

NOVEMBER 2021 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Monday, November 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 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 September board meeting, which had been previously distributed. The minutes were approved by general consensus.

Safety Report

Ms. Ellis reported that BTES has completed 531,345.05 safe working hours from September 7, 2017 to October 31, 2021 without a lost time accident. A safety meeting was held on November 9 for outside crews on Emergency Communications – Mayday Calls.

Financial Reporting

Electric Business Unit

Ms. McVey presented the October 2021 financial reports. She reported that we purchased and sold more kWh in October and year-to-date than budgeted. The average price per kWh is higher this year because of the fuel cost. The number of conservation loans and load management devices installed continue to increase.

There are 242 PrePay customers as of October 31, 2021.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 27,434.0	\$ 26,765.1
Other Electric Revenue	\$ 2,264.8	\$ 2,387.5
Other Income	\$ 69.2	\$ 84.7
Total Operating Expense	\$ 28,156.9	\$ 27,917.6
Non-Operating Expense	<u>\$ 373.3</u>	<u>\$ 354.0</u>
Electric Net Income (Loss)	\$ 1,237.8	\$ 965.7
Operating & Maintenance Expense	\$ 3,639.0	\$ 4,173.0
Broadband Net Income	\$ 1,642.1	\$ 598.0

Advanced Broadband Services Business Unit

Ms. McVey reported that in October 2021 the number of cable services decreased by 74 and the number of telephone services decreased by 24. Internet services increased by five, but Internet only customers were up by 45 because some cable and phone customers switched to Internet only.

TVA Monthly Fuel Cost

The December 2021 monthly fuel cost was not available from TVA at the time of the meeting. The report from TVA indicated that the December 2021 monthly fuel cost will increase to \$.02530 per kWh for residential (RS) customers.

	November 1, 2021	December 1, 2021
	Fuel Cost	Fuel Cost
500 kWh	\$11.76	\$12.65
1000 kWh	\$23.52	\$25.30
1500 kWh	\$35.28	\$37.95
2000 kWh	\$47.04	\$50.60

Approval of 2022 Board Meeting Dates

The Board reviewed the tentative schedule of meeting dates for 2022 with meetings on the third Wednesday of every month and noted that the May and June meetings are scheduled during the annual meetings of the Tennessee Valley Public Power Association and the American Public Power Association. There was also a conflict with the February meeting. The Board discussed rescheduling the February meeting to Friday, February 18 at noon; the May meeting to Friday, May 20 at noon; and the June meeting to Wednesday, June 22 at noon. Mr. Harmon moved for approval of the meeting schedule as revised. Mr. Clarke seconded the motion, and it was approved unanimously.

Approval of Purchase of ONTs

Dr. Browder presented a recommendation to purchase 750 Optical Network Terminals (ONTs) for customer growth and maintenance. The units are \$113.00 which includes the outdoor enclosure, a discount for the HPNA and a volume discount. The total cost is \$84,750.00. Mr. Akard made a motion to approve the purchase and Mr. Turner seconded the motion. It was approved unanimously.

Approval of Steel Package for South Bristol Delivery Point

Dr. Browder presented a proposal for the purchase of a steel package for the South Bristol Delivery Point. An advertisement was placed in the Bristol Herald Courier and a proposal was requested from MD Henry Company, a known vendor. The proposal received from MD Henry Company for \$1,729,910 was the only proposal received. It was reviewed and analyzed based on similar past projects and current market pricing. After discussion, Mr. Akard made a motion to accept the proposal and Mr. Harmon seconded. The Board approved it unanimously.

General Power Deposit Discussion

Dr. Browder reported on TVA's process for securing the risk of power cost expense for their direct serve customers. Based on the customer's Moody or Standard and Poor's rating, the customer has several options. They could have little or no deposit, prepay each week for their electric usage, have a Letter of Credit from a bank with a good rating, a cash deposit or corporate guarantee from a qualified owner. The discussion was tabled until the next meeting for BTES to get further information about TVA's process and requirements.

Pending Items**Internet Reliability**

Mr. Dowell reported that we are making progress with getting additional capacity. The additional capacity will be from Atlanta and Charlotte which provides diverse routes. The Seven States fiber project is still progressing.

CEO Report

Dr. Browder reported that we have applied for the third round of the Community Care Fund matching dollars of \$35,000 from TVA. If accepted, we will partner with Second Harvest Food Bank and match TVA's contribution.

Chairman Downs led discussion about Dr. Browder's retirement announcement and a plan for starting the search process. She will contact Joel Cullum about attending the next Board meeting.

Board Comments

There were no further Board comments.

Chairman Downs adjourned the meeting.

Respectfully Submitted,

A handwritten signature in black ink that reads "David Akard III". The signature is written in a cursive style with a stylized "D" and "A".

David Akard III, Secretary