

## **OCTOBER 2022 BOARD MINUTES**

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Monday, October 24, 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**

Conor O'Donoghue and Josh Vehec from Coulter & Justus

### **Audit for Fiscal Year Ending June 30, 2022**

Conor O'Donoghue and Josh Vehec from Coulter & Justus presented the audit report for the fiscal year ending June 30, 2022. They reported that the audit process went well with no issues with management. The opinion on the financial statements is unmodified (clean). No audit findings of noncompliance or material misstatements were found. The auditors tested financial control procedures and had no findings.

### **Minutes**

Chairman Downs asked if there were any corrections to the minutes of the September Board meeting which had been previously distributed. She suggested an addition to the minutes regarding a request for a discount on the vegetation management proposal. The minutes as amended were approved by general consensus.

### **Safety Report**

Ms. Ellis reported that BTES has completed 96,854.69 safe working hours from January 6, 2022 to September 30, 2022 without a lost time accident. The October safety meeting for outside crews was on Safe Backing, Turning and Parking. She also reported that the TVPPA/DIC Safety Audit went well with only minor issues to be addressed.

### **Financial Reporting**

#### **Electric Business Unit**

Ms. McVey presented the September 2022 financial reports. She reported that unbilled revenue from previous months was billed in September resulting in positive net income. Revenue and purchased power continue to be above budget in part due to the increased fuel costs. We have 315 Prepay customers as of September 30, 2022.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 26,318.0	\$ 21,642.5
Other Electric Revenue	\$ 1,617.6	\$ 1,631.7
Other Income	\$ 125.7	\$ 58.5
Total Operating Expense	\$ 26,056.4	\$ 22,356.7
Non-Operating Expense	<u>\$ 201.6</u>	<u>\$ 242.1</u>
<b>Electric Net Income (Loss)</b>	<b>\$ 1,803.3</b>	<b>\$ 733.9</b>
Operating & Maintenance Expense	<b>\$ 1,665.5</b>	<b>\$ 1,663.3</b>
Broadband Net Income	<b>\$ 1,346.0</b>	<b>\$ 1,246.8</b>

### **Advanced Broadband Services Business Unit**

Ms. McVey reported that in September 2022 the number of cable services decreased by 108, the number of telephone services decreased by 41 and the number of Internet services decreased by 6. The number of Internet Only customers increased by 80.

### **TVA Monthly Fuel Cost**

Dr. Browder indicated that the November 2022 monthly fuel cost will decrease to \$.03157 per kWh for residential (RS) customers.

	<b>October 1, 2022</b>	<b>November 1, 2022</b>
	<b>Fuel Cost</b>	<b>Fuel Cost</b>
<b>500 kWh</b>	\$17.03	\$15.79
<b>1000 kWh</b>	\$34.05	\$31.57
<b>1500 kWh</b>	\$51.08	\$47.36
<b>2000 kWh</b>	\$68.10	\$63.14

### **Approval of Purchase of S&C Remote Supervisory Vista 624**

Dr. Browder presented a proposal for the purchase of additional equipment for Tri-City Extrusion. They have notified us of their need for more transformer capacity. The Board approved their original equipment purchase in June 2022. We were able to pause the first order and are asking the Board to approve an additional \$44,750 to purchase a larger switchgear to accommodate future capacity. The total price of the larger switchgear is \$155,420. Tri City Extrusion has approved this additional amount. Mr. Clarke made a motion to purchase the switchgear and Mr. Akard seconded the motion. It was approved unanimously.

### **Approval of Banking Deposit Resolution**

When we open bank accounts or purchase Certificates of Deposit, financial institutions request a resolution from the Board stating who has authority to do so. We have been using an outdated resolution from 1977. We are requesting that the updated resolution granting the CEO of BTES the authority the authority to open and maintain bank accounts be approved to replace the earlier one. A copy of the resolution is attached. Mr. Turner moved for approval of the resolution. Mr. Clarke 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 up and running. We are working to make the 1 gig service symmetrical and to start selling a 500 Mb symmetrical service soon.

### **Transformers**

Mr. Dowell reported that we have received a few transformers. We still have our emergency stock and no customers have been impacted.

## **CEO Report**

### **Vegetation Management**

Dr. Browder reported that we received a two percent discount on the proposal. The work has begun with one foreman and about twenty people. Additional foremen and crews are expected next week.

This is Dr. Browder's last board meeting. He said he has enjoyed working for BTES for the past fifty years. He expressed appreciation to the current and past Board members.

## **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