

APRIL 2023 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, April 19, 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

Minutes

Chairman Downs asked if there were any corrections to the minutes of the March 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 162,493.64 safe working hours from January 6, 2022 to March 31, 2023 without a lost time accident. The April safety meeting for outside employees was on Golden Rules of Grounding.

Reliability Report

Mr. Hacker presented the outage data for March 2023. He reported 7.3 average customer outage minutes for the month and 29.2 for the year.

Financial Reporting

Electric Business Unit

Ms. McVey presented the March 2023 financial reports. She reported that in March we sold less kWh than in the previous March. She also reported that maintenance expenses continue to be above budget because of storm expenses, cyber powers and tree trimming. Other income is up due to the increase in interest rates.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 72,465.8	\$ 66,324.3
Other Electric Revenue	\$ 5,037.8	\$ 4,881.3
Other Income	\$ 948.8	\$ 178.6
Total Operating Expense	\$ 75,877.2	\$ 69,806.8
Non-Operating Expense	<u>\$ 457.8</u>	<u>\$ 726.3</u>
Electric Net Income (Loss)	\$ 2,117.4	\$ 851.1
Operating & Maintenance Expense	\$ 8,546.3	\$ 8,149.2
Broadband Net Income	\$ (1,239.7)	\$ 3,978.1

Advanced Broadband Services Business Unit

Ms. McVey reported that in March 2023 the number of cable services decreased by seventy-six (76), the number of telephone services decreased by fifty-nine (59) and the number of Internet services increased by twenty-nine (29). In March, we added forty-nine (49) 500 Mb customers and gained five (5) 1 Gigabit customers.

TVA Monthly Fuel Cost

Mr. Dowell indicated that the May 2023 monthly fuel cost will increase to \$.02583 per kWh for residential (RS) customers.

	April 1, 2023	May 1, 2023
	Fuel Cost	Fuel Cost
500 kWh	\$11.28	\$12.92
1000 kWh	\$22.55	\$25.83
1500 kWh	\$33.83	\$38.75
2000 kWh	\$45.10	\$51.66

Approval of Nokia Technical Assistance Center Coverage for 2023-2027

Mr. Dowell presented a proposal for technical support from Nokia through their Technical Assistance Center. This is critical support for our network equipment. We have reduced the overall cost by selecting a five-year agreement for \$551,168.50. This term locks in support pricing for the next five years and will be billed annually. Mr. Akard moved to approve the proposal and Mr. Vann seconded the motion. The motion was unanimously approved.

Approval of Resolution for Tennessee Unclaimed Property Refund

Ms. McVey presented a Resolution for Tennessee Unclaimed Property. When Unclaimed Property Funds have been sent to the State of Tennessee and unclaimed after eighteen months, BTES can file for a refund of those funds. We are requesting a refund of the \$10,761.67 in funds submitted in 2021 that have not been claimed. To process our request, the State of Tennessee requires a Resolution to be passed by the BTES Board of Directors. Mr. Turner made a motion to approve the resolution. Mr. Harmon seconded the motion and the Board voted unanimously to approve the Resolution.

Strategic Business Plan Highlights

Mr. Dowell and Ms. McVey reviewed highlights from the Strategic Business Plan. A draft of the plan was sent as part of the April Board packet. They reviewed major projects for the upcoming fiscal year. They also stated that no electric rate increases were planned, and additional maintenance expenses have been added for tree maintenance. They noted that almost half of the Capital Budget expenditures planned for FY 2024 were for South Bristol Primary and other substation projects. The Advanced Broadband Business Unit budget includes increases in the price for cable products to more closely match programming costs. The budget also projects decreases in Internet, telephone and cable services for the next fiscal year. Additional Vegetation Management is also planned.

CEO Report

Vegetation Management

Mr. Dowell reported that the Vegetation Management Project is continuing and showing results in reducing the number of outages in those areas. The debris removal process is also working well.

Transformer Update

Mr. Dowell and Mr. Hacker reported that we have received a couple of transformers in the last month and 17 for the year. The transformer situation has not prevented BTES from providing service to customers thus far.

Contract Review

Mr. Dowell reported that Senior Leadership have completed the review of the Asplundh contract and Tom Davenport has also reviewed it. It was determined there is not a current need to renegotiate the contract. Senior Leadership will continue reviewing other contracts that have been discussed and provide future updates to the board.

TV+ Update

Mr. Dowell reported that we are in the first round of testing and in early May we should have employees testing the new platform. We are planning a soft go live around June 1. At that time, we will stop offering IPTV to new customers.

Rio Grande Fence Company

Mr. Dowell reported that Tom Davenport received a letter on behalf of Rio Grande with certain demands. We have made an offer, but they have not accepted it.

JA Street and Associates

Mr. Dowell provided an update on the dispute over transformers.

Shanks Road Customer

Mr. Dowell reported that there is a customer on Shanks Road that is refusing to let us cut the trees on his property. Several people have talked to him, but the customer says he will fight us. Tom Davenport has prepared a letter stating that our Rules & Regulations provide us the right to trim or remove any vegetation or obstructions and that it may become necessary to file a suit.

Ribbon Cutting

Mr. Dowell reported that we are planning a Ribbon Cutting at The Pinnacle for the Electric Vehicle chargers. TVA and the State of Tennessee will be involved. We are tentatively planning for May 25. Updates will follow.

Board Comments

Mr. Turner commented that he had heard that Bristol has lost developers because of the transformer shortage. Mr. Dowell stated that BTES staff are not aware of any such situation.

Mr. Harmon asked about ways to lower the peak demand. Mr. Dowell said the best way is cycling water heaters and our Dispatchable Voltage Regulation (DVR) program.

Chairman Downs asked about the impact of Electric Vehicles on the demand. Mr. Dowell stated that we have been evaluating Time-of-Use rate options, which would incentivize usage at night, which is off peak.

Chairman Downs adjourned the meeting.

Respectfully Submitted,



David Akard III, Secretary