

FEBRUARY 2025 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Thursday, February 20, 2025, at noon at 2470 Volunteer Parkway, Bristol, Tennessee.

Call to Order

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

Board Members Present

Erin Downs, John Vann, Doug Harmon, Jason Booher, and Vince Turner

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.

Others in attendance

Attorneys Tom Davenport and Rachel Bowen joined the meeting at 1:00 p.m. to provide a General Counsel update.

Modification of Meeting Agenda

Mr. Dowell proposed to move the approval of the Purchase of Substation Property agenda item after the General Counsel Update because Mr. Davenport's update would include information relevant to the proposed purchase. The agenda item was moved.

Public Comment Period

Chairperson Downs called for public comments. There were none.

Minutes

Chairperson Downs asked if there were any corrections to the minutes of the January board meeting, which had been previously distributed. No corrections were noted. Mr. Turner motioned to approve the minutes as distributed. Mr. Harmon seconded. The motion passed unanimously.

Safety Report

Mr. Craddock reported 159,160.56 safe working hours from January 12, 2024, to January 31, 2025. The February safety meeting was held on February 11, 2025. The topic was "OSHA Update: Right to Know, Blood Borne Pathogens, and Emergency Action Plan". Mr. Craddock also reported the Tennessee Occupational Safety and Health Administration (TOSHA) conducted their semi-annual inspection on February 12, 2025. The report hasn't been issued at this time however, the representative verbally indicated there were no issues.

Reliability Report

Mr. Hacker presented the outage data for January 2025. He reported 0.824 average customer outage minutes through January 31, 2025.

Financial Report

Electric Business Unit

Ms. Jenkins presented the January 2025 financial reports. She reported BTES experienced their third-highest all-time peak on January 22, 2025 with 280,861 kW. The second-highest all-time peak was in December 2022 with 282,662 kW and the highest all-time peak was in February 2015 with 294,579 kW. She also reported we have received reimbursement from the OPEB Trust for retirees' medical expenses for fiscal years 2023 and 2024. The reimbursement totaled \$783,442.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 56,521.3	\$ 53,105.6
Other Electric Revenue	\$ 4,298.7	\$ 4,063.8
Other Income	\$ 1,489.8	\$ 1,404.9
Total Operating Expense	\$ 61,168.0	\$ 57,585.2
Non-Operating Expense	\$ 339.0	\$ 237.8
Electric Net Income (Loss)	\$ 802.8	\$ 751.3
Operating & Maintenance Expense	\$ 8,644.5	\$ 8,931.6
Broadband Net Income	\$ 2,670.2	\$ (918.2)

Advanced Broadband Services Business Unit

Ms. Jenkins reported a decrease of fifty-three (53) fiber customers. She also reported an additional \$2 million has been invested in a certificate of deposit. Mr. Dowell reported a review of cable retail pricing has been conducted. Price increases are expected to be implemented in April 2025.

TVA Monthly Fuel Cost

Mr. Dowell reported the March 2025 monthly fuel cost will increase to \$0.0312 per kWh for residential (RS) customers.

	January 1, 2025	February 1, 2025	March 1, 2025
	Fuel Cost	Fuel Cost	Fuel Cost
500 kWh	\$12.66	\$12.35	\$15.60
1000 kWh	\$25.31	\$24.69	\$31.20
1500 kWh	\$37.97	\$37.04	\$46.80
2000 kWh	\$50.62	\$49.38	\$62.40

Approval of Tree Trimming by Circuit

Mr. Dowell reported our vegetation management process continues to yield positive results. We have identified eight remaining circuits to be cleared using the same vegetation management process. After requesting proposals from known vendors with utility trimming experience and advertising in the Bristol Herald Courier, we received proposals from four vendors. We recommend accepting the proposal from W. A. Kendall and Company, LLC for circuits 33 and 35 (6.91 miles), Xylem Tree, LLC for circuits 68 and 48 (5.77 miles), and Asplundh for circuits 76, 44, 47, and 51 (22.99 miles) for a combined price of \$324,314.92. Mr. Vann made a motion to accept the proposals as recommended. Mr. Harmon seconded, and the motion passed unanimously.

CEO Report

Optional Residential Time-of-Use Rate

Mr. Dowell presented information on an optional residential time-of-use rate BTES is considering. After discussion, the general consensus was for staff to proceed with developing the optional rate.

Adoption of 2024 Residential Growth Advancement Program Guidelines

Mr. Dowell presented a summary of the 2024 Residential Growth Advancement Program guidelines to the Board. After discussion, Mr. Booher made a motion to adopt the guidelines as presented. Mr. Harmon seconded the motion, and the motion passed unanimously.

Legal Services Succession Planning

A discussion took place about succession planning for retained legal services.

General Counsel Updates

Mr. Davenport and Ms. Bowen joined the meeting at this time to provide an update on services being provided.

Approval of Purchase of Substation Property

Mr. Dowell presented information on property being considered for acquisition for the purpose of constructing a distribution substation in the future. As part of our long-term system planning, we have been looking for locations that would meet the needs of a substation to eventually take load off our Shelby Street and King College substations. Mr. Davenport reported that we have been working with a real estate agent who has negotiated the sale price to \$330,000 and secured an assignable contract. After discussion, Mr. Vann made the motion to move forward to take assignment of the contract and purchase the property for \$330,000 with due diligence to follow. Mr. Harmon seconded the motion. Mr. Turner and Mr. Booher recused themselves from the vote. The motion passed.

Other Items

Mr. Dowell provided a brief year-end review of 2024's highlights. Mr. Dowell reminded the Board that the March board meeting will be held on Thursday, March 13, 2025. Board packets

are expected to be distributed on March 10th. A tour for the board members has been scheduled for March 3rd.

Board Comments

Chairperson Downs called for comments from the Board. There were none.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "D. Harmon", written in a cursive style.

Doug Harmon, Secretary