: Construction of the new water line has been completed, and the final walk-through with SSR has been completed. The project is now awaiting final pay applications and closing documents. The water line portion of the project is approximately 100% complete.

Wolfe Branch Pump Station: Construction of the pump station has been completed, and the final walk-through with SSR has been completed. The project

is now awaiting final pay applications and closing documents. The pump station portion of the project is approximately 100% complete.

Sewer Projects:

Sewer Maintenance: GWS crews completed the transfer from the old control screen to the new digital control screen at the Cardiff Pump Station and returned the rebuilt submersible pump to service. Crews also pulled the #3 pump at Woody Street for repairs to the volute, cleaned SBR Tank #1 at the wastewater treatment plant, and completed a sewer tap replacement on Old Roane Street. Staff also cleared 13 sewer service stoppages and continued routine maintenance on sewer facilities, backhoes, and trucks. Crews also bush-hogged fields at the wastewater treatment plant.

Sewer Plant Update: Our linemen have been at the Wastewater Treatment Plant (WWTP) this month to replace lighting, and our GWS crews have been helping to clean out the equalization tanks. Otherwise, the plant has continued to operate normally for this time of year.

Agenda Item G-1:

55-foot Altec Bucket Truck: Included in your packet is an invoice from Altec for the purchase of a new AM55E 55-foot bucket truck in the amount of \$318,040.00. Pricing is based on the competitively solicited Sourcewell Contract #110421-ALT.

The replacement of Truck #37, a 2016 Kenworth Versalift 55-foot bucket truck, was approved in the FY 2025-2026 budget with an allocated amount of \$361,973.00. The final purchase price of the new Altec bucket truck is \$43,933.00 below the budgeted amount. The new truck was delivered on August 3, 2026.

I recommend the Board approve the purchase of the Altec AM55E 55-foot bucket truck for \$318,040.00.

Agenda Item G-2:

Surplus Truck #37: As related to Item G-1, I am also proposing to sell Truck #37 through JJ Kane Auctions. JJ Kane conducts absolute online public auctions specializing in utility, construction, and transportation equipment, including bucket trucks, service trucks, cranes, and digger derricks. Based on our preliminary estimate, Truck #37 is expected to sell for approximately \$50,000.

I recommend the Board declare Truck #37 as surplus inventory and authorize its sale through JJ Kane Auctions.

Agenda Item G-3:

“Blue Advantage” by BlueCross BlueShield of Tennessee, Inc. (Blue Cross): We received a renewal offer for our Blue Advantage insurance plan. This plan is offered to HUB retirees and the spouses of HUB retirees who are enrolled in Medicare. We

currently have 49 participants, including retirees and spouses. Enclosed are the renewal documents from Blue Cross explaining the changes in the rate and policy.

For 2027, there will be a 5% increase in premiums. The plan benefits will otherwise remain unchanged, with one notable update: the Medicare Part D out-of-pocket maximum will increase from \$2,100 in 2026 to \$2,400 in 2027, in accordance with the Inflation Reduction Act (IRA).

We currently pay the following per person covered on Blue Advantage: \$159.06 by HUB and \$106.04 by the participant, for a total of \$265.10 per month. With the 5% increase for 2027, the new amounts will be \$167.02 by HUB and \$111.34 by the participant, for a total of \$278.36 per month.

I recommend that the Board approve the renewal of our “Blue Advantage” plan by BlueCross BlueShield of Tennessee, Inc. for 2027 at the new premium rates.

Agenda Item H:

TVA Total Monthly Fuel Cost: Enclosed is information from TVA regarding the Total Monthly Fuel Cost (TMFC) adjustments for September 2026. TVA says the September TMFC is 11% higher than the three-year September average due to higher sales and natural gas prices, combined with a lower forecast for hydro generation.

Comparison of TMFC:

<u>Fuel Rate (cents/kWh)</u>	<u>June 2026</u>	<u>July 2026</u>	<u>Aug 2026</u>	<u>Sept 2026</u>
Standard Service	2.649	2.679	2.495	2.404
Large General Service	2.385	2.465	2.337	2.245
Large Manufacturing Service	2.400	2.463	2.324	2.203

Manager’s Activity Report: On July 31st, I attended the bimonthly meeting of the ADPDA at Holston Electric Cooperative. I took part in a tour of a power generation facility owned by the LPC. On August 4th, I attended the Harriman City Council meeting where I gave updates on ongoing projects. On August 11th, I attended the TVA All Customer Meeting in Franklin, TN to receive updates from their leadership, primarily regarding power generation and transmission and the upcoming rate changes. At present, it appears that we should see no across-the-board wholesale rate adjustments until fiscal year 2029; however, it could be as much as 10% at that time.

Electric Reliability Statistics: The HUB Electric Reliability Statistics for July 2026 are enclosed.

Monthly Financial Reports: Financial reports are on hold for year-end closing activities (i.e., the annual accounting process of reviewing, reconciling, and finalizing a company’s financial records for the fiscal year).

Important Dates:

- ❖ **Monday, September 7th** – HUB Closed for Labor Day Holiday
 - “Hooray for Harriman” street festival in Historic Downtown Harriman
- ❖ **Monday, September 28th** – HUB Board Meeting at 5:30 PM
- ❖ **Monday, October 26th** – HUB Board Meeting at 5:30 PM
- ❖ **Tuesday, October 27th** – Harriman “Trunk or Treat”
- ❖ **Wednesday, November 11th** – HUB Employee “Potluck” Thanksgiving Lunch
- ❖ **Thursday, November 26th** – HUB Closed for Thanksgiving Holiday
- ❖ **Friday, November 27th** – HUB Closed for Thanksgiving Holiday
- ❖ **Monday, November 30th** – HUB Board Meeting at 5:30 PM
- ❖ **Tuesday, December 8th** – “Santa Day”
- ❖ **Thursday, December 17th** – HUB Employee Christmas Party
- ❖ **Thursday, December 24th** – HUB Closed for Christmas Eve
- ❖ **Friday, December 25th** – HUB Closed for Christmas Day