HARRIMAN UTILITY BOARD
AGENDA
Monday, October 26, 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 select Administrative Services for the 2027 Infrastructure Planning Grant (IPG) Application.
2. Discussion and possible action to select Engineering Services for the 2027 Infrastructure Planning Grant (IPG) Application.
3. Discussion and possible action to approve a Commercial Property Lease with Option to Purchase for HUB Fiber/Broadband Department.
4. Discussion and possible action to authorize the General Manager to execute a Utility Easement Agreement with the State of Tennessee for TR# 25-06-010 located in the Clifty Creek State Natural Area in Morgan County, TN.
5. Discuss possible action to adopt updated "Purchasing Policies and Procedures".
6. Discuss possible action to approve RESOLUTION No. 2026-01 – A RESOLUTION REQUESTING THE COUNCIL OF THE CITY OF HARRIMAN, TENNESSEE, PROVIDE FOR THE ISSUANCE OF NOT TO EXCEED SEVEN MILLION SEVEN HUNDRED TWENTY-FIVE THOUSAND AND NO/100 DOLLARS ($7,725,000) IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BOND ANTICIPATION NOTE.

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 – November 2026
Electric Reliability Statistics – September 2026
Monthly Financial Reports – TBD

J. Adjournment

HARRIMAN UTILITY BOARD
MINUTES

Monday, September 28,2026

Present: Alicia Harris
Alfi Guindi
Lionel Moore
Shawn Smith

Candace Vannasdale

Absent: Jason Shillings

The meeting was called to order by Ms. Harris at 5:31 P.M. The prayer and pledge were then given.

Election of Officers: Mr. Guindi made a motion to keep Ms. Harris as chair, Mr. Smith as vice-chair, and Mrs. Courtney Walker as board secretary of the Harriman Utility Board. Mr. Moore seconded the motion. All in favor. Motion carried.

Ms. Harris asked if anyone in the audience would like to address the Board. None did.

Old Business Item #1 – Status/ Update on Ongoing Projects

Ms. Harris asked if there were any changes or corrections to the minutes for the regular August 28th meeting. Mr. Smith moved to accept the minutes as written. Mr. Moore seconded the motion. All in favor. Motion carried.

Ms. Harris asked whether the Board had any questions or comments regarding Old Business. She reminded the Board that the line items under Old Business would be addressed as needed, depending on the Board and Mrs. Vannasdale's need to discuss a particular item.

Mr. Smith inquired about the Emory Creek Subdivision, specifically asking approximately how many homes have been built to date. Ms. Harris also inquired about who within HUB oversees the project. Mrs. Vannasdale explained that Mr. Bullard oversees the electric project needs. For the Gas, Water & Sewer side, HUB has an in-house inspector who coordinates with the contractor. Mrs. Vannasdale added that HUB management had recently met with the developer to discuss project timelines and provide updates. Ms. Harris stated that she wants to ensure everyone is staying on top of the projects so that everything continues to run smoothly and efficiently. Mrs. Vannasdale reminded Ms. Harris that HUB does not approve building inspections or building plans; however, she assured the Board that HUB maintains a presence at the development. Mrs. Vannasdale also explained the steps HUB takes to oversee the utility-related work, including reviewing and ensuring

that plans pertaining to utilities have been approved and that the appropriate processes are followed.

Ms. Harris inquired about the Airport Road Development. Mr. Davis updated the Board on the current phase of the development, including information regarding the developer and the drawings that had been presented to HUB. Mr. Davis explained that HUB had reviewed the drawings and provided the developer with HUB's specifications. Mr. Davis further explained that the project is currently in the hands of the developer's engineer and is presently in the "drawing phase."

Ms. Harris inquired about the Infrastructure Planning Grant matching funds. Mrs. Vannasdale shared that the matching funds consisted of 5%, she believed.

Mrs. Vannasdale added that she had a few things she specifically wanted to address.

Ms. Harris commented on the exterior improvements to the main office and questioned why HUB was considering paying an outside party to pressure wash the building. She asked whether the pressure washing could be handled by a HUB employee rather than contracting the work out. Mrs. Vannasdale explained that the pressure washing could be performed by HUB staff; however, there were additional jobs being considered as part of the exterior improvements, including parking lot paving and other related work. Mr. Smith inquired about when the parking lot was last paved. Mrs. Vannasdale explained.

Mrs. Vannasdale shared with the board that HUB fiber continues to grow, sharing that fiber now serves roughly 1,040 customers. Mrs. Vannasdale also added that the board may notice a story shared by HUB regarding the 1,000th customer celebration.

Mrs. Vannasdale provided the Board with an update regarding the Utility-Scale Solar Project. She presented the financial analysis associated with the latest rate proposal and shared her current position regarding the proposal.

Ms. Harris informed Mrs. Vannasdale that she would like to address the downtown water main and hydrant repairs. Ms. Harris explained that she had personally experienced being without water and had noticed a recurring statement in the Board updates regarding "valve issues or non-functioning valves," particularly in the areas of Morgan, Sewanee, Clifty, and Queen Streets. Ms. Harris asked Mr. Davis to provide additional information regarding the valve issues.

Mr. Davis explained that many of the valves are no longer functioning due to their age. He stated that HUB crews have had to work back through the system to locate valves that are still operational in order to isolate sections of the water system when repairs are necessary.

Ms. Harris stated that she appreciated the updates and photographs provided by HUB but questioned why the non-functioning valves were not simply replaced. Mr. Davis explained that replacing valves can result in customers being without water for an extended period, sometimes for days, depending on the location of the valve and the work required to replace it. Mr. Davis also stated that the City of Harriman could potentially "run out of water" if extensive work were performed on the system at one time.

Mr. Davis explained that when a pipe is being repaired or replaced, a repair band can be installed as part of the work. He stated that, in his opinion, the downtown area is in need of a comprehensive infrastructure replacement project.

Mrs. Vannasdale explained that there is a process by which the valves can be replaced individually and noted that Mr. Davis had been researching the associated costs. She also explained that one of the challenges is installing new valves on existing, aging pipes.

Mr. Davis provided an example from a recent situation in which the Gas, Water & Sewer Department was working in the area to repair a leak. The required repair material did not properly fit the existing pipe. Upon researching the particular material and pipe system, Mr. Davis discovered that the material platform associated with the pipe dated back to approximately 1908 and 1916. He shared this information with the Board to illustrate the age and severity of the existing infrastructure.

Mr. Davis also brought a section of pipe to the Board meeting to demonstrate the condition and age of the existing water infrastructure. He stated that, in his opinion, the best approach for addressing the downtown infrastructure would be to work one street at a time and replace both the water and sewer lines as part of the process.

Ms. Harris noted that Kingston had experienced similar water issues around the same time as HUB customers, indicating that the challenges appear to extend beyond HUB and may reflect broader aging infrastructure issues throughout the county.

Ms. Harris asked whether the valve issues and related water system work could affect fire hydrants. Mr. Davis explained that flow tests are conducted in coordination with the Fire Department. He further explained that pressure must sometimes be released from the water system in order for work to be performed, which was the reason water was released through hydrants during the recent work.

Ms. Harris expressed her appreciation to the HUB employees for their hard work, particularly during circumstances such as those discussed. She agreed that improvements to the infrastructure are necessary and stated that action will need to be taken, whether by the current Board and staff or by future generations.

Mr. Davis agreed, explaining that addressing the infrastructure needs will take considerable time and could require millions of dollars in investment. He also emphasized that the condition of the infrastructure is not a new issue and that these problems have existed for many years, including prior to the current Board and previous management, adding that the cost is high and requires help from the state in funding when you consider everything that would have to be done, including removal and adding on the asphalt after work is complete.

Ms. Harris asked Mrs. Vannasdale whether grants were being considered as a potential source of funding to address the infrastructure needs discussed. Mrs. Vannasdale explained that HUB is actively exploring grant opportunities that could potentially assist with the improvements needed.

Mrs. Vannasdale shared that HUB has received Community Development Block Grant (CDBG) funding for more than two decades. She explained that these grants have historically been used for water and sewer projects; however, water loss was scoring higher at the time and became the priority for funding. Mrs. Vannasdale also explained that American Rescue Plan Act (ARPA) funds were redirected to City projects and that, due to current restrictions, HUB does not qualify for CDBG funding at this time.

Mrs. Vannasdale presented an additional potential funding option for the Board's consideration and discussed the possibility of utilizing a loan to fund infrastructure replacements. She explained that state loan programs may offer low-interest financing. Mrs. Vannasdale stated that she would like to hold a Board workshop to further discuss these funding options and explore what it would take to establish a long-term, “100-year replacement cycle” for the system's infrastructure. She also noted that there are currently limited grant opportunities available outside of economic development programs.

Mr. Davis then discussed a recent situation involving Harriman Middle School being without water for a limited period of time. He explained that there were likely additional non-functioning valves farther back in the system than originally anticipated, as there should have been no reason for water flow not to reach Harriman Middle School.

Mr. Smith shared that the County had previously inquired about the estimated cost of replacing the water infrastructure at the schools. He stated that Harriman Middle School had the lowest estimated replacement cost in the County, at approximately 40%, and suggested that there may be water lines leaking or breaking beneath the school. Mr. Smith stated that, given the condition of the infrastructure and the school's flushing system, the situation was not surprising.

Mr. Davis expressed his sincere concern regarding the condition of the system and emphasized the need to address these infrastructure issues.

Ms. Harris expressed the importance of water and the need to make a plan regarding the future of replacement, adding that the water interruption that happened recently will most likely happen again.

Ms. Harris brought to the board the complaints about the water's smell and taste. Mrs. Vannasdale explained that it is a separate, unrelated issue. Mr. Davis explained the temperature was over 90 degrees for over 20 days and was due to heat and algae exposure.

The board took a few minutes to view the pipe demonstration.

Mrs. Vannasdale informed the Board that draft financial reports were included in the Board packet for review, with additional financial information to be presented following the completion of the audit. She briefly discussed some potential expectations related to the Water Department audit and outlined the necessary steps HUB will need to take in response to the audit, including the State's requirement for a rate study.

Mrs. Vannasdale also informed the Board that a grant application is due at the end of October. She explained that she is applying for an Infrastructure Planning Grant that would align with the 20-year capital plan previously developed for HUB by Cannon & Cannon. She stated that the grant funds would also be used to conduct an interconnection study.

Mrs. Vannasdale explained that, if the grant is awarded, she would like the consultant conducting the interconnection study to consider neighboring utilities that HUB could potentially connect with in the event of an emergency. She stated that the goal would be to identify potential interconnections that could provide additional system support and improve HUB's ability to respond to emergency situations.

Ms. Harris revisited the concern regarding the unpleasant taste and odor of the water reported by customers. Mrs. Vannasdale addressed the concern and reviewed the reasons previously discussed for the issue. She also shared with the Board that HUB is considering several measures that could be implemented to help prevent or reduce the occurrence of water taste and odor issues in the future, even though this does not happen often.

New Business Item #1- Discuss and possible action to approve a Rate Change Amendment to HUB's TVA Power Contract

Mrs. Vannasdale reminded the Board, as discussed with the Board in last month's meeting. This rate change amendment affects one customer in the coming years. This amendment edits HUB's contract to reflect such change. Mrs. Vannasdale explained this is TVA's attempt to protect residential, commercial, and industrial users from subsidizing the cost of the extra burden put on systems by data centers.

Mr. Smith made a motion to accept the Rate Change Amendment to HUB's TVA Power Contract. Mr. Moore seconded the motion. All in favor. Motion carried.

New Business Item #2- Discussion and possible action to declare the existing Truck #136 as surplus.

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. City personnel have looked at the truck and believe that the city could use the truck. Mrs. Vannasdale recommended the Board declare Truck #136 as surplus inventory and authorize the donation to the City of Harriman, as determined by the General Manager.

Mr. Moore made a motion to approve the declaration of Truck #136 as surplus and to allow Truck #136 to be donated to the City of Harriman. Mr. Guindi seconded the motion. All in favor. Motion carried.

Board Member, General Manager, General Counsel, and Staff Comments:

Mrs. Vannasdale provided the Board with brief explanations of informational items included in their board packets.

Mrs. Vannasdale noted that since HUB redesigned the customer bills several months ago to provide additional detail and explanations, Customer Service has received an increase in customer questions. She explained that Customer Service employees have been communicating with customers that the Fuel Cost is not a new charge, but rather a charge that has always been included and fluctuates based on the fuel costs paid by TVA. Mrs. Vannasdale praised the Customer Service team for doing a great job explaining the charge and its fluctuations to customers.

Mrs. Vannasdale also reviewed the September rate included in the Board packet, noting that it was approximately 11% higher due to increased natural gas prices.

Mrs. Vannasdale shared with the Board that she toured Holston Electric Cooperative and described the experience as amazing.

Mrs. Vannasdale also shared with the Board rate change information she had gathered while attending TVA meetings. As of the latest meeting, TVA plans to adjust rates. Mrs. Vannasdale reminded the Board that TVA's adjustment is exhausted at this time.

Mrs. Vannasdale expressed that Mr. Lambert and his accounting team are working hard on closing out activities, and after it is complete, monthly financial reports will continue. .

Ms. Harris addressed the Board and asked whether any Board members had additional comments or matters they wished to share.

Mr. Gunidi stated that he wanted to “plant the seed” regarding fluoride treatment in the water system. He explained that seeing the reference to fluoride in the water quality reports prompted him to consider the fact that some utilities are evaluating or discontinuing the use of fluoride in their water treatment processes.

Mr. Gunidi noted that the topic has also been a subject of discussion at the state level in Tennessee and wanted to bring the matter to the Board’s attention for future consideration. He stated that he was not familiar with the specific process that would be required but noted that the Secretary of Health has advocated against adding fluoride to drinking water. Mr. Gunidi stated that he wanted the Board to begin considering whether and how HUB may address the use of fluoride in its water treatment process in the future.

Mr. Owings reminded the board of a brief executive session following the board meeting.

Mr. Guindi made a motion to adjourn the meeting. Mr. Moore seconded the motion. All in favor. Motion carried.

Meeting adjourned.

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SECRETARY CHAIRMAN

Agenda Item F-1:

Administrative/Multi-Department:

HUB Organizational Chart Updates: HUB currently has 79 full-time and 4 part-time employees (excluding Board members). HUB is currently seeking candidates to fill vacancies in the Accounting and GWS Departments.

Emory Creek Subdivision Phase 2: HUB met with the utility contractor for Phase 2 again this month. Utility construction is expected to begin in mid-November.

Infrastructure Planning Grant (IPG): Work is expected to be fully complete for the current IPG project by end of this month. I am working on a new grant application for FY27 funding from the IPG program. This will be discussed under New Business.

HUB Fiber/Broadband Department:

Customer Growth: As of October 22nd, HUB Fiber serves 1,133 active customers, representing an approximate 15.1% take rate toward our long-term goal of 40% (active customers versus total passings).

Construction: Expanded to three drop crews to help reduce the current installation backlog and increase installation capacity.

Telephone Services: Began billing telephone customers; approximately 35 customers now receive service.

Fiber Mapping: Began training with Crescent Link, a fiber-mapping solution that integrates with our existing mapping software and will improve documentation of our fiber network.

SCADA Fiber Connectivity: Received all necessary equipment to begin connecting our SCADA devices to the fiber network, improving the use of our fiber infrastructure for utility operations.

Enterprise Services: We currently have five enterprise customers, continuing our expansion into business and commercial services.

Wholesale Fiber Opportunity: We are working with Highland Telephone to establish them as a wholesale customer. Because Highland is part of the IRIS network, this relationship could create opportunities to provide fiber connectivity to various corporate-type entities across our footprint.

Electric Department:

Line Crew Update / New Services & Maintenance: The line crew has installed 7 new electric services this month, bringing the year-to-date total to 130.

ROW Updates:

In-House Crew: The right-of-way crew has been catching up on outstanding notes and trimming trouble lines to assist the line crew with maintenance needs.

Contractor Crew: Our contractor, Dark Horse Electric, began work last month and will be working on the Oakdale Circuit over the next nine months.

TVA Electric Vehicle Fast Charger Network: In September 2026, 47 unique drivers used the charging station, resulting in 162 sessions (up from 151 in August). As of October 22nd, 31 unique drivers have used the charging station this month, for a total of 108 sessions.

Gas Department:

Gas Maintenance Work: Since last month's meeting, GWS crews completed two gas taps, repaired two gas service leaks, and decommissioned four gas services. Crews also completed monthly gas system sniffs, rectifier and casing inspections, and gas main patrols. Staff attended the TGA Safety Summit in Murfreesboro to support ongoing gas safety training and professional development.

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

Water Department:

Water Maintenance & Water Loss Updates: Since last month's meeting, GWS crews completed five new water taps, repaired five water main leaks, and replaced five water service leaks. Crews also bush-hogged numerous sewer and water line rights-of-way, patched numerous road cuts using approximately 20 tons of asphalt, and completed quarterly water blow-offs. Additional work included placing a new layer of gravel on the driveways to the Crab Orchard and Boswell Chapel water tanks. Staff have focused on water loss reduction efforts throughout town, including locating, listening for, and GPS-mapping water mains, services, valves, and meters. Several leaks have been identified and repaired through these efforts. Staff are also working with Kent Bowman of Bowman Backflow and GWS management to strengthen HUB's backflow prevention processes, procedures, and recordkeeping.

Water Plant Updates: The water treatment plant continues to operate normally. On October 1, HUB received cyanotoxin sampling results from TDEC indicating levels were below the drinking water advisory level. On October 6, HUB received finished water Geosmin and MIB sampling results from Pace Analytical. The sample showed an MIB level of 33 parts per trillion, which helps explain the taste and odor issues experienced earlier in the month. On October 20, FCx Services completed quarterly instrumentation calibration at the plant. Routine water quality monitoring and treatment operations have continued throughout the month. Lastly, HUB staff received a proposal from Ardurra (Cannon & Cannon, Inc.) for professional

engineering services to assist us with the evaluation, design, and implementation of a powdered activated carbon (PAC) feed system at the existing raw water intake

2022 ARPA Water System Improvements:

Wolfe Branch Water Line and Pump Station: These projects are complete. We processed final pay requests and closeout documents, and submitted a final reimbursement request to the State.

Sewer Department:

Sewer Maintenance: Since last month's meeting, GWS crews cleared two stopped-up sewer mains and one stopped-up sewer service. Crews have continued maintenance at sewer lift stations, including operating a diesel bypass pump through the Cardiff pump station force main to help scour and remove accumulated buildup. Staff also pulled the SBR tank pit pump at the wastewater treatment plant due to a failed bearing, returned Pump #3 to service at the Woody Street pump station after repairing a corrosion hole in the volute, trimmed rights-of-way at the Hardee's, Cherry Street, and Walnut Hill pump stations, and replaced the belts on Pump #2 at the Ladds pump station. Routine maintenance of sewer facilities and equipment has continued.

Sewer Plant Update: The wastewater treatment plant continues to operate normally for this time of year. Staff attended spray school in Franklin on October 6–7, began pressing the digester on October 19, and began testing for the DMRQA study during the week of October 19. Outfall #1 has been used each day this month. HUB staff and crews continue to support plant operations and maintenance as needed.

Agenda Item G-1:

Administrative Services for IPG 2027 Application: After issuing a Request for Qualifications (RFQ) to three potential firms on September 18, 2026, HUB received a proposal from Community Development Partners, LLC (CDP) for professional services related to the FY2027 Infrastructure Planning Grant application and anticipated project administration. I recommend that HUB select CDP to provide grant administration and related professional services for the proposed water system interconnection study and cost-of-service/long-term rate strategy, contingent upon the award of grant funding. HUB has worked with CDP on numerous grant-funded projects in the past, and I am confident in their ability to provide quality service and effectively support this project. CDP's assistance will help ensure that grant requirements, reporting, project coordination, and other administrative responsibilities are appropriately managed throughout the project. If the grant is awarded, the contract scope, terms, and applicable fees will be finalized through negotiation with CDP and presented to the HUB Board for approval before services are authorized.

I recommend that the Board select Community Development Partners, LLC (CDP), contingent upon the award of grant funding and successful negotiation of contract terms, scope, and fees, subject to Board approval.

Agenda Item G-2:

Engineering Services for IPG 2027 Application: After issuing a Request for Qualifications (RFQ) to three potential firms on September 18, 2026, HUB received proposals from Ardurra Group, Inc. (formerly Cannon & Cannon, Inc.), SSR, and C2RL, Inc. for professional engineering services related to the FY2027 Infrastructure Planning Grant application. I recommend that HUB select Ardurra Group, Inc. to perform the proposed water system interconnection study and cost-of-service/long-term rate strategy, contingent upon the award of grant funding. The interconnection study will evaluate potential opportunities to connect with neighboring water systems, identify options to improve system resiliency and redundancy, and support HUB's long-term water system planning. The cost-of-service and long-term rate strategy will strengthen financial planning and decision-making for HUB's Water Department by establishing a framework for long-term financial stability, including a funding plan for capital improvements identified in HUB's long-term plan. Together, these efforts will provide valuable information to guide infrastructure investments and support the long-term sustainability of HUB's Water Department. If the grant is awarded, the contract scope, terms, and applicable fees will be finalized through negotiation with Ardurra Group, Inc. and presented to the HUB Board for approval before services are authorized.

I recommend that the Board select Ardurra Group, Inc., contingent upon the award of grant funding and successful negotiation of contract terms, scope, and fees, subject to Board approval.

Agenda Item G-3:

Commercial Property Lease with Option to Purchase for HUB Fiber/Broadband Department: I recommend that the Board consider and recommend approval of a Commercial Real Estate Lease with Option to Purchase between Harriman Utility Board (HUB) and 3-D Enterprises for the property located at 705 Trenton Street, Harriman, Tennessee. The proposed lease stipulates a monthly rental rate of $3,000. The building will provide secure storage for materials, supplies, and equipment necessary for the ongoing construction, operation, and maintenance of HUB's Fiber/Broadband system. Additionally, the property includes finished space that crews could use for meetings, computer work, project planning, and coordination of field activities. The lease also includes an option for HUB to purchase the property for $300,000, subject to the terms and conditions outlined in the agreement. This option would provide HUB with the opportunity to evaluate the long-term value of acquiring the property for its operational needs.

I recommend that the Board approve the enclosed Commercial Real Estate Lease with Option to Purchase, with the understanding that any future purchase of the property would require separate approval by the HUB Board.

Agenda Item G-4:

Utility Easement Agreement with the State of Tennessee for TR# 25-06-010: I recommend that the Board authorize the General Manager to execute a Utility Easement Agreement with the State of Tennessee for TR# 25-06-010, located within the Clifty Creek State Natural Area in Morgan County, Tennessee.

The easement was requested by HUB staff and approved by the State in connection with HUB's proposed water interconnection project with Cumberland Plateau Water Authority. Although both parties have agreed to defer the construction phase at this time, securing the easement will preserve the necessary property rights should the project move forward in the future.

Agenda Item G-5:

Updated "Purchasing Policies and Procedures": Enclosed for your review and possible approval are updates to the HUB Purchasing Policies and Procedures. These changes clarify the authority of the General Manager to execute certain documents on behalf of HUB.

Agenda Item G-6:

Electric System Financing – Bond Anticipation Note: Enclosed for your consideration is a resolution requesting that City Council authorize a bond anticipation note (BAN) of up to $7.725 million.

HUB has $8.725 million remaining in authorized borrowing under the 2024 Electric System Bond Resolution. However, because the City issued bonds earlier this year, the amount that can be issued in 2026 is limited to $7.725 million.

Our final costs for the 2024 bond resolution are still being determined, and our available cash is beginning to decline as we spend the proceeds from the 2025 bonds. The proposed BAN would provide additional cash to keep fiber construction moving while giving us time to finalize project costs and evaluate the best approach for permanent financing.

The BAN would have a two-year maturity, with interest-only payments during that period. The anticipated interest rate is expected to be lower than the approximately 5.15% to 5.25% currently available for 30-year financing. More importantly, this approach gives us the flexibility to refinance and permanently finance the borrowing before the two-year maturity, potentially when long-term interest rates are more favorable.

The $7.725 million is the maximum amount proposed for this year, not necessarily the final amount we will need to borrow for the completed project. If final construction costs exceed that amount, we could address the additional funding needs as part of the permanent financing process, subject to the applicable authorizations.

The resolution before the Board does not itself issue the debt. It formally requests that City Council approve the BAN and authorizes the Board to comply with the provisions of

the City's resolution, including applying electric system revenues toward debt service as provided for in that resolution.

I recommend that the Board approve the resolution so we can move forward with the City Council's consideration of the BAN at its November 3 meeting.

Agenda Item H:

TVA Total Monthly Fuel Cost: Enclosed is information from TVA regarding the Total Monthly Fuel Cost (TMFC) adjustments for November 2026. TVA says the November 2026 average fuel rate is 26% higher than October's rate and 19% higher than historical fuel rates for the month. The higher rate is driven by increased expectations for November gas prices in addition to the true-up amount from a much warmer than normal September, where actual fuel expenses were 36% ($106M) higher than forecast due to higher sales and purchased power prices.

Comparison of TMFC:

Fuel Rate (cents/kWh)	Aug 2026	Sept 2026	Oct 2026	Nov 2026
Standard Service	2.495	2.404	2.052	2.612
Large General Service	2.337	2.245	2.010	2.509
Large Manufacturing Service	2.324	2.203	2.000	2.424

Manager's Activity Report: On September 29th, I attended a signing ceremony with TVA and the U.S. Nuclear Regulatory Commission (NRC) for the Clinch River Unit 1 Construction Permit. Governor Bill Lee, Senator Marsha Blackburn, Representative Chuck Fleischmann, and Representative Tim Burchett also attended this historic event. On October 6th, I attended the Harriman City Council meeting. On October 17-20, I attended the annual Calix ConneXions conference with our Network Engineer, Cody Vineyard. It was exciting to hear from the executive team about Calix's investment in artificial intelligence to strengthen its products. A major theme this year was keeping up with a pace of change that we've never seen before.

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

Monthly Financial Reports: TBD

Important Dates:

- **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 p.m.

- **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
- **Friday, January 1st** – HUB Closed for New Year's Day
- **Monday, January 18th** – HUB Closed for Martin Luther King Jr. Day
- **Monday, January 25th** – HUB Board Meeting at 5:30 p.m.