

## SEPTEMBER 2016 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, September 21, 2016 at Noon at 2470 Volunteer Parkway, Bristol, Tennessee.

### **Call to Order**

Chairman Clarke called the meeting to order at Noon.

### **Present**

Larry Clarke, Michelle Denise, Patrick W. Hickie, Jr., Gary McGeough and Jonathan Roberts.

### **Staff**

CEO R. Michael Browder, Director of Engineering Clayton Dowell, Director of Management Services Tara McCall and Director of Accounting and Finance Lola McVey.

### **Minutes**

Minutes of the August 2016 meeting were presented. Mr. McGeough made a motion to approve the minutes and Mr. Hickie seconded and the motion was approved.

### **Financial Report**

The Financial Statement for July and August 2016 was presented for review and discussion and filed for audit as submitted. Dr. Browder reported that the Load Factor for August was 69.26% because the weather was more constant than usual. The CEO reported that cable, Internet and telephone customers increased by 120 in August that resulted in 155 additional services.

### **Safety Report**

Ms. McCall reported that the safety meeting this month was for all employees and was about Workplace Violence with an emphasis on active shooter situations. She also reported that Matt Proffitt has returned to work part time doing regular lineman work on a graduated schedule. Ms. McCall reported that our insurance company performed a facility safety study. Other topics discussed related to facility safety were gun permits, safety measures in Customer Service including use of a panic button and installation of an emergency exit door. How BTES employees deal with irate customers was discussed in our weekly Customer Service meetings. The irate customer issue/process was also discussed such that field workers who feel threatened or in some type of danger should contact the BTES dispatcher or call 911 to get assistance.

### **TVA Fuel Cost Adjustment**

Dr. Browder reported that the Monthly Fuel Cost for the month of October decreased slightly. The Monthly Fuel Cost is forecasted to decrease slightly in the next few months.

### **TVA/BTES Rate Schedules**

Dr. Browder presented Rate Schedules to become effective October 1, 2016 reflecting TVA's wholesale rate increase. After discussion, Mr. Hickie made a motion to approve all schedules as presented and amend the Outdoor Lighting Rate Schedule LS Part A last paragraph about athletic field lighting to remove "When so authorized by policy duly adopted by the BTES' governing board" and change "customer's benefit" to "governmental customer's benefit" as has been our current practice. Mr. McGeough seconded the motion and the Board approved it unanimously.

## CEO's Report

### Local Origination Channel

Dr. Browder reported that live high school football games are going well and we have received lots of compliments on the quality of the broadcast. We will begin to get commitments from schools for next season as soon as this season is over. The Sullivan County Director of Schools and the leadership from Sullivan East and Sullivan Central have expressed enthusiasm about future broadcasts. In a discussion about the actual production of events, Dr. Browder indicated that existing BTES employees are being cross trained to learn the actual operation of equipment and BTES has also used a couple of students who have camera experience to support operations.

### Pending Items

#### Mobile Substation

Mr. Dowell reported that the mobile substation will be ready for final inspection in late October and is still on schedule to be delivered in November.

#### WISE Switches

Ms. McVey reported that all water heater control switches (WISE 2) have been ordered and will be received in the coming months. Mr. Clarke requested a schedule of expected shipments of completed WISE switches and an installation schedule.

#### Prepay

We are working with SEDC and Carina to develop specifications on a Meter Data Management System in order to handle the type and amount of interval data we collect on all of our meters.

### Board Comments:

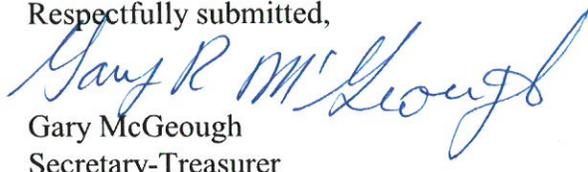
Mr. Hickie reported that he will be reviewing the underwriting procedures for the Economic Development Loan Program and reporting to the Board.

This past month, the Bristol Herald Courier reported a front page article regarding the Virginia State Audit that raised some 57 accounting, policy and procedure issues made by Bristol Virginia Utilities. In an effort to make sure that BTES did not have any exposure to similar or potential issues, Mr. McGeough wanted to discuss a number of issues highlighted in the said article. Dr. Browder and Ms. McVey addressed all the questions and concerns and indicated that BTES has policies and procedures in place and that BTES would have no identified exposure to similar concerns.

Mr. Clarke inquired about the status of the Round Up program and the Tennessee Attorney General's opinion on the "opt out" option. We will proceed with a marketing plan to implement an opt in Round Up program and guidelines for the use of the funds. Mr. Clarke also requested that after the TVPPA Accounting and Finance Conference the BTES Board discuss market erosion and impacts of solar products.

There being no further business to come before the Board, the meeting was adjourned. The next meeting is scheduled for **Wednesday, October 19, 2016 at Noon.**

Respectfully submitted,

  
Gary McGeough  
Secretary-Treasurer