

AUGUST 2022 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, August 17, 2022 at noon at 2470 Volunteer Parkway, Bristol, Tennessee.

Call to Order

Chairman Downs called the meeting to order at 12:00.

Board Members Present

Erin Downs, Vince Turner, David Akard III, Larry Clarke and Doug Harmon

Staff Present

CEO Mike Browder, Vice President of Engineering Clayton Dowell, Vice President of People Operations Tara Ellis and Vice President of Finance Lola McVey

Others Present

Cindy Herron, Vice President of TVA EnergyRight Solutions, Adam Borden, TVA Engineer and Lana Moore, TVA Community Relations Specialist

TVA Award

Ms. Herron presented BTES the Top Performer Award from TVA for 2021. The award is presented for helping customers save money and energy through EnergyRight programs.

Minutes

Chairman Downs asked if there were any corrections to the minutes of the July board meeting and the August 3, 2022 Called Board Meeting, which had been previously distributed. The minutes were approved by general consensus.

Safety Report

Ms. Ellis reported that BTES has completed 74,363.69 safe working hours from January 6, 2022 to July 31, 2022 without a lost time accident. The August safety meeting was on Fall Protection – Buckets, Ladders and Platforms.

Financial Reporting

Electric Business Unit

Ms. McVey presented the June 2022 financial reports. She reported that the fiscal year 2022 kWh sales were approximately 1.5 percent higher than in fiscal year 2021. Year-end entries for the Other Post-Employment Benefits Trust and the Tennessee Consolidated Retirement System increased net income for the year.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 86,214.4	\$ 82,147.2
Other Electric Revenue	\$ 6,278.1	\$ 6,607.8
Other Income	\$ 233.8	\$ 254.4
Total Operating Expense	\$ 89,176.9	\$ 87,131.0
Non-Operating Expense	<u>\$ 1,331.7</u>	<u>\$ 1,055.7</u>
Electric Net Income (Loss)	\$ 2,217.7	\$ 822.7
Operating & Maintenance Expense	\$ 10,122.5	\$ 11,660.8
Broadband Net Income	\$ 5,242.6	\$ 1,554.7

Advanced Broadband Services Business Unit

Ms. McVey reported that in July 2022 the number of cable services decreased by 80, the number of telephone services decreased by 50 and the number of Internet services increased by 32.

TVA Monthly Fuel Cost

Dr. Browder indicated that the September 2022 monthly fuel cost will decrease to \$.03286 per kWh for residential (RS) customers. This decrease is down relative to the August monthly fuel cost but is still higher than the three-year average due to increased natural gas and purchased power rates.

	August 1, 2022	September 1, 2022
	Fuel Cost	Fuel Cost
500 kWh	\$24.73	\$16.43
1000 kWh	\$49.46	\$32.86
1500 kWh	\$74.19	\$49.29
2000 kWh	\$98.92	\$65.72

Approval of Purchase of Fence for South Bristol Delivery Point

Dr. Browder presented a proposal for the approval of the purchase of a security fence for the South Bristol Delivery Point. We placed an advertisement in the Bristol Herald Courier and reached out to known vendors. We received two quotes. Dr. Browder recommended accepting the quote from Rio Grande Fence Company for a total of \$57,000.00. Mr. Akard made a motion to accept the Rio Grande Fence Company proposal and Mr. Turner seconded the motion. It was approved unanimously.

Identity Theft Prevention Policy Annual Approval

Annual review of the Identity Theft Prevention Policy is required by the FACT Act of 2003. It requires the safeguarding of customer information to help prevent identify theft. This policy requires Board approval annually. There are no changes this year. Mr. Turner moved for approval of the policy. Mr. Akard seconded the motion and it was approved unanimously.

Pending Items**Internet Reliability**

Mr. Dowell reported that the two 50 gig circuits from Atlanta and Charlotte are still being tested.

Transformers

Mr. Dowell reported that the transformer orders are in a holding pattern. We have had no deliveries in the past month but may receive some next month that were ordered last year.

CEO Report

Dr. Browder reported that the Pandemic Recovery Credit was going down to 1.5 percent in October 2022. TVA has recommended to their Board that the credit remain at 2.5 percent and the Board is expected to vote to accept that recommendation.

Dr. Browder reported that we have engaged Mattern & Craig to do an environmental study on a site in the Bristol Industrial Park to make into a pad-ready site. We will be applying for grants from TVA and the State of Tennessee to offset the cost.

Dr. Browder informed the Board that we have been researching tree caused outages. We will take the worst fifteen to twenty circuits and gets quotes for trimming by circuit. This should have a positive impact on those outages.

CEO Succession Plan

At this time, Joel Cullum of SESCO Management Consultants joined the meeting and all staff were dismissed. The Board made plans for an upcoming CEO Succession Planning workshop.

Board Comments

There were no further Board comments.

Chairman Downs adjourned the meeting.

Respectfully Submitted,

A handwritten signature in blue ink that reads "David Akard III" with a stylized flourish at the end.

David Akard III, Secretary