

NOVEMBER 2023 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, November 15, 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, and Vice President of Finance Lola McVey.

Others Present

Joe Shea, Chris Quillen and Lana Moore of TVA

Public Comment Period

Chairman Downs called for public comments. There were none.

TVA Small Modular Reactor Program

Joe Shea presented information about the TVA Small Modular Reactor (SMR) Program. He discussed the process of acquiring property, regulatory approvals and building of the SMRs.

Mr. Turner stepped away from the meeting during this presentation.

Minutes

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

Safety Report

Ms. Ellis reported that BTES has completed 242,270.34 safe working hours from January 6, 2022 to October 31, 2023 without a lost time accident. The November safety meeting for all employees was Holiday Safety – Fire Safety and Protection.

Reliability Report

Mr. Hacker presented the outage data for October 2023. He reported 1.12 average customer outage minutes for the month and 129.2 through October 31, 2023.

Financial Reporting

Mr. Turner returned to the meeting at the beginning of the Financial Report.

Electric Business Unit

Ms. McVey presented the October 2023 financial reports. She reported that the average cost per kWh for October 2023 was lower than October 2022 even though the Pandemic Relief Credit was discontinued and TVA had a rate adjustment. The weather was warmer this October than last October which resulted in lower power purchases for the month. Mr. Dowell presented financial information shown at the TVA Board meeting on November 9, 2023.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 27,876.0	\$ 30,520.3
Other Electric Revenue	\$ 2,453.7	\$ 2,382.4
Other Income	\$ 952.9	\$ 844.8
Total Operating Expense	\$ 29,947.0	\$ 32,416.2
Non-Operating Expense	<u>\$ 212.0</u>	<u>\$ 148.2</u>
Electric Net Income (Loss)	\$ 1,123.6	\$ 1,183.1
Operating & Maintenance Expense	\$ 4,175.7	\$ 4,462.8
Broadband Net Income	\$ (276.4)	\$ (1,688.0)

Advanced Broadband Services Business Unit

Ms. McVey reported that in October 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.

TVA Monthly Fuel Cost

Mr. Dowell indicated that the December 2023 monthly fuel cost will decrease slightly to \$.02181 per kWh for residential (RS) customers.

	October 1, 2023	November 1, 2023	December 1, 2023
	Fuel Cost	Fuel Cost	Fuel Cost
500 kWh	\$11.99	\$11.43	\$10.91
1000 kWh	\$23.97	\$22.86	\$21.81
1500 kWh	\$35.96	\$34.29	\$32.72
2000 kWh	\$47.94	\$45.72	\$43.62

Approval of 2024 Board Meeting Dates

The Board reviewed the tentative schedule of meeting dates for 2024 with meetings on the third Wednesday of every month. Mr. Vann moved for approval of the meeting schedule. Mr. Akard seconded the motion, and it was approved.

Approval of Purchase of Transformers

As discussed in the last Board meeting, we identified a new supplier for transformers that has comparable pricing and shorter lead times. When all the quotes were received from the request for proposals, this new supplier, JST Power Equipment, Inc. had the lowest price and the shortest lead time. Due to the time sensitivity and imminent need for transformers, in accordance with the BTES purchasing policy, Mr. Dowell proceeded with an order to purchase transformers from this vendor for the amount of \$396,660.00. The Board was notified of this transaction in advance. Mr. Turner made a motion to approve this purchase, Mr. Vann seconded. The motion passed unanimously.

Approval of Tree Trimming by Circuit

Mr. Dowell presented proposals for tree trimming in four additional circuits covering 84.8 miles. We have seen positive reliability results in areas that have been trimmed and we are requesting these additional circuits be trimmed which fits into the amount budgeted for this project. We requested proposals from known vendors and

advertised in the Bristol Herald Courier and received four proposals. He recommended accepting the quote from Xylem Tree, LLC for a total price of \$1,296,652.63. Mr. Turner made a motion to accept the proposal, Mr. Akard seconded, and the motion was approved.

CEO Report

Bristol Business Park

Mr. Dowell reported that we have an offer to buy Lot 1 in the Bristol Business Park which has 52.9 acres available. The price per acre is \$60,523.26 of which \$39,340.12 will be in cash and \$21,183.14 will be held in escrow until certain project requirements are met. If the company meets the requirements and timeline of the agreement that obligation held in escrow will be released. Mr. Turner made a motion to sell the property, Mr. Akard seconded and the motion passed.

South Bristol Update

Mr. Dowell presented a video showing the progress on the substation. He reported that BTES is on schedule, but TVA is experiencing some delays in the 161 kV transmission line route siting. TVA is currently projecting their In-Service Date to be late 2025 or early 2026.

Strategic Planning

Mr. Dowell presented a timeline of our Strategic Planning Process. We finished Phase 3 with a Leadership Team SWOT facilitated by Danette Scudder of TVPPA.

LED Street Lighting

We are beginning to transition to LED streetlights. As the new lights are installed, the parts from the old lights will be used to repair the older streetlights that we can no longer order parts for.

Customer Updates

Mr. Dowell reported that David Hacker has responded to Lydia Atchley of Holston Habitat for Humanity that spoke at last month's Board meeting. She will communicate with TVA about net metering on solar installations.

Mr. Dowell presented details of fiber work performed for customer Denise Tran in July 2023. After discussion and review of the details, the Board requested Mr. Dowell respond to Ms. Tran on their behalf.

Board Comments

There was discussion about the CEO evaluation process.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,



Doug Harmon, Secretary