

OCOEE UTILITY DISTRICT

BOARD OF COMMISSIONERS MEETING

February 23, 2026

OCOEE UTILITY DISTRICT OFFICE 1:00pm

ATTENDANCE: Shawn Willis, Hank Wilson, Ben Witt, Eric Brooks, Larry Kidwell, Ross Colona, Jason English, Amber Mcdaniel, Daniel Peterson, Andrea Witt, Deane Runion, Clay Underdown, Melanie Lawson, Kathy Wolfe

The pledge to the United States Flag led by Shawn Willis.

Meeting called to order at 1:00 by President Shawn Willis.

Roll Call: Shawn Willis and Hank Wilson were present.

Approval of January Minutes –Have been moved to the March Board Meeting.

Public Comments:

1. Melanie Lawson had three questions for the board:

- Is there any new financing in progress. Ben Witt stated that there was not any new financing currently being sought by the utility.
- What corrective actions are in place regarding TDEC's findings and what timelines are in place for the corrections? Ben asked if Ms. Lawson was referring to the water loss and stated that it is being addressed and that there is the potential for a USDA loan capped at \$5M to help with the process.
- Is OHM still engaged in any projects? Ben stated that OHM is completing two current projects and that Inflo Design Group is now the utility's new engineering consultant.

Financials:

1. December financial approval:

-Shawn moved to accept the December financials. Hank seconded the motion. Ryan was absent. December financials were approved.

2. January financials approval:

-Hank moved to accept the January financials. Shawn seconded the motion. Ryan was absent. January financials were approved.

Old Business:

Bond Counsel Invoice:

-No update regarding payment of bond counsels outstanding invoice which is still in review with Ben Gastel.

Leak adjustment request -Mr and Mrs Wolfe:

-The board has considered Mr. Wolfe's request for relief from his water leak invoice and decided to continue with policy to not make an adjustment. Mrs. Wolfe questioned the amount of time it takes to notify customers of leaks. Ben and Nikki explained the process of meter reading and that it could take up to a month for notifications. It was noted that they had provided two notifications: one in October and another in November.

-In the process of looking at the Servline protection Ben discovered that additional coverage could be provided to customers at a slightly higher rate adding coverage up to \$5000 with two conditions; one being that there must be proof of the repair by an invoice of the repair and the water bill must be twice the average normal bill amount to qualify.

-Daniel Peterson provided the cost of water based on a cash flow evaluation which revealed the current cost of water at \$10.27 per 1000 gallons. Mr. Wolfe's leak was charged at \$10.75 per 1000 gallons. No adjustments will be made per policy.

-Shawn requested that a new policy be drafted to consider writing off the difference between the cost of water above what the Servline protection would provide.

-Ross Colona suggested that the utility seeks the counsel of TAUD to see what other utilities are doing for customers with extreme water leak charges and to make a change to policy before implementing any relief for large charges.

-Mrs. Wolfe was advised to continue paying her monthly invoice and would be notified if any adjustments were to be made.

New Business:

1.The Regular Board Meeting in May 2026 will be held Tuesday, May 26 th at 1:00 pm due to the observance of Memorial Day. Impact Fund Award presentation to follow.

President__**Yes**__ Vice President__**Yes**__ Secretary__**Absent**__
Adopted__**Yes**__

2. Dedicate the clear well at Carpenter Springs as:

“The Blake Davis Memorial Clear Well at Carpenter Springs”

President Yes Vice President Yes Secretary Absent
Adopted Yes

Management Report

Distribution:

Total leaks: 39
Total Gallons: 10,278,620
Flushing: 58,500
BCFD: 8,500
Total Main leaks: 19
Total Service Leaks: 20
Total HDPE Leaks: 18
New Meter sets: 8
Meter Change Outs: 5
Water loss: 51%

Wastewater:

- Wastewater rates increase letters were mailed out to sewer customers Tuesday, 1-20-26. So far, we have good responses to the information and the context.
- Scott Gibson, Jason English and I are still in communications awaiting a direction to discuss financing options for the Phase 2 portion of the Old Parksville Rd. Wastewater treatment plant. We are weighing options of a 2-year BAN for the flexibility of being able to wrap in more dollars (if needed) after the expiration of that BAN. More details to follow.
- Clay has reached out to 3 different fencing contractors to enclose the assets, drip fields and building, at Brighton Ridge WWTP. Since the road has been paved at the development, traffic has increased significantly and that is not a good thing for the fields as dirt bikes and trucks drive off the roads and turn into the fields. Clay has prepared a statement and has provided the 3 quotes for your review and approval in the Board Packet. We will still need to obtain accurate surveys and record them properly in OUD's name prior to installation.

- Central States Water Resources (CSWR) reached out to the District in regard to purchasing the Johnston Estates WWTP. We will continue to follow up and update the Board with this potential opportunity.
- SOP 22022 Graywood Farms North WWTP will be abandoned by the District officially due to lack of development and the property is no longer for sale. This is the project that is outside of the District's boundaries close to the airport where we were approached by a developer to operate the facilities after it was placed into service. The cost associated with maintaining the SOP is \$350.00 per year and will not expire until 2028. Clay has researched the process of abandonment and has followed those instructions and submitted the information TDEC. A copy is in your Board Packet for reference.
- Clay and his crew continue work out in the drip fields at Brighton Ridge and Johnston Estates wastewater treatment plants to continue to stay in compliance.

Water Plant:

- The Purifics Pilot is fired up and in the "optimization phase." The treatment staff met with the Purifics representative this week to discuss measures of success.
- The installation of the new well pump at Wildwood WTP is complete. We are not quite to 100%; however, staff and contractors are working tirelessly to obtain satisfaction.

Operations and Administration:

- (still relevant) Working with Kirk Morris at USDA/RD on options for the re-tooled Water plant/Water line project. What I am working toward is using force account labor to dramatically reduce the amount of cost for our efforts on the water loss mitigation, and Jason English is working on updating the PER with the Capital Improvement/Force Account labors resumes. This will bolster our chances for using our own workforce by demonstrating our abilities.
- We have de-obligated the grant dollars associated with the previous USDA/RD Project.
- Our Attorney has completed his review of the information sent by Bond Council in regard to the Bradley/ Pat A. Invoice. A copy of the letter that was

drafted and approved by Board President and Management was sent to Pat A. This copy is in the Old Business section of the Board Packet.

- Office management staff are in the process of reviewing all customer itemized billing information to verify the current surcharge rates for items like booster pump customers, and Forest Service customers are meeting the costs to provide services to those residents. i.e. electric bills for those pump stations and required leases are covered from the forest service for having waterlines on National Parks property.

General:

- **Servline Leak Protection** Insurance changes are coming May 15th 2026. Due to the number of claims to the program (99%-Leak loss) the rates will increase. This was an opportunity for the District to review the coverages and see if there are options to get a higher limit for leaks. The answer is yes but with “qualifiers.” Servline has provided us with a couple of options for the Board to review. The quotes are in your Board Packet.
- **Bad Debt review.** In the recent management reports, I have made the Board aware of District staff’s continued efforts to recover bad debt in-house. This reflects a savings in fees associated with the collection process, and staff has been successful in those efforts. There’s becoming an increasing issue with large dollar amounts of bad debt and Management staff would like to begin to update the Board on this matter. To start with, I have asked for the large “Bad Debt” customers and the individual collection status of that debt. Example:
 1. In-House collections,
 2. 3rd party collectors, and
 3. Lein JudgmentsIf this is something the Board would like to continue seeing, I will generate a report.

Engineering:

- There is a lot to cover, and Jason English will be at the Board meeting Monday to elaborate. Mostly the Old Parksville Rd. WWTP updates and USDA/RD progress.
- TDEC review of the SOP Contingency Approval email copy letter sent by Jason English is in the packet for the Boards review. This is summary of the meeting that we had with TDEC, the Developers, engineering and Management requesting some leeway with capacity during the interim so the

developers can begin to sell lots. We have a follow up meeting Thursday 2-19-26. Details to follow in the engineering report.

- Old Parksville Ridge Development OHM PS #03 discrepancies. I've attached a summary of the ongoing discussions over the development invoice for revisions from gravity to STEG sewer to the design.

Engineering Report

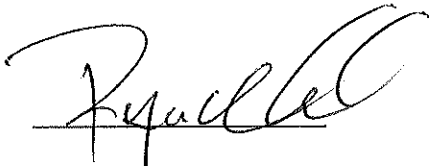
CAPITAL IMPROVEMENT PROJECTS

- Old Parksville Road WWTP
 - Haren Construction provided a deductive change order \$6,540,00 to install the drip field only. Original bid was \$9,987,000. The revised amount is \$3,447,000 including \$250,000 contingency and \$90,000 allowance for three valve sheds.
 - ARP funds remaining are approximately \$2,923,840.
 - Obtaining proposals from DSH & Associates (Doug Hodge) to:
 - redesign 100,000 gpd treatment system with Orenco Advantex units and utilize existing approved Fox PE drip design.
 - redesign treatment system and drip field.
 - Discussed work packages and pricing with Contractors and Suppliers.
 - Coordinated with Southeast TN Dev. District on project funding.
- Rymer Rd Force Main
 - Recommend District have OHM complete design from 90% to 100% under contract and obtain TDEC approval.
 - Recommend District self-perform installation of 4-inch force main to new treatment plant.
 - Recommend District cancel project awarded to B&B.
 - B&B Underground bid \$1,149,898.
- Old Parksville Ridge
 - Met with TDEC and David May on Feb. 9 to discuss provisional approval of revised SOP to include flow from new development.
 - Discussed projected flows and estimated schedule.
- USDA Water Line Replacement

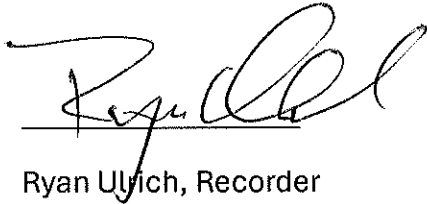
- Need to amend existing Ball Rd. WTP Prelim. Engineering Report to include water line replacement scope items and workplan for force account labor.
 - OUD to purchase pipe and appurtenances with USDA funds; use force account to install pipe. USDA will want review force account team capabilities and availability.
- Will need engineering agreement for reporting and design services. USDA will need to review.

Adjournment:

Shawn adjourned the meeting at 2:22pm.

A handwritten signature in black ink, appearing to read 'Ryan Ulrich', written over a horizontal line.

Ryan Ulrich, Secretary

A handwritten signature in black ink, appearing to read 'Ryan Ulrich', written over a horizontal line.

Ryan Ulrich, Recorder