

## **OCTOBER 2024 BOARD MINUTES**

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, October 16, 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, and Supervisor of Accounting Heather Jenkins.

### **Others Present**

Josh Vehec and Matthew Esco with Coulter & Justus, P.C.

### **Public Comment Period**

Chairperson Downs called for public comments. There were none.

### **Audit for Fiscal Year Ending June 30, 2024**

Josh Vehec and Matthew Esco from Coulter & Justus, P.C. presented the audit report for the fiscal year ending June 30, 2024. They reported that the audit process went smoothly with no issues. The opinion on the financial statements is unmodified (clean), with no findings of noncompliance or material misstatements. The auditors tested financial control procedures and had no findings.

### **Minutes**

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

### **Safety Report**

Mr. Craddock reported 105,441.96 safe working hours from January 12, 2024 to September 30, 2024. The October safety meeting was cancelled due to employees working on service restoration following Tropical Storm Helene. Employees and mutual aid crews worked many hours following Tropical Storm Helene with no safety incidents. BTES received a perfect score with no issues or findings on the annual DIC safety inspection which was conducted September 30, 2024.

## Reliability Report

Mr. Hacker presented preliminary outage data for September 2024. He reported 462 average customer outage minutes for the month of September, approximately 460 minutes are attributed to outages caused by high winds and rains from Tropical Storm Helene. Average customer outage minutes year-to-date through September 30, 2024 totaled 533.

## Financial Reporting

### Electric Business Unit

Ms. Jenkins presented the September 2024 financial reports. She reported that temperatures were milder in September compared to July and August resulting in decreased Energy Sales.

<b>\$(000)</b>	<b>YTD Actual</b>	<b>YTD Budget</b>
Electric Sales	\$ 23,709.3	\$ 15,790.1
Other Electric Revenue	\$ 1,764.0	\$ 1,200.3
Other Income	\$ 631.3	\$ 401.4
Total Operating Expense	\$ 24,033.5	\$ 17,123.3
Non-Operating Expense	<u>\$ 147.6</u>	<u>\$ 67.8</u>
<b>Electric Net Income (Loss)</b>	<b>\$ 1,923.5</b>	<b>\$ 200.7</b>
Operating & Maintenance Expense	\$ 3,281.1	\$ 3,901.3
Broadband Net Income	\$ 1,115.8	\$ (429.2)

### Advanced Broadband Services Business Unit

Ms. Jenkins reported a decrease of fifty (50) fiber customers. The number of cable services decreased by one hundred and three (103), telephone services decreased by forty-four (44), and the number of Internet services decreased by forty-three (43).

### S&P Global Rating Review

Ms. Jenkins reported that S&P Global had conducted their periodic review of BTES' bond rating. They affirmed their AA- long-term rating on BTES' revenue bonds with a stable outlook.

### **TVA Monthly Fuel Cost**

Mr. Dowell reported the November 2024 monthly fuel cost will increase to \$0.02478 per kWh for residential (RS) customers.

	<b>September 1, 2024</b>	<b>October 1, 2024</b>	<b>November 1, 2024</b>
	<b>Fuel Cost</b>	<b>Fuel Cost</b>	<b>Fuel Cost</b>
<b>500 kWh</b>	\$11.26	\$9.98	\$12.39
<b>1000 kWh</b>	\$22.52	\$19.95	\$24.78
<b>1500 kWh</b>	\$33.78	\$29.93	\$37.17
<b>2000 kWh</b>	\$45.04	\$39.90	\$49.56

### **CEO Report**

Mr. Dowell presented information about the impact of Tropical Storm Helene. He also reported the intermittent service-impacting issue affecting some Internet customers that was discussed during the September board meeting has been resolved.

Mr. Dowell advised Chris Mitchell, BTES' electric rate consultant, will attend the November board meeting.

### **Board Comments**

The Board expressed gratitude for the staff's efforts in the aftermath of Tropical Storm Helene. They discussed potential ways to formally recognize staff contributions. Chairperson Downs inquired about staff experience with legal services provided by Rachel Bowen, receiving a positive response. There was general discussion about the frequency legal counsel would attend board meetings.

Mr. Booher mentioned his research on fees charged by neighboring utilities for solar applications and asked about the timing of future electric rate adjustments. Additionally, he praised the communication efforts during the storm recovery.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,



Doug Harmon, Secretary