

AUGUST 2021 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, August 18, 2021 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 Dr. Mike Browder, Director of Engineering Clayton Dowell, Director of Management Services Tara Ellis and Director of Accounting and Finance Lola McVey

Minutes

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

Safety Report

Ms. Ellis reported that BTES has completed 498,841.10 safe working hours as of July 31, 2021 without a lost time accident. A safety meeting was held on August 3 for outside employees on Substation Safety and Security.

Financial Reporting

Electric Business Unit

Ms. McVey presented the June 2021 financial reports. She reported that we bought more kWh in fiscal year 2021 than in 2020 but paid less for it. In fiscal year 2021, conservation loans to customers increased by 83 and load management devices on water heaters increased by 443 to 17,457.

She also reported that the large negative amount in Administrative and General Expense is due to year end Other Post-Employment Benefits (OPEB) and Tennessee Consolidated Retirement System (TCRS) entries. These entries account for investment gains, actuarial differences, changes in assumptions and post measurement date contributions for the year.

Ms. McVey also reported that TVA has extended the Pandemic Relief Credit for another year and has changed the name to the Pandemic Recovery Credit. The credit amount did not change.

There are 207 PrePay customers as of July 31, 2021.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 80,801.4	\$ 82,146.3
Other Electric Revenue	\$ 6,427.9	\$ 6,642.0
Other Income	\$ 327.1	\$ 883.7
Total Operating Expense	\$ 82,188.0	\$ 87,171.7
Non-Operating Expense	<u>\$ 1,261.9</u>	<u>\$ 1,037.7</u>
Electric Net Income (Loss)	\$ 4,106.5	\$ 1,462.6
Operating & Maintenance Expense	\$ 9,596.5	\$ 11,157.2
Broadband Net Income	\$ 3,451.1	\$ 1,872.2

Advanced Broadband Services Business Unit

Ms. McVey reported that in July 2021 the number of cable services decreased by 44 and the number of telephone services decreased by 26. Internet services increased by 72 and total customers increased by 43.

Recommending Resolution to the City Council

Dr. Browder presented a Resolution Recommending to the City Council of the City of Bristol, Tennessee, the Issuance and Sale of Federally Taxable Electric System Revenue Refunding Bonds, Series 2021 of the City of Bristol, Tennessee; and Recommending the Adoption of a Resolution Authorizing the Issuance and Sale of Said Bonds. The resolution also recommended that the Bonds be sold at a competitive public sale, Oakdale Municipal Advisors serve as Municipal Advisor and Bass, Berry & Sims PLC as Bond Counsel. Ms. McVey stated that refinancing the existing bonds would save over \$2.8 million over the life of the bonds. After Board discussion, Mr. Clarke made a motion to adopt the Resolution and Mr. Akard seconded the motion. The Board approved it unanimously.

TVA Monthly Fuel Cost

Dr. Browder indicated that the September 2021 monthly fuel cost will decrease to \$.01932 per kWh for residential (RS) customers.

	August 1, 2021	September 1, 2021
	Fuel Cost	Fuel Cost
500 kWh	\$10.05	\$9.66
1000 kWh	\$20.10	\$19.32
1500 kWh	\$30.15	\$28.98
2000 kWh	\$40.20	\$38.64

Identity Theft Prevention Policy Annual Approval

Annual review of the Identity Theft Prevention Policy is required by the FACT Act of 2003. It requires the safeguarding of customer information to help prevent identify theft. This policy requires Board approval annually. There are no changes this year. Mr. Harmon moved for approval of the policy. Mr. Turner seconded the motion and it was approved unanimously.

General Power Deposit Discussion

Dr. Browder led a discussion about deposit requirements for General Power customers. Currently, we accept cash deposits, bond or a letter of credit as security on accounts. Dr. Browder suggested that bonds and letters of credit no longer be accepted and that the only acceptable form of security for General Power accounts is cash. Accepting bonds and letters of credit puts us at risk of losing money especially when these customers declare bankruptcy. There was extended discussion regarding risks, deposits and the amount of money at risk from existing General Power customers that do not have any deposit. We still have to pay TVA for the cost of power for these customers which is around 90 percent of their bill. The Board requested that this item be added to the agenda for the September meeting with proposed changes to the current policy be presented.

Pending Items

Internet Reliability

Dr. Browder reported on meetings with our current Internet provider. They have already gotten some additional equipment and personnel that has seemed to improve reliability. Mr. Dowell reported that there is still discussion about options to get additional Internet access from other providers.

CEO Report

Dr. Browder requested that the October board meeting be changed from Wednesday October 20 to Friday October 22 because of a conflict with the APPA Legal Conference. The Board agreed.

Board Comments

Mr. Harmon suggested a SWOT analysis on Internet, concentrating on the Opportunities and Threats.

Ms. Downs reported that she is now on the Networks Board. She also asked about taking credit cards in the lobby.

Chairman Downs adjourned the meeting.

Respectfully Submitted,



David Akard III, Secretary