

DECEMBER 2025 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, December 17, 2025, at noon at 2470 Volunteer Parkway, Bristol, Tennessee.

Call to Order

Chairperson Downs called the meeting to order at 12:00 p.m.

Board Members Present

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

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, Supervisor of Accounting Heather Jenkins, and Supervisor of Networks Michael Parker.

Others in attendance

Attorneys Tom Davenport and Rachel Bowen, and FiberWise Network's CEO Ryan Elswick.

Adoption of Meeting Agenda

Chairperson Downs requested to amend the agenda moving the approvals of In Lieu of Tax Resolution, Purchase of WiFi Routers, Purchase of ONTs, Backbone Upgrade, and the Wholesale IP Services Agreement as well as the Legal Update to immediately follow the FiberWise presentation. Mr. Vann motioned to adopt the agenda for the December board meeting. Mr. Harmon seconded and the motion passed unanimously.

Public Comment Period

Chairperson Downs called for public comments. There were none.

FiberWise

Mr. Ryan Elswick, CEO of FiberWise Networks, presented information on a proposed plan to add two additional 100Gbps Internet Circuits to Atlanta, GA and Ashburn, VA. The circuits would be fully redundant with a targeted 99.999% reliability metric and will be utilized to provide increased capacity for BTES' Internet customers as well as foster the adoption of higher Internet speed offerings. After the presentation and discussion, Mr. Elswick exited the meeting.

Approval of In Lieu of Tax Resolution

Mr. Dowell presented the In Lieu of Tax Resolution to pay the maximum tax equivalent for the fiscal year ending June 30, 2026, 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 2026 which is:

Sullivan County, Tennessee	\$492,435.23
Washington County, Virginia	\$1,901.71
Bluff City, Tennessee	\$6,941.83
City of Bristol, Tennessee	<u>\$1,687,322.24</u>
TOTAL	\$2,188,601.01

The tax amount is higher in fiscal year 2026 due to the increased state equalization ratios for the States of Tennessee and Virginia. Mr. Booher moved to approve the resolution. Mr. Turner seconded the motion and the Board voted unanimously to approve the In Lieu of Tax Resolution.

Approval of Purchase of WiFi Routers

Mr. Dowell reported additional routers are needed in order to continue offering managed WiFi to our customers. He recommended the purchase of 4,800 Nokia routers for a total price of \$379,200. Mr. Booher made a motion to approve the purchase of 4,800 Nokia routers for a total price of \$379,200. Mr. Harmon seconded the motion and it passed unanimously.

Approval of Purchase of ONTs

Mr. Dowell reported additional Optical Network Terminals (ONTs) are needed in order to serve additional fiber customers and continue upgrading legacy equipment. He recommended the purchase of 4,800 Nokia ONTs and enclosures for a total price of \$1,008,000. Mr. Booher made a motion to approve the purchase of 4,800 Nokia ONTs and enclosures for a total price of \$1,008,000. Mr. Turner seconded the motion and it passed unanimously.

Approval of Purchase of Backbone Upgrade

Mr. Dowell reported an upgrade is needed to our Internet backbone which will allow the core network capacity necessary to continue increasing Internet speeds for our customers. He recommended moving forward with a backbone upgrade that will increase the capacity from 100G to 400G for a total cost of \$1,001,160. This upgrade allows for the capability to upgrade to 800G with minimal changes in the future. Mr. Booher made a motion to approve the backbone upgrade to 400G for a total price of \$1,001,160. Mr. Vann seconded the motion and it passed unanimously.

Wholesale IP Services Agreement

Mr. Dowell led a discussion on proposals received from FiberWise Networks to add two additional 100Gbps Internet circuits to Atlanta, GA and Ashburn, VA. After discussion, Mr. Harmon made a motion to accept the proposal from FiberWise which contained a one-time installation fee of \$29,000 and monthly recurring cost of \$34,400. Mr. Vann seconded. After further discussion, Mr. Booher made a motion to amend the motion to approve a \$10,000 one-time installation fee and the monthly recurring cost of \$34,400. Mr. Vann seconded the motion. The vote to approve the amended motion was unanimous. Chairperson Downs then called for a vote on the motion as amended. The motion passed with a vote of 4 to 1.

Erin Downs, yes

Jason Booher, yes

Doug Harmon, yes

Vince Turner, no

John Vann, yes

Mr. Vann and Ms. Bowen exited the meeting.

Legal Update

Mr. Davenport provided a legal update.

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. Booher motioned to approve the minutes as distributed. Mr. Harmon seconded. The motion passed unanimously.

Safety Report

Mr. Craddock reported 288,475.71 safe working hours from January 12, 2024, to November 30, 2025. The December safety meeting for outside employees took place on December 12. The topic was "Fire Safety and Prevention."

Reliability Report

Mr. Hacker presented the outage data for November 2025. He reported an average of 3.811 customer outage minutes for the month. The year-to-date average, through November 30, 2025, was 56.083 customer outage minutes.

Financial Report

Electric Business Unit

Ms. Jenkins presented the financial reports for November. She reported Electric Sales for November were 56.6 MWh. A load factor of 57.22% was experienced in November, down from 67.69% in October 2025.

Advanced Broadband Services Business Unit

Ms. Jenkins reported total Fiber customers at the end of November were 17,868 with 17,054 Internet services, 5,085 cable services, and 4,514 telephone services. She reported on the marketing approaches that were implemented during the month of November which resulted in a net increase of 10 Internet customers.

	November 2025	
\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 38,252.9	\$ 35,244.5
Other Electric Revenue	3,109.6	2,881.7
Other Income	943.9	1,072.5
Total Operating Expense	40,423.7	38,561.2
Non-Operating Expense	<u>239.7</u>	<u>160.0</u>
Electric Net Income (Loss)	\$ 1,643.0	\$ 477.5
 Operating & Maintenance Expense	 \$ 6,049.7	 \$ 6,326.5
 Broadband Net Income	 \$ 2,513.0	 \$ 1,295.1

TVA Monthly Fuel Cost

Mr. Dowell reported that the January 2026 monthly fuel cost would increase to \$0.02460 per kWh for residential (RS) customers.

	November 1, 2025	December 1, 2025	January 1, 2026
	Fuel Cost	Fuel Cost	Fuel Cost
500 kWh	\$10.99	\$11.22	\$12.30
1000 kWh	\$21.97	\$22.44	\$24.60
1500 kWh	\$32.96	\$33.60	\$36.90
2000 kWh	\$43.94	\$44.88	\$49.20

CEO Report

Mr. Dowell provided an update on the customer communication plan developed in preparation for the enterprise software implementation.

Staff were excused from the meeting and the Board discussed Mr. Dowell's annual performance appraisal.

Board Comments

Chairperson Downs invited comments from the Board. After discussion regarding redundancy of legal services, Mr. Booher made a motion to terminate the legal services provided by Bowen Law, PLLC. effective January 9, 2026. Mr. Harmon seconded the motion and it passed unanimously. It was further discussed that attorneys from Miller & Martin could provide immediate backup for legal services if ever needed.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,



Doug Harmon, Secretary