

NOVEMBER 2024 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, November 20, 2024, 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, Supervisor of Accounting Heather Jenkins, and Director of Fiber Services Jessica Waterman

Others Present

Chris Mitchell, Chris Mitchell Management Consultants

Public Comment Period

Chairperson Downs called for public comments. There were none.

Rate Discussion

Chris Mitchell, BTES' electric rate advisor, presented information on the current state of TVA, BTES' financial performance, and retail rates in comparison to other local power companies. He led a discussion on possible future rate actions. Mr. Mitchell left the meeting after his presentation.

Minutes

Chairperson Downs asked if there were any corrections to the minutes of the October board meeting, which had been previously distributed. None were noted. Mr. Booher motioned to approve the minutes as distributed. Mr. Turner seconded. The motion passed unanimously.

Safety Report

Mr. Craddock reported 124,289.06 safe working hours from January 12, 2024, to October 31, 2024. The November safety meeting was held on November 11, 2024. The topics were "Fire Safety and Prevention" and "Emergency Mayday Procedures."

Reliability Report

Mr. Hacker reported 5.629 average customer outage minutes for October 2024. The average customer outage minutes year-to-date through October 31, 2024, totaled 538.787.

Financial Report
Electric Business Unit

Ms. Jenkins presented the October 2024 financial reports. She reported an increase in Energy Sales compared to the prior month. The increased sales were seen in the Large Lighting and Power class. Maintenance Expense in the Electric Business Unit included expenses related to the restoration efforts and repairs following Tropical Storm Helene, resulting in a net loss of approximately \$756,000 for the month.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 30,050.9	\$ 29,452.2
Other Electric Revenue	\$ 2,537.6	\$ 2,421.9
Other Income	\$ 855.2	\$ 802.8
Total Operating Expense	\$ 32,083.2	\$ 32,306.1
Non-Operating Expense	<u>\$ 193.0</u>	<u>\$ 135.8</u>
Electric Net Income (Loss)	\$ 1,167.5	\$ 235.0
Operating & Maintenance Expense	\$ 5,708.3	\$ 5,135.8
Broadband Net Income	\$ 1,117.3	\$ (526.1)

Advanced Broadband Services Business Unit

Ms. Jenkins reported a decrease of three (3) fiber customers. The number of cable services decreased by eighty-one (81), telephone services decreased by thirty-six (36), and the number of Internet services increased by four (4). Ms. Jenkins reported the Broadband Net Income budget-to-actual variance is due to Internet equipment upgrades and vegetation management expenses that have not yet been incurred.

TVA Monthly Fuel Cost

Mr. Dowell reported the December 2024 monthly fuel cost will increase to \$0.02544 per kWh for residential (RS) customers.

	October 1, 2024	November 1, 2024	December 1, 2024
	Fuel Cost	Fuel Cost	Fuel Cost
500 kWh	\$9.98	\$12.39	\$12.72
1000 kWh	\$19.95	\$24.78	\$25.44
1500 kWh	\$29.93	\$37.17	\$38.16
2000 kWh	\$39.90	\$49.56	\$50.88

Approval of Purchase of ONTs and Enclosures

Mr. Dowell reported that to serve additional fiber customers and continue upgrading legacy equipment, more Optical Network Terminals (ONTs) and enclosures are needed. He recommended purchasing 4,800 ONTs and enclosures from Nokia for a total price of \$1,065,600. The units would be delivered in monthly increments of 400. Mr. Harmon made a motion to purchase the units, and Mr. Vann seconded. The motion was approved unanimously.

Approval of Purchase of WiFi Routers

Mr. Dowell reported that to continue offering managed WiFi to our customers, additional WiFi routers are needed. He recommended purchasing 4,800 WiFi routers from Nokia for a total price of \$379,200. The units would be delivered in monthly increments of 400. Mr. Turner made a motion to purchase the units, and Mr. Booher seconded. The motion was approved unanimously.

Approval of Rules and Regulations

Mr. Dowell reported that after several months of reviewing the Rules and Regulations, opportunities to clarify some of the sections were identified. A red-lined version of the Rules and Regulations had been previously distributed. After discussion, further clarifications were made to section nine, Right of Access. Mr. Booher made a motion to approve the Rules and Regulations as amended, and Mr. Harmon seconded. The motion was approved unanimously.

Tropical Storm Helene Update

Mr. Dowell presented statistical information on the impact of Tropical Storm Helene, including an overview of the damage, the manpower restoration efforts required, and the financial impact. He reported certain exempt employees directly involved in the restoration efforts worked more than 2,700 hours during the many days following the storm. This was equivalent to more than two-and-a-half times their normal work schedule. These employees were paid at their regular pay rate for the hours they worked, which has consistently been our pay practice for similar qualifying events. During the board meeting, Chairperson Downs called for a motion to formally approve the same adjustment to Mr. Dowell's pay. Mr. Turner made a motion to pay Mr. Dowell the same pay rate for the hours worked during the storm restoration, and Mr. Vann seconded. The motion was approved unanimously.

Mr. Dowell presented a challenge coin design related to the Board's interest in expressing appreciation to staff for their efforts following Tropical Storm Helene, discussed at the October board meeting. The design was accepted as presented. There was discussion on how and when the gift would be given to employees.

Mr. Turner left the meeting.

CEO Report

Mr. Dowell advised BTES is testing an application owned by Distributor's Insurance (DI), an insurance company wholly owned by the Tennessee Valley Public Power Association, Inc. (TVPPA). The application is being used by crews in conducting job briefings.

Mr. Dowell reported that BTES has been conducting departmental small group meetings in November. He also reported that locations for future substations are being evaluated.

Proposed 2025 Meeting Dates

Mr. Dowell presented a listing of proposed meeting dates for 2025. After discussion, Mr. Booher motioned to approve the dates as amended and Mr. Vann seconded. The motion was approved.

Board Comments

The Board expressed gratitude for Chris Mitchell's attendance and the information he provided. Mr. Vann inquired about the possibility of a tour of BTES operations for the Board. There was general discussion on the content desired by board members and their time availability.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,



Doug Harmon, Secretary