

## **DECEMBER 2024 BOARD MINUTES**

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, December 18, 2024, at noon at 2470 Volunteer Parkway, Bristol, Tennessee.

### **Call to Order**

Chairperson Downs called the meeting to order at 12:03 p.m.

### **Board Members Present**

Erin Downs, John Vann, Doug Harmon, Jason Booher, and Vince Turner

### **Staff Present**

CEO Clayton Dowell, Vice President of People Operations Tara Ellis, Vice President of Engineering David Hacker, Vice President of Operations and Safety Steve Craddock, and Supervisor of Accounting Heather Jenkins.

### **Public Comment Period**

Chairperson Downs called for public comments. There were none.

### **Minutes**

Chairperson Downs asked if there were any corrections to the minutes of the November board meeting, which had been previously distributed. No corrections were noted. Mr. Turner motioned to approve the minutes as distributed. Mr. Harmon seconded. The motion passed unanimously.

### **Safety Report**

Mr. Craddock reported 134,872.31 safe working hours from January 12, 2024, to November 30, 2024. The December safety meeting was held on December 3, 2024. The topic was “Winter Safety Precautions.”

### **Reliability Report**

Mr. Hacker reported 4.913 average customer outage minutes for November 2024. The average customer outage minutes year-to-date, through November 30, 2024, totaled 543.70.

### **Financial Report**

#### **Electric Business Unit**

Ms. Jenkins presented the November 2024 financial reports. She reported an increase in purchased power and unbilled revenue due to the decrease in temperatures toward the end of November. She also mentioned that maintenance expenses remain higher than normal due to ongoing repairs from Tropical Storm Helene.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 36,241.4	\$ 35,695.0
Other Electric Revenue	\$ 3,154.0	\$ 2,880.9
Other Income	\$ 1,089.2	\$ 1,003.5
Total Operating Expense	\$ 39,837.3	\$ 39,308.9
Non-Operating Expense	<u>\$ 241.6</u>	<u>\$ 169.8</u>
<b>Electric Net Income (Loss)</b>	<b>\$ 405.7</b>	<b>\$ 100.7</b>
Operating & Maintenance Expense	<b>\$ 6,935.7</b>	<b>\$ 6,340.1</b>
Broadband Net Income	<b>\$ 1,740.9</b>	<b>\$ (642.4)</b>

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

Ms. Jenkins reported the number of cable, Internet, and telephone services currently exceeds budgeted services. She provided a summary of BTES’ strategic approach to cable and Internet product pricing and its impact on Net Revenue.

### **TVA Monthly Fuel Cost**

Mr. Dowell reported the January 2025 monthly fuel cost will decrease to \$0.02531 per kWh for residential (RS) customers.

	<b>November 1, 2024</b>	<b>December 1, 2024</b>	<b>January 1, 2025</b>
	<b>Fuel Cost</b>	<b>Fuel Cost</b>	<b>Fuel Cost</b>
<b>500 kWh</b>	\$12.39	\$12.72	\$12.66
<b>1000 kWh</b>	\$24.78	\$25.44	\$25.31
<b>1500 kWh</b>	\$37.17	\$38.16	\$37.97
<b>2000 kWh</b>	\$49.56	\$50.88	\$50.62

### **Approval of TV2 MediaRoom Support for 2025-2026**

Mr. Dowell reported the annual MediaRoom support is up for renewal. This is the primary software platform that operates our IPTV video platform. Mr. Harmon made a motion to commit to the two-year agreement at a total cost of \$229,082.54, and Mr. Vann seconded. The motion was approved unanimously.

### **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, 2025, 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 2025 which is:

Sullivan County, Tennessee	\$471,180.72
Washington County, Virginia	\$1,994.03
Bluff City, Tennessee	\$7,278.18
City of Bristol, Tennessee	\$1,613,688.19
<b>Total</b>	<b>\$2,094,141.12</b>

The tax amount is higher in fiscal year 2025 due to the increased local property tax rates for the City of Bristol and Sullivan County. Mr. Turner moved to approve the resolution. Mr. Harmon seconded the motion and the Board voted unanimously to approve the In Lieu of Tax Resolution.

### **CEO Report**

Mr. Dowell provided a Strategic Plan update. He reported that progress is being made on our five goals.

Mr. Dowell provided a transformer update. He presented information on current known projects and the quantities of transformers expected to be needed. He reported that the pricing and lead times of transformers have decreased. We have evaluated unfulfilled orders placed in 2022 and determined we would experience a significant cost savings by canceling those orders and placing new orders with a different vendor.

Mr. Dowell presented renderings of the A.Y. McDonald manufacturing plant that will be built in the Bristol Business Park. A groundbreaking ceremony took place in early December 2024.

Mr. Dowell presented information on a new program being offered by TVA. PowerFlex is a demand response program that provides industrial customers with energy credits for committing to curtail their electric load during capacity event calls. We currently have one customer enrolled in the program.

Mr. Dowell provided information on BTES Power7 and the benefits it provides the community and our customers. He also provided a brief history of BTES Power7.

### **Board Comments**

Mr. Booher inquired about the status of the 2024 Residential Growth Advancement Program. Mr. Dowell advised we are ready to engage with any developers who have projects meeting the criteria of the program.

The Board conducted the CEO performance appraisal.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,



Doug Harmon, Secretary