

JULY 2023 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, July 19, 2023 at noon at 2470 Volunteer Parkway, Bristol, Tennessee.

Call to Order

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

Board Members Present

Erin Downs, David Akard III, Doug Harmon and John Vann

Staff Present

CEO Clayton Dowell, Vice President of People Operations Tara Ellis, Vice President of Engineering David Hacker and Vice President of Finance Lola McVey

Others Present

Attorney C. Thomas Davenport and Attorney Curt Rose

Annual Election of Officers

The officers of the corporation are elected at the July meeting each year to serve a one-year term. Mr. Harmon nominated Ms. Downs to serve as Board Chair. Mr. Vann seconded the motion and it was unanimously approved. Mr. Harmon nominated Mr. Akard to serve as Vice Chair. The motion was seconded by Mr. Vann and unanimously approved. Mr. Vann nominated Mr. Harmon to serve as Secretary. Mr. Akard seconded the motion and it was approved unanimously.

Legal Update

Mr. Davenport and Mr. Rose gave an update on the status of the J. A. Street lawsuit. They also updated the Board on the Vance transformer insurance claim. The claim was initially denied by the Property insurance policy and the Boiler and Machinery policy. The insurance companies are further reviewing the claim. The claim may be split between the two policies. If not, we could file a lawsuit.

Approval of Addressing the Board of Directors at BTES Board Meetings

Mr. Davenport presented revisions to the Addressing the Board of Directors at BTES Board Meetings policy. This is the same policy revision that was presented in draft form at the June meeting. The policy meets the requirements of the State of Tennessee Public Chapter 300. Mr. Akard made a motion to accept the policy and Mr. Harmon seconded the motion. The motion passed unanimously.

Approval of BTES Purchasing/Contracting Authority and Repeal of Contract Modification Policy

Mr. Davenport presented the BTES Purchasing/Contracting Policy. The policy is the same as the draft presented at the June meeting except for an addition to authorize purchasing by competitive sealed proposals. Mr. Harmon made a motion to approve the new policy and repeal the Contract Modification Policy since that wording is added to the Purchasing/Contracting Policy. Mr. Vann seconded the motion and the motion passed unanimously.

Minutes

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

Safety Report

Ms. Ellis reported that BTES has completed 196,294.79 safe working hours from January 6, 2022 to June 30, 2023 without a lost time accident. The July safety meeting for outside crews was Tree Cutting and Compressed Line

Hazards. Ms. Ellis reported that a BTES bucket truck was involved in an incident. There was no one injured and no property damage.

Reliability Report

Mr. Hacker presented the outage data for June 2023. He reported 3.35 average customer outage minutes for the month and 65.51 through June 30, 2023.

Financial Reporting

Electric Business Unit

There were no monthly financial reports because June 30, 2022 is the end of the fiscal year which requires more time to close out the books. The June financial report will be presented at the August board meeting. She reported that the Load Factor for June was 65.27 percent. There was an increase of 27 Prepay customers in June bringing total Prepay customers to 445.

Advanced Broadband Services Business Unit

Ms. McVey reported that in June 2023 the number of cable services decreased by twenty-three (23), the number of telephone services decreased by fourteen (14) and the number of Internet services decreased by eleven (11).

TVA Monthly Fuel Cost

Mr. Dowell indicated that the August 2023 monthly fuel cost will decrease to \$.02619 per kWh for residential (RS) customers.

	July 1, 2023	August 1, 2023
	Fuel Cost	Fuel Cost
500 kWh	\$13.41	\$13.10
1000 kWh	\$26.81	\$26.19
1500 kWh	\$40.22	\$39.29
2000 kWh	\$53.62	\$52.38

Approval of Acceptable Use Policy

Mr. Dowell presented the revised Acceptable Use Policy. The original policy was passed in October 2005 and the changes were made to reflect changing technology, more accurately reflect our current business practices, and to clean up other wording and formatting. A brief discussion was had to clarify one statement in the proposed policy. Mr. Vann made a motion to accept the revisions to the policy; Mr. Akard seconded, and the motion was approved unanimously.

Approval of Tree Trimming by Circuit

Mr. Dowell reported that ABC Professional Tree Service, whose proposal was approved at the June Board meeting, requested that their proposal be withdrawn. This prompted a re-evaluation of the proposals. Mr. Dowell recommended that we accept proposals from two of the other companies that had originally submitted proposals for specific circuits. He recommended accepting the W. A. Kendall & Company proposal for Circuits 60 and 59 for \$2,057,335.81 and the Xylem Tree proposal for Circuits 52, 63, 14 and 82 for \$1,413,477.87. Mr. Akard made a motion to accept the recommendation, Mr. Harmon seconded, and the motion was approved.

Approval of Purchase of 72kV Breakers for South Bristol Primary Substation

Mr. Dowell presented a recommendation to purchase breakers for the South Bristol Primary Substation from Siemens Energy, Inc. for a total of \$1,391,080.00. We requested proposals from known vendors and advertised in

the Bristol Herald Courier. The only proposal received was from Siemens Energy, Inc. Mr. Vann made a motion to accept the proposal, Mr. Akard seconded and the motion passed.

Strategic Plan Overview

Mr. Dowell presented an overview of a revised Strategic Planning Process. There was discussion about the Board's participation and a timeline for completion.

CEO Report

Vegetation Management Update

Mr. Dowell reported that Asplundh should finish their Vegetation Management project by July 31.

New Load Working Group

Mr. Dowell reported that Dan Pratt, Senior Vice President Regional Relations at TVA has asked him to serve on a new team called the New Load Working Group. This group is working on a process to evaluate new electric load requests in the Tennessee Valley.

Bristol Industrial Park

Mr. Dowell reported that we have received a TVA Invest Prep grant for grading at the Bristol Industrial Park.

South Bristol Substation Property

Mr. Dowell stated that there could be grant opportunities for other projects at this location.

Board Comments

Chairperson Downs presented a letter to be sent from the Board to the Department of Energy about the transformer shortage and new standards issue. It was decided that all Board members would sign the letter and a copy sent to our Federal legislators.

Mr. Akard commented that the Seaman announcement event went very well and was a positive showing for BTES. He also asked about the launch of TV+. He requested that Chris Sykes present at the next board meeting about our coverage of football games.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,



Doug Harmon, Secretary