

JUNE 2025 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday June 18, 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, John Vann, Doug Harmon, Vince Turner, and Jason Booher.

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 May board meeting, which had been previously distributed. No corrections were noted. Mr. Harmon motioned to approve the minutes as distributed. Mr. Turner seconded. The motion passed.

Safety Report

Mr. Craddock reported 209,759.01 safe working hours from January 12, 2024, to May 31, 2025. No safety meeting is scheduled for June due to scheduling conflicts with the instructor.

Reliability Report

Mr. Hacker presented the outage data for May 2025. He reported 5.644 average customer outage minutes for the month. The year-to-date average, through May 31, 2025, was 14.299 customer outage minutes.

Financial Report

Electric Business Unit

Ms. Jenkins presented the May 2025 financial reports. She reported Electric Sales were down due to the milder temperatures in May.

Advanced Broadband Services Business Unit

Ms. Jenkins presented an analysis of statistical data for the Advanced Broadband Services business unit, showing BTES' all-time peak customers and services compared to current figures. The analysis showed that despite reductions in cable and telephone services - 56% and 45%

respectively - BTES has been able to retain the majority of its share of Internet customers with only a 4% reduction.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 89,674.3	\$ 82,615.2
Other Electric Revenue	6,632.5	6,083.9
Other Income	2,276.3	2,207.7
Total Operating Expense	93,905.8	89,730.4
Non-Operating Expense	<u>532.5</u>	<u>373.3</u>
Electric Net Income (Loss)	\$ 4,144.8	\$ 803.1
 Operating & Maintenance Expense	 \$ 21,148.0	 \$ 21,842.9
 Broadband Net Income	 \$ 4,443.4	 \$ (1,200.5)

TVA Monthly Fuel Cost

Mr. Dowell reported that the July 2025 monthly fuel cost would decrease to \$0.02796 per kWh for residential (RS) customers.

	May 1, 2025	June 1, 2025	July 1, 2025
	Fuel Cost	Fuel Cost	Fuel Cost
500 kWh	\$13.73	\$14.43	\$13.98
1000 kWh	\$27.45	\$28.86	\$27.96
1500 kWh	\$41.18	\$43.29	\$41.94
2000 kWh	\$54.90	\$57.72	\$55.92

Approval of Metaswitch Annual Support and Extended Hardware Warranty

Mr. Dowell reported that our annual support from Metaswitch for our Class 5 telephone switch is up for renewal. This support has been previously planned and budgeted. There is a decrease of \$1,929 from the prior year. The annual support and extended hardware warranty will cover the period of August 1, 2025 through July 31, 2026. We recommend renewing the support and extended hardware warranty with Metaswitch for a cost of \$109,354. Mr. Turner made a motion to renew the support and extended hardware warranty and Mr. Harmon seconded. The motion was approved unanimously.

Approval of Optional Residential Time-of-Use Schedule

Mr. Dowell presented an optional Residential Time-of-Use schedule for approval. The schedule would segment a residential customer's billed usage into "on-peak" and "off-peak" hours that would have different pricing to help better align with actual power costs. The on-peak hours are defined as 5 AM to 11 PM (Eastern Time) and off-peak hours are from 11 PM to 5 AM daily. Energy costs are higher during the on-peak hours and lower during the off-peak hours.

Customers who are able to shift more of their energy usage to off-peak hours may see an overall reduction in their energy costs. Mr. Turner made a motion to approve the optional Residential Time-of-Use schedule and Mr. Vann seconded. The motion was approved unanimously.

CEO Report

Mr. Dowell reported that BTES is evaluating a set-top box device that may be used with BTES TV+ and BTES TV+ Lite. He also reported that Mr. Davenport and Ms. Bowen plan to attend the July board meeting to provide a legal update. Additionally, Mr. Dowell provided a brief TVA update following a meeting he attended earlier in June.

Board Comments

Chairperson Downs called for comments from the Board. Mr. Booher provided information discussed during a Sullivan County Planning Commission meeting on the property discussed at the May board meeting held for economic development. Additionally, Mr. Vann mentioned he had applied for reappointment to the BTES Board of Directors.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "D. Harmon", is written above the printed name.

Doug Harmon, Secretary