

JUNE 2023 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, June 28, 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, Vince Turner, David Akard III, Doug Harmon and John Vann

Staff Present

CEO Clayton Dowell, Vice President of People Operations Tara Ellis, Vice President of Engineering David Hacker and Vice President of Finance Lola McVey

Others Present

Attorney C. Thomas Davenport

Addition to Agenda

Chairman Downs requested that an agenda item for Elevator Repair be added to the agenda. Mr. Harmon made a motion to add the agenda item, Mr. Akard seconded and the motion passed.

Tennessee State Law Update

Mr. Davenport gave an update on legislative changes affecting BTES. State of Tennessee Public Chapter 300 makes revisions relative to public meetings. He proposed some revisions to the Addressing the Board of Directors at BTES Board Meeting policy which will be submitted at the July Board meeting for approval. He also suggested to make a standing agenda item for public comment.

Mr. Davenport also reviewed State of Tennessee Public Chapter 276 which raises the CEO's purchasing authority from \$50,000 to \$100,000 without Board approval or seeking bids. The Board can also give the CEO additional authority over \$100,000 under certain conditions. Chair Downs asked how the Contract Modification Policy fits into this change. Mr. Davenport proposed combining that policy with the purchasing policy. He submitted a draft of a BTES Purchasing/Contracting Authority to be considered at the July Board meeting.

Minutes

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

Safety Report

Ms. Ellis reported that BTES has completed 184,810.54 safe working hours from January 6, 2022 to May 31, 2023 without a lost time accident. The June safety meeting for outside crews was Summer Heat and Hazards and Pole Top and Bucket Truck Rescue.

Reliability Report

Mr. Hacker presented the outage data for May 2023. He reported 6.91 average customer outage minutes for the month and 62.17 for the year.

Financial Reporting
Electric Business Unit

Ms. McVey presented the May 2023 financial reports. She reported that in May the average price per kWh was more than last May due to higher fuel cost. In May we sold less kWh than in the previous May due to weather differences. Revenue and purchased power are more than budgeted making a positive \$665,600 in Revenue Less Power Cost. Maintenance is over budget due to restoration of power after storms, equipment replacement and underground maintenance. There was an increase of 28 Prepay customers in May.

| \$(000) | YTD Actual | YTD Budget |
|-----------------------------------|-------------------|-------------------|
| Electric Sales | \$ 84,394.7 | \$ 78,533.9 |
| Other Electric Revenue | \$ 6,194.5 | \$ 6,022.2 |
| Other Income | \$ 1,385.6 | \$ 219.8 |
| Total Operating Expense | \$ 88,600.8 | \$ 82,656.0 |
| Non-Operating Expense | \$ 558.4 | \$ 887.9 |
| Electric Net Income (Loss) | \$ 2,815.6 | \$ 1,232.0 |
| | | |
| Operating & Maintenance Expense | \$ 10,708.8 | \$ 9,935.0 |
| | | |
| Broadband Net Income | \$ (6,640.7) | \$ 4,729.3 |

Advanced Broadband Services Business Unit

Ms. McVey reported that in May 2023 the number of cable services decreased by ninety-five (95), the number of telephone services decreased by thirty-eight (38) and the number of Internet services decreased by ten (10). In May, we added thirty-six (36) 500 Mb customers.

TVA Monthly Fuel Cost

Mr. Dowell indicated that the July 2023 monthly fuel cost will increase to \$.02681 per kWh for residential (RS) customers.

| | June 1, 2023 | July 1, 2023 |
|-----------------|--------------|--------------|
| | Fuel Cost | Fuel Cost |
| 500 kWh | \$13.09 | \$13.41 |
| 1000 kWh | \$26.18 | \$26.81 |
| 1500 kWh | \$39.27 | \$40.22 |
| 2000 kWh | \$52.36 | \$53.62 |

Approval of Elevator Repair

Mr. Dowell reported that on Friday, June 23, our elevator failed. To make repairs, a new jack and a complete power unit assembly will need to be installed. Otis Elevator, our current vendor, has quoted \$137,450.00 to make repairs with the possibility of additional costs estimated to be around \$20,000 but cannot be determined until the cylinder is broken loose. Mr. Turner made a motion to accept the Otis Elevator proposal based on the June 28, 2023 memo pending completion of the RFP process. The motion also included a provision that due to the exigent circumstances the CEO would be delegated the discretion to select an alternate proposal if a better option was submitted through the RFP process. Mr. Vann seconded the motion. The motion passed unanimously.

Approval of Metaswitch Annual Support and Extended Hardware Warranty

Mr. Dowell presented a proposal from Metaswitch for our annual support and extended hardware warranty for our Class 5 telephone switch for \$113,403.00 for the period August 1, 2023 through July 31, 2024. Mr. Vann made a motion to accept the proposal and Mr. Harmon seconded. The motion passed unanimously.

Approval of Tree Trimming by Circuit

We have requested quotes on an additional 179 line miles of tree trimming by circuits. Mr. Dowell presented proposals received after requesting proposals from known vendors and advertising in the Bristol Herald Courier. He recommended accepting the quote from ABC Professional Tree Service for a total price of \$2,858,455.50. Mr. Turner made a motion to accept the proposal, Mr. Akard seconded, and the motion was approved.

Approval of Strategic Business Plan

Mr. Dowell and Ms. McVey presented the Strategic Business Plan that incorporated changes discussed in the last board meeting. With no additional changes, Mr. Turner made a motion to approve the 2023-2024 Strategic Business Plan. Mr. Akard seconded, and the motion was approved unanimously.

TVPPA/APPa Annual Conferences

Chair Downs led discussion about topics covered at the conferences. She mentioned the APPa Infrastructure Grants and potential projects that could be covered by those grants. She also mentioned writing letters to Federal legislators to repeal EPA regulations on manufacturing transformers and cybersecurity issues. Mr. Vann reported on a session about Staying Ahead of Consumer Demand and how BTES is outstanding in exhibiting sustainable behavior.

CEO Report

Project Scotland

Mr. Dowell reported that there is renewed interest in BTES property for Project Scotland.

South Bristol Delivery Point Update

Mr. Dowell showed a picture of the progress made at the South Bristol Delivery Point.

Seven States

Mr. Dowell reported that Seven States did not receive the \$100,000,000 they applied for.

Acceptable Use Policy

Mr. Dowell stated that the Acceptable Use Policy is under revisions and will be presented at the July Board meeting for approval.

Board Comments

No additional Board comments.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,



David Akard III, Secretary