

DECEMBER 2022 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, December 21, 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 and Doug Harmon

Staff Present

Interim CEO Clayton Dowell, Vice President of People Operations Tara Ellis and Vice President of Finance Lola McVey

Minutes

Chairman Downs asked if there were any corrections to the minutes of the November Board meeting which had been previously distributed. There were no corrections, and the minutes were approved by general consensus.

Safety Report

Ms. Ellis reported that BTES has completed 117,262.99 safe working hours from January 6, 2022 to November 30, 2022 without a lost time accident. The December safety meeting for all employees was on Accident Causes and Controls.

Financial Reporting

Electric Business Unit

Ms. McVey presented the November 2022 financial reports. She reported that there is still unbilled revenue at the end of November as evidenced by the difference in the kWh sold in November and the kWh bought in November. The result is seen in the negative net income for November which was budgeted. We are still ahead of YTD budgeted net income by about \$0.8 million. We have 346 Prepay customers as of November 30, 2022.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 38,989.6	\$ 33,544.7
Other Electric Revenue	\$ 2,750.7	\$ 2,791.1
Other Income	\$ 353.9	\$ 97.7
Total Operating Expense	\$ 41,211.8	\$ 36,266.1
Non-Operating Expense	\$ 278.4	\$ 403.5
Electric Net Income (Loss)	\$ 604.0	\$ (236.1)
Operating & Maintenance Expense	\$ 4,487.6	\$ 4,533.0
Broadband Net Income	\$ 2,205.9	\$ 2,131.1

Advanced Broadband Services Business Unit

Ms. McVey reported that in November 2022 the number of cable services decreased by 56, the number of telephone services decreased by 38 and the number of Internet services increased by 11. In November all 1 Gigabit customers were upgraded to 1 Gigabit symmetrical and we added a symmetrical 500 Mb product. As a result, we added 68 residential 500 Mb customers and 10 1 Gigabit customers in November.

TVA Monthly Fuel Cost

Mr. Dowell indicated that the January 2023 monthly fuel cost will increase to \$.03048 per kWh for residential (RS) customers.

	December 1, 2022	January 1, 2023
	Fuel Cost	Fuel Cost
500 kWh	\$14.24	\$15.24
1000 kWh	\$28.48	\$30.48
1500 kWh	\$42.72	\$45.72
2000 kWh	\$56.96	\$60.96

Approval of In Lieu of Tax Resolution

Mr. Dowell presented the In Lieu of Tax Resolution to pay the maximum taxes for the fiscal year ending June 30, 2023, as provided by Tennessee State Law and the TVA contract. By way of the Resolution, the BTES Board recommends to the City Council that BTES pay the maximum tax equivalent as per Chapter 84 of the Public Acts of the State of Tennessee for 2022 which is:

Sullivan County, Tennessee	\$ 550,224.14
Washington County, Virginia	\$ 2,172.81
City of Bluff City, Tennessee	\$ 9,387.95
City of Bristol, Tennessee	\$ 1,883,655.71
Total	<u>\$ 2,445,440.61</u>

After discussion, Mr. Harmon moved to approve the resolution. Mr. Turner seconded the motion and the Board voted unanimously to approve the In Lieu of Tax Resolution.

Deferred Compensation

Ms. Downs reported that she received an opinion letter from Attorney Ramesh Murthy regarding the Deferred Compensation Agreement dated July 19, 1978 between BTES and R. Michael Browder. In Mr. Murthy's opinion the agreement is valid. The letter is attached to and made part of these minutes.

CEO Report

Vegetation Management

Mr. Dowell reported that the vegetation management project is going well and showed the updated interactive map on our website.

Transformers

Mr. Dowell reported that our next shipment of transformers is expected in about one year.

BTES TV+

Mr. Dowell updated the Board on the status of the BTES TV+ implementation. We are continuing weekly calls with their implementation team. We are also meeting weekly with our internal team on branding, channel lineups and content.

Board Comments

No further Board comments.

Chairman Downs adjourned the meeting.

Respectfully Submitted,

A handwritten signature in cursive script that reads "David Akard III". The signature is written in black ink and includes a stylized flourish at the end.

David Akard III, Secretary