

MARCH 2020 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Monday, March 16, 2020 at noon at 2470 Volunteer Parkway, Bristol, Tennessee.

Call to Order

Larry Clarke called the meeting to order at 12:00.

Board Members Present

Larry Clarke, Erin Downs, Vince Turner and Doug Harmon
David Akard not present at the beginning of the meeting

Staff Present

CEO Dr. Mike Browder, Director of Engineering Clayton Dowell, Director of Accounting and Finance Lola McVey, Director of Management Services Tara McCall and Leslie Blevins, Public Relations and Communications Manager

Minutes

Mr. Clarke presented the minutes of the February board meeting. Mr. Turner made a motion to approve the minutes. Mr. Harmon seconded the motion and the minutes were unanimously approved.

Safety Report

Ms. McCall reported that BTES has completed 303,192.15 safe working hours as of February 29, 2020 without a lost time accident. This month's safety training was held for outside crews on March 3 with a topic of "Underground Troubleshooting and Safety/Underground Grounding."

Financial Reporting

Electric Business Unit

Dr. Browder presented the report for the month of February 2020. There was positive net income in February. Operating and maintenance expenses were under budget. Maintenance expenses are under budget because the workforce has been completing capital improvements. Tree trimming is planned for the spring which will increase the maintenance expenses.

The financial highlights are as follows:

	YTD Actual	YTD Budget
Electric Revenue	\$ 56,947.3	\$ 58,426.9
Other Electric Revenue	\$ 4,469.8	\$ 4,541.3
Other Income	\$ 680.2	\$ 774.3
Total Operating Expense	\$ 59,794.8	\$ 62,507.9
Non-Operating Expense	\$ 983.6	\$ 709.4
Electric Net Income (Loss)	\$ 1,318.9	\$ 525.2
Operating & Maintenance Expense	\$ 6,213.6	\$ 7,133.4
Broadband Net Income (Loss)	\$ 2,072.1	\$ 968.7

Advanced Broadband Unit

The number of total services has been remaining the same for the past couple of years. BTES may have an increase in broadband usage in March due to students doing school work from home. There was a discussion regarding the \$1,000 installation cost to BTES for installation of fiber services at a new location.

Mr. Akard arrived late to the meeting during the financial report.

TVA Monthly Fuel Cost

Dr. Browder indicated that the April 2020 monthly fuel cost will be \$.01533 per kWh for residential (RS) customers.

	March 1, 2020	April 1, 2020
	Fuel Cost	Fuel Cost
500 kWh	\$8.73	\$7.67
1000 kWh	\$17.45	\$15.33
1500 kWh	\$26.18	\$23.00
2000 kWh	\$34.90	\$30.66

Approval of Bristol Business Park Lot 2 & 3 Engineering Costs

Dr. Browder presented a proposal for engineering services at Bristol Business Park by Mattern and Craig Engineers for a total cost of \$86,940. The Bristol Business Park has been selected to receive \$350,000 in grant funding to assist with the development of two pad-ready sites. The new sites will accommodate buildings with footprints of up to 35,000 on the smaller lot and up to 200,000 on the larger lot. The total cost will be approximately \$1.6 million. Mattern and Craig Engineers have provided engineering consulting services for site development at the Bristol Business Park since it was established and developed for the location of Media General. Mr. Akard moved to approve the proposal. The motion was seconded by Mr. Turner and approved unanimously by the Board.

Leadership Progression Planning

Mr. Clarke led a discussion regarding the three consultant proposals for leadership progression planning services. After extensive discussion, Mr. Akard made a motion to table the discussion to the next meeting. The motion was seconded by Mr. Harmon and approved unanimously by the Board. In response to board questions, Ms. Downs will obtain information from Korn Ferry and Mr. Akard will obtain information from SESCO.

Pending Items

Carina Updates

Mr. Dowell reported that three CPMD relays have opened since the last board meeting in the Patty Branch Road area which seemed to be storm related. A few small data pieces still need to be moved to the new server.

Prepay Program

Mr. Dowell reported regarding the prepay testing at his house. His service was successfully terminated and restarted. All of the disconnect text messages were successfully sent and received. Ancillary services have been added to the employee accounts on prepay. The contract billing will be added this week. Testing will continue thereafter, and another true up process will occur at the end of the month.

Cybersecurity Report

Mr. Dowell reported that he spoke with Steven Dyer with CSA at a conference about a cybersecurity assessment. He also told him about our results from the KnowB4 email testing and he stated that our click rate

of under six percent was well below other utility benchmarks he had observed of 15 – 30 percent. BTES is working on the training campaign that goes along with the testing.

CEO Report

Dr. Browder reported that April Eads recently graduated from Valley Work Force Institute which focused on workforce issues including the low employment rate and the skills gap. Mr. Clarke asked if April could make a presentation to the Board regarding economic development.

Board Comments

Mr. Harmon requested a board presentation regarding the OPEB Trust which provides benefits for retirees including health insurance and life insurance.

Mr. Akard reported regarding the opposition of the town of Farragut to 5G pole attachments.

There being no further business, the meeting was adjourned at 2:50.

The next meeting is scheduled for Wednesday, April 15, 2020 at noon.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Erin A. Downs".

Erin Downs, Secretary