

MARCH 2022 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, March 16, 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, Director of Engineering Clayton Dowell, Director of Management Services Tara Ellis and Director of Accounting and Finance Lola McVey

Others Present

Joel Cullum

CEO Search

Mr. Cullum presented a detailed timeline, CEO profile and a listing of advertising resources for the CEO search. He led discussion about the CEO search process. The position will be advertised starting May 2.

Minutes

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

Safety Report

Ms. Ellis reported that BTES has completed 19,937.7 safe working hours from January 6, 2022 to February 28, 2022 without a lost time accident. A safety meeting was held on March 1, 2022 for outside employees on Work Zone Traffic Control.

Financial Reporting

Electric Business Unit

Ms. McVey presented the February 2022 financial reports. She reported that on a regular basis part of a residential customer's usage for January is billed in February. Due to a very cold spell at the end of January, a significant amount of the January residential usage was billed to the residential customers in February. BTES paid for the usage in January and billed for it in February. This resulted in about \$1.5 million additional revenue in February that was paid for in January. Maintenance expense is below budget because crews are working on capital projects such as the South Bristol Delivery Point and the Virginia fiber project. There are 254 PrePay customers as of February 28, 2022.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 58,787.5	\$ 56,347.8
Other Electric Revenue	\$ 4,301.1	\$ 4,503.7
Other Income	\$ 145.4	\$ 169.5
Total Operating Expense	\$ 61,389.7	\$ 59,646.8
Non-Operating Expense	<u>\$ 1,076.3</u>	<u>\$ 708.0</u>
Electric Net Income (Loss)	\$ 768.0	\$ 666.2
Operating & Maintenance Expense	\$ 7,301.8	\$ 7,763.3
Broadband Net Income	\$ 3,277.0	\$ 1,176.8

Advanced Broadband Services Business Unit

Ms. McVey reported that in February 2022 the number of cable services decreased by 72 and the number of telephone services decreased by 45. The number of Internet services increased by 27.

TVA Monthly Fuel Cost

Dr. Browder indicated that the April 2022 monthly fuel cost will increase to \$.02492 per kWh for residential (RS) customers.

	March 1, 2022	April 1, 2022
	Fuel Cost	Fuel Cost
500 kWh	\$10.87	\$12.46
1000 kWh	\$21.74	\$24.92
1500 kWh	\$32.61	\$37.38
2000 kWh	\$43.48	\$49.84

Approval of the Purchase of a Replacement Bucket Truck

Dr. Browder presented a recommendation to purchase a new bucket truck to replace the current 2010 model. The lead time for a replacement is 24 to 36 months. An ad was placed in the Bristol Herald Courier and we contacted our current vendors. We received two proposals and we are recommending the Altec proposal of \$218,930.00. That price includes a \$4,000 trade-in value. The disposal of that truck is yet to be determined. After discussion, Mr. Akard made a motion to approve the recommendation and Mr. Clarke seconded. The motion was approved.

Approval of the Purchase of a Pair of Wire Pulling Machines

Dr. Browder made a recommendation to replace our current two wire pulling machines that are over forty years old, requiring a significant amount of maintenance and it is hard to get parts for them. An ad was placed in the Bristol Herald Courier and we contacted our current vendors. We received two proposals and we are recommending the Sherman Riley proposal for two wire pulling machines for a total of \$230,407.00. Mr. Turner made a motion to approve the purchase and Mr. Akard seconded. The motion was approved.

Pending Items**Internet Reliability**

Mr. Dowell reported that the two 50 gig circuits from Atlanta and Charlotte are still in progress. Seven States is still working on their fiber project.

CEO Report

Dr. Browder reported that the property sale in the Bristol Business Park approved by the Board last month closed this morning. A public announcement will be held at a later date.

He also reported that the twenty-fifth Teacher Industry Day that we have hosted was held at Northeast State Community College.

Board Comments

There were 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 dark ink and includes a stylized flourish at the end.

David Akard III, Secretary