

## **JANUARY 2022 BOARD MINUTES**

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, January 19, 2022 at noon at 2470 Volunteer Parkway, Bristol, Tennessee.

### **Call to Order**

Chairman Downs called the meeting to order at 12:00.

### **Board Members Present**

Erin Downs, Vince Turner, David Akard III, Larry Clarke and Doug Harmon

### **Staff Present**

CEO Mike Browder, Director of Engineering Clayton Dowell, Director of Management Services Tara Ellis and Director of Accounting and Finance Lola McVey

### **Others Present**

Attorney C. Thomas Davenport

### **Energy Supply Equipment Ownership**

Mr. Davenport informed the Board about an inquiry he had received about energy supply equipment ownership.

### **Minutes**

Chairman Downs asked if there were any corrections to the minutes of the December board meeting, which had been previously distributed. The minutes were approved by general consensus.

### **Safety Report**

Ms. Ellis reported that BTES has completed 550,509.90 safe working hours from September 7, 2017 to December 31, 2021 without a lost time accident. There was a lost-time accident on January 6, 2022. A safety meeting will be held later in January for outside employees on Aerial Device Safety.

### **Financial Reporting**

#### **Electric Business Unit**

Ms. McVey presented the December 2021 financial reports. She reported that December was milder than normal and last year which is reflected in power purchases. Conservation loans and load management devices are continuing to increase. The refunding of our bonds was completed on December 7 and that transaction is reflected in December financial statements. The refunding will save BTES customers over \$3 million.

There are 256 PrePay customers as of December 31, 2021.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 41,405.5	\$ 39,802.6
Other Electric Revenue	\$ 3,144.9	\$ 3,315.0
Other Income	\$ 110.8	\$ 127.1
Total Operating Expense	\$ 43,992.7	\$ 42,889.6
Non-Operating Expense	<u>\$ 915.3</u>	<u>\$ 531.0</u>
<b>Electric Net Income (Loss)</b>	<b>\$ (246.8)</b>	<b>\$ (175.9)</b>
Operating & Maintenance Expense	<b>\$ 3,629.5</b>	<b>\$ 3,850.6</b>
Broadband Net Income	<b>\$ 2,471.9</b>	<b>\$ 939.3</b>

### Advanced Broadband Services Business Unit

Ms. McVey reported that in December 2021 the number of cable and telephone services decreased but the number of Internet services increased by 46. Residential 1 Gig Internet service increased by 27 in December.

### TVA Monthly Fuel Cost

Dr. Browder indicated that the February 2022 monthly fuel cost will decrease to \$.02104 per kWh for residential (RS) customers.

	January 1, 2022	February 1, 2022
	Fuel Cost	Fuel Cost
<b>500 kWh</b>	\$13.30	\$10.52
<b>1000 kWh</b>	\$26.60	\$21.04
<b>1500 kWh</b>	\$39.90	\$31.56
<b>2000 kWh</b>	\$53.20	\$42.08

### Approval of Nokia Technical Assistance Center Coverage for 2022

Dr. Browder presented a proposal for technical support from Nokia through their Technical Assistance Center for 2022 for \$110,336.20. This is critical support for our network equipment. The amount has increased \$4,096 over last year due to an increase in customers. Mr. Turner moved to approve the proposal and Mr. Clarke seconded the motion. The motion was unanimously approved.

### Approval of In Lieu of Tax Resolution

Dr. Browder presented the In Lieu of Tax Resolution to pay the maximum taxes for the fiscal year ending June 30, 2022, as provided by Tennessee State Law and the TVA contract. By way of the Resolution, the BTES Board recommends to the City Council that BTES pay the maximum tax equivalent as per Chapter 84 of the Public Acts of the State of Tennessee for 2022 which is:

Sullivan County, Tennessee	\$ 550,256.40
Washington County, Tennessee	\$ 963.45
Buff City, Tennessee	\$ 9,427.37
City of Bristol, Tennessee	<u>\$1,884,936.75</u>
<b>Total</b>	<b>\$ 2,445,583.97</b>

After discussion, Mr. Clarke moved to approve the resolution. Mr. Turner seconded the motion and the Board voted unanimously to approve the In Lieu of Tax Resolution.

### **Approval of International Brotherhood of Electrical Workers (IBEW) Labor Agreement for 2022-2025**

Dr. Browder reviewed the proposed changes to the IBEW Labor Agreement for 2022-2025.

The requested changes by Local Union No. 934 are:

- Article IV
  - Change effective dates to 2/1/2022 to 1/31/2025, continuing a three-year agreement.
- Article IX
  - Classification and Minimum Rate of Pay per Hour, following TVA Wages with effective dates as follows: February 1, 2022, January 1, 2023, January 1, 2024. The TVA wage increase is based on the wage rate for TVA lineman performing regular maintenance work and miscellaneous operating work and is indexed to all other positions accordingly.

Recommended changes from BTES:

- Article VI
  - Added paragraph.  
2. When BTES employees are engaged to assist other electric systems following a major interruption in service (“major outage”), upon leaving the BTES service territory, the employee shall be paid as follows: (a) If BTES and/or TVPPA, TMEPA, APPA or a Cooperative is party to a work restoration or mutual aid agreement with another statewide organization, cooperative or municipal electric system the provisions of that agreement shall prevail. (b) Absent a restoration agreement or mutual aid agreement, which includes agreed upon labor rates, BTES employees shall be paid at one and one half times their regular rate of pay from the time they commence their travel to the assisted system, and for all time worked, including meal breaks, travel time returning to their home system, but not including rest time of more than twenty (20) minutes.

After discussion, Mr. Harmon made a motion to approve the Labor Agreement, Mr. Akard seconded and the motion passed unanimously.

### **General Power Deposit Discussion**

Dr. Browder presented a process to determine security requirements for GSA3 and Non-Standard customers. This process is based on how TVA secures their risk for their direct serve customers based on credit rating by either Moody, Standard and Poor’s or Fitch rating. Mr. Clarke made a motion for the Board to endorse this procedural change for management. Mr. Harmon seconded and the motion was approved.

### **Pending Items**

#### **Internet Reliability**

Mr. Dowell reported that the two 50 gig circuits from Atlanta and Charlotte are in progress. We have also added another 10 Gig circuit from our current provider. The Seven States fiber project is progressing with 37 local power companies involved.

**CEO Report**

Dr. Browder reported on the Existing Industry report and provided a video update on the South Bristol Delivery Point.

**Board Comments**

Mr. Akard mentioned the APPA Legislative Rally and how COVID restrictions would affect the activities of the conference.

Chairman Downs adjourned the meeting.

Respectfully Submitted,

A handwritten signature in cursive script that reads "David Akard III". The signature is written in black ink and includes a stylized flourish at the end.

David Akard III, Secretary