OCOEE UTILITY DISTRICT

BOARD OF COMMISSIONERS MEETING

September 28, 2026

OCOEE UTILITY DISTRICT OFFICE 1:00pm

This review draft becomes the official record only when the Board adopts it.

Members & Others Present

Board of Commissioners

- Shawn Willis, President (presiding)
- Hank Wilson, Vice President
- Ryan Ulrich, Secretary

Staff present

- Ben Witt, General Manager
- Andrea Witt, Financial Director
- Niki McDaniel, Office Manager
- Clay Underdown, Wastewater Supervisor

Others present

- Stuart Johnson, Johnson, Murphey & Wright, P.C., the District's auditors
- Daniel Peterson, the District's financial advisor
- Justin Ball, Tennessee Consolidated Retirement System (TCRS)
- Jason English, District Engineer, IDG (Inflo Design Group)
- Larry Kidwell, Kidwell & Company

Attendance is taken from the sign-in sheet.

A. Call to Order

Meeting called to order at 1:00 p.m. EDT by President Willis.

B. Pledge of Allegiance

President Willis led the Pledge of Allegiance to the Flag of the United States of America.

C. Roll Call

President Willis present; Vice President Wilson present; Secretary Ulrich present. Quorum established.

D. Approval of the August 24, 2026 Board Meeting Minutes

The August 24, 2026 Board Meeting minutes (included in the packet, pp. 3-16) were presented.

Motion by Vice President Wilson, seconded by Secretary Ulrich, to approve the minutes. **Vote: President yes, Vice President yes, Secretary yes (3-0). Minutes adopted.**

E. Public Comment Section

No public comment was offered.

F. Financials

1. August 2026 Financial Report (packet pp. 18-30).

The August 2026 report, the second month of fiscal year 2027, shows:

	August	Budget, month	Year to date	Budget, year to date	% of YTD budget
Total operating revenue	$806,885	$817,205	$1,628,467	$1,634,409	100%
Total operating expenses	$520,807	$565,088	$1,085,434	$1,130,176	96%
Net operating income	$286,078	$252,117	$543,034	$504,234	108%
Statutory change in net position	$245,218	$190,491	$468,200	$380,983	123%
Total change in net position	$266,176	$190,491	$489,158	$380,983	128%

- Total change in net position includes **$20,959** in capital contributions and grants, which were not budgeted.

Balance sheet and key ratios, end of August:

Item	End of August
Total assets and deferred outflows	$39,153,087
Total liabilities	$26,073,276
Net position	$13,079,811
Cash for operations	$1,633,703
Cash restricted	$1,950,220
Asset depreciation (target 40%-50%)	33.85%
Debt-to-equity (target under 100%)	199%
Days cash on hand, current spending annualized (target over 365)	112
Days cash on hand, June 30, 2026 annual operating expenses (target over 365)	124
Quick ratio (minimum 1.50)	1.60
Debt service coverage (minimum 1.20)	2.57
Operating ratio including depreciation (target 120%)	150%

- The report now carries a "June 2027 Budget - YTD" column showing the full-year budget, and a "% of Budget To Date" column.

Motion by Secretary Ulrich, seconded by President Willis, to approve the August 2026 financial report. **Vote: President yes, Vice President yes, Secretary yes (3-0). Financial report adopted.**

2. Bank Reconciliation Report. Reviewed. No vote was taken.

G. Old Business

1. TCRS Actuarial Study Results (packet pp. 31-52).

The study shows what it would cost the District to join the Tennessee Consolidated Retirement System. USI Consulting Group prepared it, with a valuation date of January 1, 2027. It prices three TCRS plan designs (Plan 1, Plan 2 and Plan 3), with and without cost-of-living benefits (Plan 3 must include them), under three scenarios for crediting employees' past service. Every figure assumes employees contribute 5% of pay once involved with in the retirement plan.

Justin Ball of TCRS presented the study.

Motion by President Willis, seconded by Vice President Wilson, to enter executive session to discuss the TCRS Actuarial Study. **Vote: all in favor (3-0). Motion adopted.** The Board went into executive session at 1:10 p.m. and returned to open session at 2:19 p.m.

Motion by President Willis, seconded by Secretary Ulrich, to join TCRS under Plan 3 (hybrid), crediting 10 years of past service, with the District purchasing 5 years and employees able to purchase up to 5 years. For that plan and scenario the study shows:

	Plan 3, with cost-of-living benefits
One-time employer past service contribution	$739,907
Annual employer contribution rate	2.23% of payroll

Vote: President yes, Vice President yes, Secretary yes (3-0). Motion adopted.

2. Other: FY2026 Audit Presentation.

Stuart Johnson of Johnson, Murphey & Wright, P.C. presented the District's audited financial report for the fiscal year ended June 30, 2026. The report states:

- Opinion: **unmodified**.
- Material weaknesses: **none**. Significant deficiencies: **none reported**. Material noncompliance: **none**. Prior-year findings: **none**.
- Total net position **$12,603,667** at June 30, 2026, up from **$9,965,670** a year earlier (+26.47%). Change in net position for the year **$2,637,997**.

Motion by Secretary Ulrich, seconded by Vice President Wilson, to accept the FY2026 audited financial report. **Vote: all in favor (3-0). Audit report accepted.** The General Manager e-mailed the audited report to the Commissioners after the meeting.

H. New Business

1. Revised Advertising Policy (packet pp. 54-57).

The policy replaces the Advertising Policy at Tab 1 in full. Its main points:

- Every advertisement must tell the reader something about the District, its service or how to reach it. A payment that buys only the District's name or a bare sponsorship mention is not advertising and may not be paid from District revenues.
- The policy does not authorize donations or gifts of District revenues. Charitable giving is governed by T.C.A. § 7-82-304(b).

- No advertising may support or oppose a candidate, party or ballot question. No advertising may promote an individual.
- The General Manager approves advertising within the adopted budget. Anything beyond it needs Board approval.
- Records are kept at least ten years. The Board reviews the policy at least once a year.

Motion by President Willis, seconded by Secretary Ulrich, to adopt the revised Advertising Policy. **Vote: President yes, Vice President yes, Secretary yes (3-0). Policy adopted.**

2. Revised Capital Improvements Policy (packet pp. 59-64).

The policy replaces the Capital Improvement Policy adopted September 18, 2013 in full. Its main points:

- A capital improvement project is work costing **$10,000** or more that will serve the District for more than one year.
- The General Manager prepares a **five-year** capital improvement plan and presents it to the Board each year with the proposed budget. The Board adopts the plan each year; adopting the plan does not approve any single project.
- The policy sets an order of priority, led by work required by a court order, permit or regulation, then work to protect public health or safety.
- No project may start until its funding is provided for. A project that is not in the adopted budget or will cost more than budgeted needs Board approval.
- In an emergency the General Manager may act without prior approval, only as far as needed to protect public health and safety and restore service, and reports the work and its cost at the next regular meeting.
- Project records are kept for the life of the asset plus three years. The Board reviews the policy at least once a year.

Motion by Secretary Ulrich, seconded by Vice President Wilson, to adopt the revised Capital Improvements Policy. **Vote: President yes, Vice President yes, Secretary yes (3-0). Policy adopted.**

3. Board Resolution 2026-007, New Credit Card Issuance (packet pp. 66-68, 82).

The resolution approves a new Builtwell Bank credit card for **Tommy McDonald**, Distribution Manager, with a **$7,500.00** limit. It also raises the District's master credit limit to **$15,000.00**. The District's Sam's Club Business Mastercard (Synchrony Bank, account ending 2584) was closed September 17, 2026 because the account owner could not be changed from the former General Manager to the current General Manager.

Motion by Secretary Ulrich, seconded by Vice President Wilson, to adopt Resolution 2026-007. **Vote: President yes, Vice President yes, Secretary yes (3-0). Resolution adopted.**

4. December 2026 Board Meeting Date Change.

Motion by Vice President Wilson, seconded by Secretary Ulrich, to move the December 2026 Board meeting to **Monday, December 21, 2026 at 1:00 p.m. Vote: President yes, Vice President yes, Secretary yes (3-0). Motion adopted.**

I. Management Reports (Ben Witt, General Manager)

The General Manager's written report is in the packet, pp. 70-77.

1. Distribution.

Item	Amount
Total leaks	52
Main leaks	18
Service leaks	33
Service replacements	2
Gallons lost to leaks	11,271,100
HDPE	17
Flushing (gallons)	46,500
BCFD	632
PCFD	N/A
New meter sets	14
New sewer taps	0
Meter change-outs	37
Gallons pumped	128,659,346
Gallons used	57,339,432
Unaccountable loss	71,319,914
Water loss	61%

Water loss was 41% the month before. The General Manager reported the water loss data is skewed. Staff are reviewing it to find the errors. He will update the Board on the results.

USDA / Rural Development. Work continues with Kirk Morris of USDA Rural Development and the District Engineer on a water main replacement strategy that can still use USDA's funding.

2. Wastewater Updates.

- **ARPA / SWIG funds, revised scope to engineering planning.** TDEC has preliminarily approved Bradley County's amendment request. It is pending final administrative review, after which the contract amendment goes out for signature.
- **Johnston Estates.** Staff are installing check valves, distribution zone valves and pressure gauges for each zone. They are still finding installation problems at the site. The drip fields are in good condition.
- **Brighton Ridge.** The plant continues to improve.

3. Water Plant Updates.

- **Purifics pilot.** The pilot is now tuning the feed rate to keep removing PFAS. Results from samples taken June 26, 2026 (packet pp. 76-77) show every regulated PFAS compound in the treated water below EPA limits. These pilot results do not count as compliance samples.
- The plant continues to maintain compliance and produce high-quality water.

4. Operations / Administration.

- **FY2026 audit.** Presented under Item G.2.
- **TBOUR.** The District was removed from the Tennessee Board of Utility Regulation's (TBOUR) Financially Distressed Utility District designation and from TBOUR's administrative review on September 10, 2026.
- **Policy revisions.** Two policies a month will come to the Board until the manual is fully revised.
- **TCRS study.** Covered under Item G.1.
- **AMP grant.** Nearing completion. The procurement amount was amended to remove an ArcGIS Pro subscription the District already has.
- **TNOSHA inspection, September 24, 2026.** The inspection went well, with suggestions on overloaded electrical circuits and an unlabeled container of used motor oil.

5. General.

1. **Old Parksville Ridge development.** The wastewater design has been submitted to TDEC; covered further under Item J.
2. **Brighton Ridge property.** The quit claim deed contract from Mike Crittenden and David May was received and sent to President Willis. It will go with the rest of the information to the District's attorney, Ben Gastel, to complete the purchase.
3. **Meadowcrest water availability letter.** The General Manager and District Engineer sent a September 9, 2026 water availability letter to Ben Berry, PE, of Berry Engineers for Meadowcrest, 447 lots on Benton Pike (packet pp. 78-81). The developer must upsize the Benton Pike main from 4-inch to 8-inch, from Old Parksville Road to the development entrance, at the developer's expense. The letter is valid for 120 days.

4. **Sam's Club.** The District has closed its Sam's Club account; see Resolution 2026-007 under Item H.3.
5. **Ball Road property.** Information for selling the property is being gathered and sent to President Willis.
6. **Impact Fund.** The application period ends September 28, 2026. A thank-you letter from the Polk County Public Libraries' 2026 Summer Reading Program is in the packet (p. 88), with the program's newsletter (pp. 84-87).

J. Consultants / Engineers, Update on Current Projects (Jason English, IDG / Inflo Design Group)

IDG's Board Update is in the packet, pp. 90-91.

- **Old Parksville Road WWTP.** IDG is presenting a task order for the preliminary design phase. It starts with a Preliminary Design Report setting design flow, treatment process and equipment. It also includes a bid package for clearing the existing drip disposal area. IDG recommends the District keep talking with Benton about a regional connection as a long-term strategy.
- **Rymer Road force main.** OHM is addressing TDEC's comments. No change since last month.
- **USDA water line replacement.** Scope is being set; the Preliminary Engineering Report will then be amended.
- **Washboard Road water main.** Final plans are ready for TDEC submittal.
- **Hydraulic model.** Calibration continues. The model is needed for the pressure calculations in the Old Parksville Ridge and Washboard Road TDEC submittals.
- **Asset management plans.** No change since last month.
- **Risk and resiliency.** The 2026 AWIA Risk and Resiliency Plan was submitted to EPA at the end of June 2026. The Emergency Response Plan is due at the end of 2026.
- **Development projects.** IDG is building a standard workflow and template letters for developments.
- **Old Parksville Ridge.** TDEC's wastewater section commented on the construction plans; a conference call with TDEC is being scheduled. Water main plans go to TDEC's drinking water section once the model is further calibrated.
- **Benton Pike.** The betterment share to be assigned to developers is being determined. IDG has a task order for the Benton Pike water main replacement.

Motion by President Willis, seconded by Vice President Wilson, to approve IDG's task order for the preliminary design phase of the Old Parksville Road WWTP. **Vote: all in favor (3-0). Task order approved.**

K. Adjournment

There being no further business, motion to adjourn by President Willis, seconded by Vice President Wilson. **Vote: all in favor (3-0). Meeting adjourned at 3:09 p.m. EDT.**

Ryan Ulrich, Secretary

Ryan Ulrich, Recorder

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