

HARRIMAN UTILITY BOARD
AGENDA
Monday, September 28, 2026, at 5:30 P.M.

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

G. Old Business

- 1. Status/Update on Ongoing Projects.

H. New Business

- 1. Discussion and possible action to approve a Rate Change Amendment to our TVA Power Contract.
- 2. Discussion and possible action to declare the existing Truck #136 as surplus.

I. Board Member Comments

General Manager Comments
General Counsel Comments
Staff Comments

J. Informational Items for Board

General Manager's Activity Report
TVA Total Monthly Fuel Cost – October 2026
Electric Reliability Statistics – August 2026
Monthly Financial Reports – DRAFT June 2026 Reports

K. Adjournment

Agenda Item G-1:

Administrative/Multi-Department Projects:

HUB Organizational Chart Updates: HUB currently has 81 full-time and 4 part-time employees (excluding Board members). HUB will soon seek to fill a vacancy in the Account Department as well as an upcoming vacancy at the WWTP.

New Residential Developments:

Emory Creek Subdivision Phase 2: HUB met with the developer and his contractor this month regarding Phase 2 infrastructure. They have submitted material submittals for water and sewer construction, for which we are currently reviewing. Engineers may also be making minor revisions to the plans before submitting them to HUB for review and approval.

Airport Road Development: HUB met with the developers and engineers to discuss HUB's processes and requirements for water infrastructure. HUB is currently awaiting updated plans and drawings.

Infrastructure Planning Grant (IPG): Since our last meeting, TDEC approved HUB's Asset Management Plans (AMP) for both the water and sewer departments. Staff met with Cannon & Cannon on September 23rd to review the draft Sewer Master Plan. Work is expected to be fully complete for the current IPG project by end of October 2026. I am working on a new grant application for FY27 funding from the IPG program. I have been soliciting proposals from professional services firms (engineering and administrative), which I will present to the Board at the October meeting. The grant I'm currently writing would pay for an interconnection study and cost-of-service / long term rate strategy for HUB's Water Department.

Follow-up to Main Office Exterior Improvements: We are now seeking quotes to get the building pressure washed, including glue removal from the prior years' Christmas lights installations. We are also seeking quotes for asphalt resealing (including filling in the cracks, restriping, and asphalt patch repairs due to fiber install).

HUB Fiber/Broadband Department:

HUB Fiber – Customer Growth:

As of September 24, 2026, HUB Fiber serves 1,023 active customers, representing an approximate 13.6% 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 phone service as well.

Construction:

Mainline fiber construction and splicing is fully complete. We are receiving record drawings from our consultants and transitioning them to our in-house team for long-term maintenance of our mapping database.

Voice Services Progress:

This month, we billed our first 27 “test customers” for phone service. Our staff is now working on processes and procedures for service orders for new phone installations, which is a little more in-depth than our internet installers are used to.

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 received new yard signs matching the “You’re Connected” theme. We also celebrated our “1,000th customer” this month and got some great photos and videos on site. Lastly, we are getting our splicing trailer partially wrapped in the coming weeks to match our fiber vans.

SmartTown:

Lastly, staff successfully launched free public Wi-Fi service during the City’s Labor Day festival. Over 100 vendors utilized our “vendor Wi-Fi” network that day, which seemed to be very much appreciated.

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 123. The crew also installed more than 6,000 feet of underground residential distribution (URD) primary to serve four new customers.

Streetlight Maintenance: The light maintenance crew replaced 23 city streetlights with LED fixtures. The crew is also awaiting parts needed to repair several decorative lights along Morgan Avenue and Walden Street.

ROW Updates: The right-of-way crew has been catching up on outstanding notes and has begun trimming the downtown circuit.

TVA Electric Vehicle Fast Charger Network: In August 2026, 51 unique drivers used the charging station, resulting in 151 sessions (down from 164 in July). As of September 23rd, 35 unique drivers have used the charging station this month, for a total of 113 sessions.

Update on Utility-Scale Solar Project: HUB staff met with SolAmerica Energy on September 21st, during which they presented a financial analysis for their latest rate proposal. Enclosed is a summary of their proposal.

Gas Projects:

Gas Maintenance Work: Since last month's meeting, GWS crews completed one gas main leak repair. Routine gas system maintenance has continued. Staff also continue to receive training and address maintenance needs associated with HUB's gas regulator stations, transducers, odorant pumps, and related equipment.

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 four new water taps, repaired 11 water main leaks, and repaired four water service leaks. Crews also rebuilt the fire hydrant at Margrave & Lincoln, rebuilt the fire hydrant at Jamieson School on Margrave Drive, and replaced a fire hydrant at Clifty & Queen Street. Other water system work included installing approximately 400 feet of new 2-inch PVC water main on Bullard Ford Road and installing a new in-line water valve and replacing approximately 14 feet of 8-inch cast iron water main on Morgan Street. Routine maintenance and repairs throughout the distribution system have continued.

Downtown Water Main & Hydrant Repairs:

GWS crews addressed three significant water system repairs in the downtown area this month involving aging infrastructure and valves that made it difficult to isolate the affected sections.

Morgan Avenue: The water main leak on Morgan Avenue occurred on an 8-inch cast iron water main where an old service tap had failed and blown approximately a 12-inch section out of the main. Crews replaced approximately 14 feet of the 8-inch main and installed a new in-line valve as part of the repair. Several existing valves in the area were not functioning properly, which prevented the crew from immediately isolating the leak. The affected area ultimately had to be isolated by shutting valves back to Walden Avenue and Cumberland Street. During the repair, crews found five vacant service taps on the section of main that had been abandoned years ago. These abandoned taps represented additional potential points of failure and leakage.

Sewanee Street: The water main leak on Sewanee Street occurred on a 6-inch Transite water main where the main had failed around an existing service tap. Crews replaced approximately 6 feet of the main and installed a new in-line valve. Several valves in the area were not functioning properly, making it difficult to isolate the leak. Crews had to progressively shut additional valves in the surrounding area to reduce the flow to a manageable level so the repair could be completed.

Clifty Street & Queen Street: The leak at Clifty Street and Queen Street involved an older fire hydrant that was leaking at a leaded joint and was at risk of separating from the main. Due to non-functioning valves in the area, crews had to shut additional valves to reduce the water flow enough to safely make the repair. The crew installed a new auxiliary valve and replaced the existing hydrant with a new fire hydrant.

These repairs required additional time and effort because of the age and condition of the existing infrastructure and the number of valves in the downtown area that are no longer functioning properly. The work also provided an opportunity to replace sections of aging main and install new isolation valves that will improve HUB's ability to isolate future leaks and perform maintenance in these areas. Moving forward, staff wishes to implement an annual water main replacement program. This will be discussed further in an upcoming Board workshop.

Water Plant Updates: The water treatment plant continues to operate normally for this time of year. Our newest employee began training at the WTP on August 31 and completed his training on September 19, when he began working his regular shift at the plant. Routine water quality monitoring and treatment operations have continued throughout the month, with plant testing remaining within HUB's normal operating ranges.

Taste & Odor Investigation:

HUB staff received the first customer complaint regarding taste and odor on September 14th. As of September 23rd, we had received 11 customer requests for water quality testing. Staff responded to each complaint and conducted the water quality testing at our WTP. All test results to date have been within HUB's normal operating and testing ranges.

On September 16th, staff spoke with the Tennessee Association of Utility Districts (TAUD), which indicated that the symptoms were consistent with an algal bloom and recommended continued system flushing and close monitoring of the permanganate feed throughout all hours of plant operation.

On September 21st, staff spoke with Pace Analytical regarding the taste and odor concerns. Pace recommended testing for geosmin and MIB, compounds that can be produced by algae and contribute to earthy or musty tastes and odors. A sampling kit was received on September 22nd, and the samples were shipped to Pace Analytical on September 23rd. Staff are awaiting the laboratory results.

Staff also consulted with TDEC regarding the issue. Erich Webber, Drinking Water Fellow with TDEC's Division of Water Resources, recommended that HUB evaluate options for applying powdered activated carbon to the raw water as a potential treatment method if the issue is confirmed to be related to an algal bloom and if the issue should continue to persist. TDEC indicated that prolonged dry conditions can contribute to algal blooms in rivers and that improved river flow following rainfall may help alleviate the condition.

On September 22nd, TDEC Environmental Consultant Jessica Rader contacted HUB regarding additional testing for cyanotoxins associated with algae in the raw water. TDEC provided sample bottles for this testing, which HUB is awaiting as of September 23rd. Also on September 22nd, TDEC Environmental Consultant Greg Mize contacted HUB following a customer inquiry regarding the taste and odor issue. Staff discussed HUB's testing results with Mr. Mize, and he agreed that an algal bloom was a likely potential cause based on the circumstances. TDEC recommended that customers be advised that HUB's routine water quality testing and testing conducted in response to customer complaints have remained within normal ranges, while additional testing is underway to further investigate the source of the taste and odor.

HUB will continue to monitor the raw and finished water, respond to individual customer complaints, conduct additional testing as appropriate, and work with Pace Analytical, TAUD, and TDEC as results become available.

Lastly, HUB has asked engineers at Cannon & Cannon, Inc. to complete a quick design that can be sent to TDEC for approval. This design would show how and where to inject activated carbon into the raw water to alleviate future taste and odor concerns related to algae bloom.

2022 ARPA Water System Improvements:

Wolfe Branch Water Line and Pump Station: Construction of both the Wolfe Branch water line and pump station has been completed. Engineers and contractors are currently working through closing documents and final payments.

Sewer Projects:

Sewer Maintenance: Since last month's meeting, GWS crews cleared seven stopped-up sewer services and three stopped-up sewer mains. Crews also repaired a leak on the 6-inch cast iron pressure sewer main on South Roane Street in front of the TDOT building. Routine maintenance of sewer facilities and equipment has continued.

Sewer Plant Update: The wastewater treatment plant has continued to operate normally for this time of year. Staff completed cleaning the old SBR tanks (equalization tanks) and sent out the third-quarter testing on September 1st. HUB has also filed the required paperwork with the State for the upcoming DMRQA study, which begins October 13th. Outfall #1 has been used each day this month. Our linemen and GWS crews have continued to assist with maintenance and other work at the plant.

Agenda Item H-1:

Rate Change Amendment to the TVA Power Contract: As discussed with the Board at last month's meeting, TVA has approved changes to its wholesale power rates and related resale rate schedules, effective October 1, 2026. The changes include the new

wholesale rate schedule, corresponding updates to HUB's applicable retail electric rate schedules, revisions to certain manufacturing credits and eligibility requirements, and the addition of provisions related to new or expanded data service loads. These changes are part of TVA's system-wide rate and program modifications and were previously presented to the Board last month for informational purposes.

The attached Rate Change Amendment to HUB's TVA Power Contract (TV-52148A, Supplement No. 85) is the formal agreement between TVA and the City of Harriman (Harriman Utility Board) documenting these changes. The Amendment becomes effective October 1, 2026, and incorporates the new TVA wholesale rate schedule and applicable resale rate schedules into HUB's Power Contract. Board approval is needed to authorize execution of the Amendment so that the previously discussed rate changes can be formally incorporated into HUB's TVA Power Contract.

I recommend that the Board approve the TVA Rate Change Amendment to Power Contract TV-52148A, Supplement No. 85, effective October 1, 2026, and authorize me to execute the Amendment on behalf of the City of Harriman/Harriman Utility Board.

Agenda Item H-2:

Surplus Truck #136: HUB staff has requested that the Board declare Truck #136 surplus and allow it to be sold via public auction through JJ Kane or donated to the City of Harriman, if it suits their needs. 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 #136 could sell for approximately \$15,000 to \$20,000. Truck #136 was used in the ROW department before being removed from service in 2025 due to engine problems. We have spent a small amount to prepare it for auction.

I recommend the Board declare Truck #37 as surplus inventory and authorize its sale through JJ Kane Auctions or donation to the City of Harriman, as determined by the General Manager.

Agenda Item I:

TVA Total Monthly Fuel Cost: Enclosed is information from TVA regarding the Total Monthly Fuel Cost (TMFC) adjustments for October 2026. TVA says the October TMFC is 2% higher than historical October fuel rates.

Comparison of TMFC:

<u>Fuel Rate (cents/kWh)</u>	<u>July 2026</u>	<u>Aug 2026</u>	<u>Sept 2026</u>	<u>Oct 2026</u>
Standard Service	2.679	2.495	2.404	2.052
Large General Service	2.465	2.337	2.245	2.010
Large Manufacturing Service	2.463	2.324	2.203	2.000

Manager's Activity Report:

On September 1–3, I attended the annual meeting hosted by Enbridge, which included updates on the natural gas industry, particularly the transmission market. We can expect a rebate to be credited to HUB in the coming months, which will help offset a significant portion of the purchased gas cost increases experienced during FY26.

I attended two meetings this month with SolAmerica Energy regarding their ongoing desire to partner with HUB on a utility-scale solar facility.

On September 10, I attended the Tennessee Board of Utility Regulation's quarterly meeting in Nashville. On September 16, I met with the president of TCAT Harriman to receive an update on the former campus. HUB hopes to utilize portions of the property for storage in the near term and, ultimately, explore the possibility of purchasing the property. We were also informed that TCAT continues to host students in two programs at the former campus while they await equipment procurement for the new facility.

On September 22, I met with the General Manager of Rockwood Electric Utility and the Executive Director of TMEPA to discuss legislative issues that could affect HUB, REU, and other municipal utilities in the future.

Overall, September has presented some significant challenges, particularly within our water department. I am confident that the immediate issues we have experienced have been addressed and that many were related to seasonal conditions. At the same time, these challenges reinforce the importance of taking a long-term approach to infrastructure replacement. I am currently preparing for a Fall 2026 Board workshop to review HUB's infrastructure needs, priorities for replacement, and potential funding strategies.

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

Monthly Financial Reports: Financial reports for June 2026 are provided in your packet.

Important Dates:

- ❖ **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