

## FEBRUARY 2023 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, February 15, 2023 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, Doug Harmon and John Vann

### Staff Present

CEO Clayton Dowell, Vice President of People Operations Tara Ellis, Vice President of Engineering David Hacker and Vice President of Finance Lola McVey

### Addition to Agenda

Chairman Downs requested that an agenda item for Transformer Purchase be added to the agenda. Mr. Turner made a motion to add the agenda item, Mr. Akard seconded and the motion passed.

### Minutes

Chairman Downs asked if there were any corrections to the minutes of the January board meeting which had been previously distributed. There were no corrections, and the minutes were approved by general consensus.

### Safety Report

Ms. Ellis reported that BTES has completed 139,719.6 safe working hours from January 6, 2022 to January 31, 2023 without a lost time accident. The February safety meeting for all employees was on Right to Know, Blood Borne Pathogens and Emergency Action Plan.

### Reliability Report

Mr. Hacker presented the outage data for January 2023. He reported 21.0 average customer minutes of outage for the month.

### Financial Reporting

#### Electric Business Unit

Ms. McVey presented the January 2023 financial reports. She reported that we billed for some power in January that we paid for in December which shows in Net Income for the month. Maintenance expense includes about \$80,000 related to outages caused by weather. We have 369 Prepay customers as of January 31, 2023.

<b>\$(000)</b>	<b>YTD Actual</b>	<b>YTD Budget</b>
Electric Sales	\$ 56,654.5	\$ 50,737.0
Other Electric Revenue	\$ 3,907.9	\$ 3,960.7
Other Income	\$ 605.3	\$ 137.4
Total Operating Expense	\$ 59,973.2	\$ 54,732.4
Non-Operating Expense	<u>\$ 355.2</u>	<u>\$ 564.9</u>
<b>Electric Net Income (Loss)</b>	<b>\$ 839.3</b>	<b>\$ (462.2)</b>
Operating & Maintenance Expense	\$ 6,683.0	\$ 6,405.1
Broadband Net Income	\$ 2,125.7	\$ 3,051.8

### **Advanced Broadband Services Business Unit**

Ms. McVey reported that in January 2023 the number of cable services decreased by one hundred four (104), the number of telephone services decreased by sixty-three (63) and the number of Internet services decreased by fifty-one (51). In January, we added fifty-two (52) 500 Mb customers and lost five (5) 1 Gigabit customers.

### **TVA Monthly Fuel Cost**

Mr. Dowell indicated that the March 2023 monthly fuel cost will decrease to \$.02832 per kWh for residential (RS) customers.

	<b>February 1, 2023</b>	<b>March 1, 2023</b>
	<b>Fuel Cost</b>	<b>Fuel Cost</b>
<b>500 kWh</b>	\$18.04	\$14.16
<b>1000 kWh</b>	\$36.07	\$28.32
<b>1500 kWh</b>	\$54.11	\$42.48
<b>2000 kWh</b>	\$72.14	\$56.64

### **Approval of Foundation and Steel Erection at South Bristol Substation**

Mr. Dowell presented a proposal for the construction and structural steel assembly for the South Bristol Substation. We requested proposals from known vendors and placed an advertisement in the Bristol Herald Courier. We received one quote from Davis H. Elliott for \$2,190,283.27. Mr. Turner made a motion to accept the proposal and Mr. Harmon seconded the motion. It was approved unanimously.

### **Purchase of Transformers**

Mr. Dowell reported that in September 2021, we issued a Purchase Order to WESCO for the purchase of twenty (20) padmount transformers in the amount of \$49,400.46. We received an update from the manufacturer that the price has now increased to \$60,005.36 for the same order with additional increases expected. We are requesting authorization to approve up to a total of \$100,000 for price changes for this order. Mr. Turner made a motion to authorize the CEO to approve adjusting this Purchase Order up to \$100,000 for price increases. Mr. Akard seconded and the motion passed unanimously.

### **2022 Year End Review**

Mr. Dowell reported as of December 31, 2022 that 47 percent of employees had perfect attendance. We installed 428 water heaters and 145 Load Management Devices in 2022 for a total of 17,655 devices on customer water heaters. The energy savings loan programs continued to grow in 2022 by adding 51 heat pump loans and five energy savings loans. Average outage time was 111 minutes per customer which is above our stated goal of sixty minutes. Mr. Dowell reviewed the causes of the largest outages. He also reviewed that the Automated Account Manager had answered 75,408 customer inquiries for arrangements, balance of bill, due date, last payment made and last day to pay. He also reviewed the payments made through that system.

### **CEO Report**

#### **Vegetation Management**

Mr. Dowell provided an update on the vegetation management project. There are about 100 additional crew members currently working. He reported that there are some negative comments but overall the project is going well.

#### **Legislative Update**

Mr. Dowell reported that there is legislation proposed that would increase the utility manager's purchasing limit from \$50,000 to \$100,000. If the General Assembly passes the bill, then the local Board could increase the purchasing limit up to \$100,000.

**Contract Review**

Mr. Dowell reported that Senior Leadership has started reviewing contracts. The Asplundh contract is under review now.

**March Board Meeting**

Due to conflicts of Board members, the March Board meeting was changed to March 20.

**Pad Ready Site**

Mr. Dowell reported that there is a prospect that is interested in the large pad ready site in the Bristol Business Park. They are not ready to purchase at this time but there may be a twelve-month option on the property.

**Customer Concern**

There was discussion about a customer's billing concern related to their distributed generation account. The Board wanted to make sure that there were processes in place to make sure the error would not be repeated and that it was not affecting other customers.

**Strategic Planning Process**

Mr. Dowell reported that we were beginning our Strategic Planning Process. Chairman Downs stated that now is the time for Board members to provide any feedback into the process if they have any.

**Board Comments**

No further Board comments.

Chairman Downs adjourned the meeting.

Respectfully Submitted,

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

David Akard III, Secretary