

## SEPTEMBER 2023 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, September 20, 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, and Vince Turner.

### 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

### Minutes

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

### Safety Report

Ms. Ellis reported that BTES has completed 220,210.54 safe working hours from January 6, 2022 to August 31, 2023 without a lost time accident. The September safety meeting for outside crews was Stringing and Pulling Hazards. Our insurance company, Distributors Insurance Company performed a safety inspection with only one deficiency noted.

### Reliability Report

Mr. Hacker presented the outage data for August 2023. He reported 8.99 average customer outage minutes for the month and 114.75 through August 31, 2023.

### Financial Reporting

#### Electric Business Unit

Ms. McVey presented the July and August 2023 financial reports. She reported that July and August were cooler than the previous year and warmer than normal. Amortization expense will be above budget all year due to subscription lease expense that relates to GASB Statement No. 96 implemented in June 2023. Maintenance expense includes over \$140,000 in storm restoration expense.

<b>\$(000)</b>	<b>YTD Actual</b>	<b>YTD Budget</b>
Electric Sales	\$ 14,892.6	\$ 16,249.9
Other Electric Revenue	\$ 1,221.3	\$ 1,206.3
Other Income	\$ 464.5	\$ 422.4
Total Operating Expense	\$ 16,328.1	\$ 17,475.4
Non-Operating Expense	\$ 109.0	\$ 74.1
<b>Electric Net Income (Loss)</b>	<b>\$ 141.3</b>	<b>\$ 329.1</b>
Operating & Maintenance Expense	\$ 2,249.5	\$ 2,267.6
Broadband Net Income	\$ 1,080.0	\$ (877.7)

### **Advanced Broadband Services Business Unit**

Ms. McVey reported that in August 2023 the number of cable services decreased by two hundred seventy-seven (277) due to a multiple dwelling unit making changes to their bulk account. Telephone services decreased by sixty-three (63) and the number of Internet services increased by eighty-six (86).

### **TVA Monthly Fuel Cost**

Mr. Dowell indicated that the October 2023 monthly fuel cost will increase slightly to \$.02397 per kWh for residential (RS) customers.

	<b>August 1, 2023</b>	<b>September 1, 2023</b>	<b>October 1, 2023</b>
	<b>Fuel Cost</b>	<b>Fuel Cost</b>	<b>Fuel Cost</b>
<b>500 kWh</b>	\$13.10	\$11.53	\$11.99
<b>1000 kWh</b>	\$26.19	\$23.06	\$23.97
<b>1500 kWh</b>	\$39.29	\$34.59	\$35.96
<b>2000 kWh</b>	\$52.38	\$46.12	\$47.94

### **Approval of Purchase of Bucket Truck**

Mr. Dowell presented a proposal for the purchase of a bucket truck. One of our bucket trucks is reaching the end of its reliable use. The lead time to purchase a new truck is 24-36 months so we need to order the replacement truck. We placed an ad in the Bristol Herald Courier and contacted known vendors. We received two proposals. Mr. Dowell recommends the purchase of the truck from Altec for the total price of \$220,396.00. Mr. Turner made a motion to purchase the truck. Mr. Akard seconded, and the motion was approved unanimously.

### **Seven States Middle Mile Fiber Optic Network**

Mr. Dowell reported that the Seven States Power Corporation (Seven States) Board of Directors has approved a Business Plan for the Middle Mile Project. This plan identifies BTES as a preferred Wide Area Network (WAN) site. Our portion of the cost for the appropriate electronic equipment is estimated to be between \$804,000 and \$1,054,000. The amount would be covered by a Seven States lease for the use of the electronics for ten years with an estimated payback in less than eight years. Mr. Turner made a motion to sign the Letter of Intent and commit to spend up to \$1,054,000 with a ten-year lease for electronic equipment with a 5.5 percent rate with Seven States. Mr. Akard seconded and the motion was approved unanimously.

### **Rate Schedules for TVA Rate Increase**

The TVA Board voted in August 2023 to implement a rate increase on October 1, 2023. Also, the wholesale Pandemic Recovery Credit that was implemented in October 2020 that was passed through to our customers is going away. Mr. Dowell presented rate schedules and examples of how these changes will impact customer bills.

### **CEO Report**

#### **Strategic Planning**

Mr. Dowell presented proposed Mission and Vision Statements that were revised during Phase 1 of Strategic Planning. The statements will be presented to the Board at the next meeting along with a Strategy Statement for Board approval.

**Contract Review**

Mr. Dowell reported the Senior Leaders have reviewed the On Trac contract. It is one of our newest agreements but may warrant re-evaluation in the near future.

**Vance Transformer Insurance Claim**

We have received an insurance settlement for \$474,000. We bought a replacement transformer that is our current standard but is larger than the unit that failed. The cost of an equivalent unit was covered by insurance but did not cover the entire cost of the larger unit.

**JA Street Lawsuit**

Mr. Dowell provided an update on the JA Street lawsuit.

**Transformer Inventory**

Mr. Dowell stated that we have not received any transformers even though shipments are past due.

**Board Comments**

Chairperson Downs reported the John Bradley from TVA presented at the Networks meeting. Several TVA employees were there as well as good representation from BTES.

Mr. Turner inquired about the status of the load survey for Wallace Collision. It has been given to BTES from customer's contractor.

Mr. Akard inquired about new residential developments in Sullivan County.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,



Doug Harmon, Secretary