

APRIL 2024 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, April 17, 2024 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, John Vann 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, Vice President of Finance Lola McVey and Supervisor of Accounting Heather Jenkins.

Public Comment Period

Chairperson Downs called for public comments. There were none.

Minutes

Chairperson Downs asked if there were any corrections to the minutes of the March board meeting which had been previously distributed. Mr. Vann made a motion to approve the minutes and Mr. Akard seconded the motion. The minutes were approved.

Safety Report

Ms. Ellis reported that BTES completed 32,543.61 safe working hours from January 12, 2024 to March 31, 2024. The April safety meeting for outside employees was "Work Zone Set-Up and Safety".

Reliability Report

Mr. Hacker presented the outage data for March 2024. He reported 5.876 average customer outage minutes for the month of February and 39.651 average customer outage minutes through March 31, 2024.

Financial Reporting

Electric Business Unit

Ms. McVey presented the March 2024 financial reports. She reported that the kWh sold in March 2023 and March 2024 were about the same. Year-to-date net income is very close to budget.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 68,401.7	\$ 71,353.6
Other Electric Revenue	\$ 5,060.1	\$ 4,940.9
Other Income	\$ 2,108.1	\$ 1,834.8
Total Operating Expense	\$ 73,236.4	\$ 75,966.6
Non-Operating Expense	\$ 466.9	\$ 333.2
Electric Net Income (Loss)	\$ 1,866.6	\$ 1,829.5
Operating & Maintenance Expense	\$ 9,570.6	\$ 10,648.8
Broadband Net Income	\$ (229.6)	\$ (1,126.1)

Advanced Broadband Services Business Unit

Ms. McVey reported that in March 2024 the number of Internet, telephone and cable services decreased but there was only a decrease of four Internet customers.

Business Plan Discussion

Mr. Turner joined the meeting at this time. Ms. McVey stated that a draft of the 2024-2025 Business Plan was available for review. She and Mr. Dowell presented options for Electric Revenue that included three scenarios for consideration (1) no rate adjustment, (2) a \$3.00 increase to the Delivery Charge, and (3) a \$5.30 increase in the Delivery Charge. They recommended the \$3.00 increase to offset significant increases to operation and maintenance expenses that have increased due to significant inflation. Ms. McVey also stated that the ABS budget included an expected rate decrease for some product offerings and some large maintenance projects. The 2024-2025 Business Plan will be presented for approval at the May meeting.

TVA Monthly Fuel Cost

Mr. Dowell indicated that the May 2024 monthly fuel cost will decrease to \$.01926 per kWh for residential (RS) customers.

	March 1, 2024	April 1, 2024	May 1, 2024
	Fuel Cost	Fuel Cost	Fuel Cost
500 kWh	\$14.58	\$11.26	\$9.63
1000 kWh	\$29.18	\$22.51	\$19.26
1500 kWh	\$43.77	\$33.77	\$28.89
2000 kWh	\$58.36	\$45.02	\$38.52

Approval of Fiscal Year 2024 - 2026 Financial Audit Service

Ms. McVey reported that we sent out a Request for Proposal for FY 2024-2026 Financial Audit Services and advertised in the Bristol Herald Courier. We received three proposals. We evaluated the proposals based on each firm's ability to perform the engagement with regards to their independence, licensing, experience with governmental and utility engagements, engagements with clients who are regulated by TVA and those offering fiber services. After review of the proposals, we recommend engaging Coulter and Justus, P.C. After discussion, Mr. Akard made a motion to accept the proposal from Coulter and Justus. Mr. Harmon seconded and the motion passed.

Approval of Resolution for Tennessee Unclaimed Property Refund

Ms. McVey presented a Resolution for Tennessee Unclaimed Property Refund. When Unclaimed Property Funds have been at the State of Tennessee and unclaimed for eighteen months, BTES can file for a refund of those funds. We are requesting a refund of the \$15,289.70 in funds submitted in 2022 that have not been claimed. To process our request, the State of Tennessee requires a Resolution to be passed by the BTES Board of Directors. Mr. Turner made a motion to approve the resolution. Mr. Akard seconded the motion and the Board voted unanimously to approve the Resolution.

Approval of Customer Information System

Mr. Dowell reported that our current Customer Information System provider acquired another entity and began a path to migrate to a new web-based platform. Unfortunately, their new platform will cause us to lose some of the critical functionality our employees and customers value. We evaluated other providers and determined that the solution provided by National Information Solutions Cooperative (NISC) will provide greater communication tools for interacting with employees and customers, functionality for dispatching and managing service requests over a mobile platform, and enhanced provisioning for fiber services. We recommend their hosted solution, which reduces the amount of hardware BTES will need to own and maintain and provide even better cyber security, operational resiliency, and reliability compared to the aging solution we are currently

using. NISC's Enterprise software includes a basic Outage Management System and mapping and staking functionality. It will take approximately 18-24 months to implement the software. Mr. Akard made a motion to implement the NISC Enterprise software for a total one-time implementation cost of \$464,500 and estimated monthly recurring costs of \$45,892. Mr. Harmon seconded and the motion passed.

CEO Report

September Board Meeting

Mr. Dowell asked that the September board meeting be moved from Wednesday September 18 to Wednesday September 25 at 11:30AM due to a conflict with the NISC User Conference. The Board agreed.

Cable Increase

Mr. Dowell reported that at the end of March, letters were sent to all cable customers announcing an increase in the cable rate and the Local Broadcast Retransmission Fee. The letter outlined options for cable customers to use their BTES Internet service to stream other video services, go to TV+ or leave their service the way it is. He stated that the response from customers has been positive and showed updated subscriber numbers reflecting the results of the letter to date.

TVA Update

Mr. Dowell presented information from TVA that the system load is forecasted to increase at about one percent per year over the next several years. To increase generation capacity, TVA is planning to reach their debt ceiling and use alternate financing arrangements.

Transformer Update

Mr. Dowell reported that we have enough transformers to meet our current needs and known residential projects. There is still a delay in receiving transformers on order.

South Bristol Update

Mr. Dowell showed pictures of the South Bristol Delivery Point control house currently being installed.

Board Comments

No further Board comments.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,



Doug Harmon, Secretary