

DECEMBER 2020 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, December 18, 2020 at noon. The meeting was held pursuant to Governor Bill Lee's Executive Order No. 16, which allows members of the governing body subject to the Tennessee Open Meetings Act to meet and conduct essential business by electronic means if the body determines meeting electronically is necessary to protect the health, safety and welfare of Tennesseans in light of the COVID-19 pandemic. The public could attend the meeting live via remote access from the BTES office and was notified of the process for joining remotely with detailed instructions on the BTES website, including the opportunity to address the Board on any matter of BTES business. Mr. Turner motioned to continue the meeting electronically and Mr. Clarke seconded. The motion passed unanimously.

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 Dr. Mike Browder, Director of Engineering Clayton Dowell, Director of Management Services Tara Ellis and Director of Accounting and Finance Lola McVey

Others Present

Joel Cullum from SESCO Management Consultants and BTES customer Angela Fleenor

Revised Agenda

Mr. Clarke motioned to amend the agenda to add Customer Service, Communication and Reliability to the end of the agenda and allow Ms. Fleenor to speak. Mr. Turner seconded the motion, and it was approved.

Leadership Progression Planning

Joel Cullum reported that he has completed profiles and individual development plans for potential candidates to move to the next level. The Board discussed a written succession plan in an emergency situation if the CEO was unable to perform his duties. Mr. Cullum and Ms. Ellis will provide a plan.

Minutes

Chairman Downs presented the minutes of the November board meeting. Mr. Harmon motioned to approve the minutes. Mr. Turner seconded the motion, and the minutes were unanimously approved.

Safety Report

Ms. Ellis reported that BTES has completed 408,503.55 safe working hours as of November 30, 2020 without a lost time accident. A safety meeting was held on December 15 for all employees on Workplace Violence Beyond Active Shooter. She also reported that two employees have COVID-19 and two more are in quarantine.

Financial Reporting

Electric Business Unit

Ms. McVey presented the November 2020 financial reports. She reported that we purchased less kWh in November than in the same period last year. This is due to the weather being warmer than last November and warmer than normal for this time of year. Net income for November was negative as was projected in our budget.

Ms. McVey also reported on the Local Broadcast Retransmission Fee increases. The contracts for Nexstar and Cunningham Broadcasting are complete. The Sinclair Broadcasting contract is being negotiated by the National Cable Television Cooperative and the final numbers will not be available until the last of December. There was discussion about informing customers about the increase. BTES staff will present a plan at the January meeting.

There are 126 PrePay customers as of December 4, 2020.

The financial highlights are as follows:

\$(000)	YTD Actual	YTD Budget
Electric Revenue	\$ 31,630.7	\$ 33,422.3
Other Electric Revenue	\$ 2,829.9	\$ 2,844.7
Other Income	\$ 177.9	\$ 373.0
Total Operating Expense	\$ 32,548.0	\$ 35,815.2
Non-Operating Expense	<u>\$ 554.1</u>	<u>\$ 435.0</u>
Electric Net Income (Loss)	\$ 1,536.4	\$ 389.8
Operating & Maintenance Expense	\$ 4,101.0	\$ 4,797.3
Broadband Net Income	\$ 1,475.0	\$ 952.2

Advanced Broadband Services Business Unit

Ms. McVey reported that the number of customers in the Advanced Broadband Services (ABS) Business Unit increased by 45 in November 2020. There was an increase in the number of Internet services. Net income remains positive.

TVA Monthly Fuel Cost

Dr. Browder indicated that the January 2021 monthly fuel cost will decrease to \$.01691 per kWh for residential (RS) customers. This is the lowest fuel cost in January since it was implemented.

	December 1, 2020	January 1, 2021
	Fuel Cost	Fuel Cost
500 kWh	\$7.95	\$8.46
1000 kWh	\$15.90	\$16.91
1500 kWh	\$23.85	\$25.37
2000 kWh	\$31.80	\$33.82

Ethics Policy Discussion

Chairman Downs asked that Board members review the Ethics Policy. The policy will be presented at the next meeting for updating and approval. Mr. Turner asked about updates to the Public Records Policy regarding changes in 2019. He asked that Attorney Davenport attend the next meeting to report on changes in public records law.

Customer Service, Communication and Reliability

Chairman Downs recognized Angela Fleenor, BTES customer, who requested to address the Board about her experience as a customer and during the IPTV outage December 7-9. Chairman Downs asked BTES staff to review Ms. Fleenor's account and respond to her before December 24.

There was discussion about customer communication during service interruptions. Dr. Browder stated that we are working on ways to better communicate. The Board asked the staff to present a communication plan at the next board meeting.

Pending Item

Cybersecurity Report

Mr. Dowell reported that he has a quote for a cybersecurity assessment and is in the process of evaluating it.

CEO Report

Dr. Browder reported that Sharps Hollow Substation is online and serving customers. It is not completely finished but it is operational if needed in the event of an emergency.

We are working with the City of Bristol on a marketing plan to highlight our community and high-speed Internet. Commercials will be run in Charlotte, Nashville and Atlanta with emphasis on remote working with our fast Internet.

We will be adding Newsmax to the cable line-up as soon as we get a receiver. The programming is offered at no cost for now.

We are evaluating our future video needs as IPTV is needing a system upgrade and new technology is available. We are looking at the same system EPB has.

Dr. Browder reported that Mr. Dowell serves on a committee for Seven States Power Corporation as the Appalachian District Power Distributors Association representative. The committee is working on a project to evaluate the possibility of building a fiber optic network across the Seven States/TVPPA area that is utility owned and operated. This would provide future opportunities to improve fiber connectivity and improve the services we offer customers. It would likely involve financial support from BTES and other power companies.

Board Comments

Chairman Downs complimented the staff on the virtual Service Awards and Christmas Party.

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