

## SEPTEMBER 2022 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Thursday, September 29, 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

### Minutes

Chairman Downs asked if there were any corrections to the minutes of the regular August Board meeting and the August 24, 29, 30 and 31, 2022 Called Board Meetings, which had been previously distributed. The minutes were approved by general consensus.

### Safety Report

Ms. Ellis reported that BTES has completed 86,221.19 safe working hours from January 6, 2022 to August 31, 2022 without a lost time accident. The September safety meeting for all employees was on Dealing with Workplace Violence.

### Financial Reporting

#### Electric Business Unit

Ms. McVey presented the July and August 2022 financial reports. She reported that there were no extraordinary items in the July financial statements and reviewed the August reports. Year-to-date kWh sales are slightly lower than last year but the cost is higher due to higher fuel cost. Electric customers have increased over the last two years by 248. We have 304 Prepay customers as of August 31, 2022.

<b>\$(000)</b>	<b>YTD Actual</b>	<b>YTD Budget</b>
Electric Sales	\$ 18,491.8	\$ 14,736.1
Other Electric Revenue	\$ 1,168.6	\$ 1,164.3
Other Income	\$ 75.0	\$ 39.0
Total Operating Expense	\$ 18,506.7	\$ 15,458.5
Non-Operating Expense	<u>\$ 163.4</u>	<u>\$ 161.4</u>
<b>Electric Net Income (Loss)</b>	<b>\$ 1,065.3</b>	<b>\$ 319.5</b>
Operating & Maintenance Expense	\$ 1,551.3	\$ 1,839.0
Broadband Net Income	\$ 838.8	\$ 819.9

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

Ms. McVey reported that in August 2022 the number of cable services decreased by 143, the number of telephone services decreased by 84 and the number of Internet services decreased by 23.

### **TVA Monthly Fuel Cost**

Dr. Browder indicated that the October 2022 monthly fuel cost will increase slightly to \$.03405 per kWh for residential (RS) customers. This increase is mainly due to gas, purchased power and coal rates remaining higher than three-year average rates. An increase in the sales forecast is also contributing to higher fuel rates.

	<b>September 1, 2022</b>	<b>October 1, 2022</b>
	<b>Fuel Cost</b>	<b>Fuel Cost</b>
<b>500 kWh</b>	\$16.43	\$17.03
<b>1000 kWh</b>	\$32.86	\$34.05
<b>1500 kWh</b>	\$49.29	\$51.08
<b>2000 kWh</b>	\$65.72	\$68.10

### **Approval of Purchase of a Vacuum Truck**

Dr. Browder presented a proposal for the approval of the purchase of a vacuum truck. This would be a new addition to our fleet to aid in the tasks of underground primary fault repair, pole installation and contaminated oil clean up. These processes are currently performed manually by our line crews. We placed an advertisement in the Bristol Herald Courier and reached out to known vendors. We received two quotes. Dr. Browder recommended purchasing the vacuum truck from Global for a total cost of \$234,900.00. Mr. Akard made a motion to purchase the vacuum truck and Mr. Harmon seconded the motion. It was approved unanimously.

### **Approval of Engineering Costs for Pad Ready Site in Bristol Industrial Park**

BTES owns land in both the Bristol Industrial Park and the Bristol Business Park. These properties continue to be aggressively marketed but the available acreage, grading costs and the time delay to grade available sites, have been stated as reasons for not making the final list in potential projects. Dr. Browder recommended that we engage Mattern and Craig as the engineering and project manager to prepare a pad ready site in the Bristol Industrial Park at a cost of \$122,542. Mr. Harmon moved for approval of the proposal. Mr. Turner seconded the motion and it was approved unanimously.

### **Approval of Vegetation Management by Circuit**

BTES has continued to experience more outages due to trees and other vegetation. We performed an analysis of our outage history to determine the areas most impacted by vegetation. We identified sixteen circuits where tree related outages are having the greatest impact to our customers. We requested quotes from known vendors with utility trimming experience and advertised in the Bristol Herald Courier. Dr. Browder recommended that we accept the quote from Asplundh Tree Expert, LLC at a total cost of \$16,749,463. After extensive discussion by the Board and staff about reliability and financial issues, Ms. Downs recommended asking for a discount from the vendor. Mr. Harmon made a motion to accept the quote from Asplundh Tree Expert, LLC and Mr. Akard seconded. The motion passed unanimously.

### **Approval of Employment Letter Addendum**

Ms. Downs presented an Addendum to the Employment Letter for Mr. Dowell. The Addendum relates to a three-month written notice by either party to terminate the contract. Mr. Turner made a motion to approve the Addendum, Mr. Akard seconded and the motion was approved.

**Pending Items****Internet Reliability**

Mr. Dowell reported that the two 50 gig circuits from Atlanta and Charlotte are operational and will be carrying traffic tomorrow.

**Transformers**

Mr. Dowell reported that the transformer orders are still in a holding pattern.

**CEO Report**

No further items for the CEO report.

**Board Comments**

Due to Board member conflicts, the October meeting will be changed to Monday, October 24 at noon.

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