

DECEMBER 2023 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, December 20, 2023 at noon at 2470 Volunteer Parkway, Bristol, Tennessee.

Call to Order

Chairperson Downs called the meeting to order at 12:00.

Board Members Present

Erin Downs, David Akard III, Doug Harmon, Vince Turner and John Vann

Staff Present

CEO Clayton Dowell, Vice President of People Operations Tara Ellis, Vice President of Engineering David Hacker, Vice President of Operations and Safety Steve Craddock, and Supervisor of Accounting Heather Jenkins.

Public Comment Period

Chairman Downs called for public comments. There were none.

Minutes

Chairperson Downs asked if there were any corrections to the minutes of the November board meeting which had been previously distributed. The minutes were approved by general consensus.

Safety Report

Ms. Ellis reported that BTES has completed 253,037.09 safe working hours from January 6, 2022 to November 30, 2023 without a lost time accident. The December safety meeting for all employees was “Building a Safe Work Culture”.

She also reported that we had a monitoring visit related to our in-house CDL training that is conducted by Cody Johnson and Brian Campbell for new employees who must obtain a CDL. We received a wonderful report with no findings.

Reliability Report

Mr. Hacker presented the outage data for November 2023. He reported 5.42 average customer outage minutes for the month and 134.8 through November 30, 2023.

Financial Reporting

Electric Business Unit

Ms. Jenkins presented the November 2023 financial reports. She reported that we experienced one of the lowest load factors we've had in the last several months primarily due to our peak demand occurring towards the end of the month. A peak towards the end of the month adds to our power cost without providing the opportunity to generate the revenue from kWh sales. We budgeted for negative net income for November. We did have actual negative net income but not as much as was budgeted.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 34,202.2	\$ 36,892.2
Other Electric Revenue	\$ 2,920.4	\$ 2,837.1
Other Income	\$ 1,189.1	\$ 1,056.0
Total Operating Expense	\$ 37,974.9	\$ 40,581.7
Non-Operating Expense	<u>\$ 262.1</u>	<u>\$ 185.3</u>
Electric Net Income (Loss)	\$ 74.7	\$ 18.3
Operating & Maintenance Expense	\$ 5,170.8	\$ 5,522.3
Broadband Net Income	\$ (247.0)	\$ (2,077.5)

Advanced Broadband Services Business Unit

Ms. Jenkins reported that in November 2023 the number of Internet, telephone and cable services decreased. The number of Internet only customers is still increasing with the 500M and 1 Gig offerings showing increases. During November we sent an email campaign to approximately 18,000 customers promoting Internet, specifically asking if they had the speed they needed for the holidays.

We also looked at the Net Income per Subscriber for the last three years and found that, despite our decreasing subscribers, our Net Income Per Subscriber increased from \$.09 in 2021, to \$.15 in 2022, and \$.17 in 2023. We will continue to evaluate the impacts of changes to cable pricing and Internet offerings.

TVA Monthly Fuel Cost

Mr. Dowell indicated that the January 2024 monthly fuel cost will increase to \$.02444 per kWh for residential (RS) customers.

	November 1, 2023	December 1, 2023	January 1, 2024
	Fuel Cost	Fuel Cost	Fuel Cost
500 kWh	\$11.43	\$10.91	\$12.22
1000 kWh	\$22.86	\$21.81	\$24.44
1500 kWh	\$34.29	\$32.72	\$36.66
2000 kWh	\$45.72	\$43.62	\$48.88

Approval of In Lieu of Tax Resolution

Mr. Dowell presented the In Lieu of Tax Resolution to pay the maximum taxes for the fiscal year ending June 30, 2024, as provided by Tennessee State Law and the TVA contract. By way of the Resolution, the BTES Board recommends to the City Council that BTES pay the maximum tax equivalent as per Chapter 84 of the Public Acts of the State of Tennessee for 2023 which is:

Sullivan County, Tennessee	\$445,229.89
Washington County, Virginia	\$2,004.23
City of Bluff City, Tennessee	\$7,026.50
City of Bristol, Tennessee	\$1,524,538.91
Total	\$1,978,799.53

The tax amount is lower in fiscal year 2024 due to the State Equalization Ratio for Sullivan County decreasing from 1.0 to 0.6671. After discussion, Mr. Harmon moved to approve the resolution. Mr. Turner seconded the motion and the Board voted unanimously to approve the In Lieu of Tax Resolution.

CEO Report

Bristol Business Park

Mr. Dowell reported that we have an agreement to sell Lot 1 in the Bristol Business Park. The sale will be made public after the company notifies their employees.

Board Comments

Chairperson Downs and Mr. Turner complimented the Power 7 coverage of the Bristol Christmas Parade. Chairperson Downs mentioned that preparations are underway for the Legislative Rally. She and Attorney Davenport will attend the TVPPA Legal Conference.

The Board conducted the CEO performance appraisal.

The February board meeting has been changed to February 22, 2024.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "D. Harmon", is written over a light blue horizontal line.

Doug Harmon, Secretary