

SEPTEMBER 2021 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, September 15, 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 510,485.35 safe working hours as of August 31, 2021 without a lost time accident. A safety meeting was held on August 31 for outside employees on Chainsaw and Line Clearance Safety.

Financial Reporting

Electric Business Unit

Ms. McVey presented the July and August 2021 financial reports. She reported that the fuel cost increase over last year was responsible for the increased purchased power cost even though the kWh were almost the same. She also reported that we had a positive net income through the first two months of the fiscal year. Maintenance expense is less because crews are working on capital projects such as the Virginia fiber deployment and the South Bristol Delivery Point.

There are 215 PrePay customers as of August 31, 2021.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 14,816.5	\$ 14,365.4
Other Electric Revenue	\$ 1,123.6	\$ 1,185.4
Other Income	\$ 25.0	\$ 42.3
Total Operating Expense	\$ 15,392.5	\$ 15,012.3
Non-Operating Expense	<u>\$ 204.1</u>	<u>\$ 177.0</u>
Electric Net Income (Loss)	\$ 368.5	\$ 403.8
Operating & Maintenance Expense	\$ 1,888.0	\$ 2,047.4
Broadband Net Income	\$ 774.7	\$ 288.8

Advanced Broadband Services Business Unit

Ms. McVey reported that in August 2021 the number of cable services decreased by 70 and the number of telephone services decreased by 26. Internet services increased by 47 and total customers increased by 25. The number of Internet only customers increased by 80.

TVA Monthly Fuel Cost

The October 2021 monthly fuel cost was not available from TVA at the time of the meeting. The report from TVA indicated that the October 2021 monthly fuel cost will increase to \$.02141 per kWh for residential (RS) customers.

	September 1, 2021	October 1, 2021
	Fuel Cost	Fuel Cost
500 kWh	\$9.66	\$10.71
1000 kWh	\$19.32	\$21.41
1500 kWh	\$28.98	\$32.12
2000 kWh	\$38.64	\$42.82

General Power Deposit Discussion

There was extensive discussion about deposit requirements for General Power customers and about accepting bonds and letters of credit for security instead of cash. There was discussion about how much protection bonds offer if a company is in bankruptcy and the risk of losing money in that situation. Dr. Browder reported on the General Power deposit policies of some of our neighbors. Chairman Downs wanted to discuss bankruptcy laws with Attorney Tom Davenport and the issue was tabled until the next board meeting. Mr. Harmon made a motion to table the issue and Mr. Akard seconded. The motion passed.

Pending Items

Internet Reliability

Mr. Dowell reported that we have not had any Internet interruptions since the last board meeting. We are still working closely with our current Internet provider and there is still discussion about options to get additional Internet access from other providers.

CEO Report

Dr. Browder reported that the Virginia fiber deployment is progressing as expected. He also reported that we are in the process of doing a SWOT analysis on Internet service. That report should be available at next month's board meeting.

Board Comments

Chairman Downs reported that there were dead branches near the walking trails at Steele Creek Park and asked if the tree maintenance was complete there. Dr. Browder reported that those crews have gone to Louisiana to help with hurricane damage and will be back to finish the clean-up.

Chairman Downs adjourned the meeting.

Respectfully Submitted,



David Akard III, Secretary