

MAY 2024 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, May 15, 2024 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, John Vann 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, Vice President of Finance Lola McVey, Supervisor of Accounting Heather Jenkins and Business Development Manager April Eads.

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 April board meeting or the amended March minutes which had been previously distributed. The minutes were approved by general consensus.

Safety Report

Mr. Craddock reported that BTES completed 44,970.06 safe working hours from January 12, 2024 to April 30, 2024. The May safety meeting for outside employees will be "Pole Top and Bucket Rescue". He also reported that we did a lockdown drill with Avoca Elementary School and utilized the gate installed in our fence to make our facilities a safe place for them in case of an emergency.

Reliability Report

Mr. Hacker presented the outage data for April 2024. He reported 3.834 average customer outage minutes for the month of April and 44.295 average customer outage minutes through April 30, 2024. Mr. Vann joined the meeting.

Financial Reporting

Electric Business Unit

Ms. Jenkins presented the April 2024 financial reports. She reported that the kWh sold in April 2024 were lower than the prior month but higher than April 2023. This usage coupled with a lower system demand provided a favorable Revenue Less Power Cost and a positive net income. She also reported that Deferred Debits on the Balance Sheet is lower due to the sale of land to A.Y. McDonald and allocated funds decreased because we paid for the transformers for South Bristol Delivery Point.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 74,932.3	\$ 77,714.0
Other Electric Revenue	\$ 5,802.5	\$ 5,637.5
Other Income	\$ 2,345.0	\$ 2,017.0
Total Operating Expense	\$ 79,790.4	\$ 82,743.6
Non-Operating Expense	<u>\$ 517.9</u>	<u>\$ 370.1</u>
Electric Net Income (Loss)	\$ 2,771.5	\$ 2,254.8
Operating & Maintenance Expense	\$ 10,569.5	\$ 11,918.2
Broadband Net Income	\$ 320.9	\$ (684.2)

Advanced Broadband Services Business Unit

Ms. Jenkins reported that in April 2024 the number of cable services decreased 275 because of an increase in the cost and our focus on helping customers find the best option for their video needs. Overall, the response was positive and Internet services only decreased by 25.

TVA Monthly Fuel Cost

Mr. Dowell indicated that the June 2024 monthly fuel cost will increase to \$.02087 per kWh for residential (RS) customers.

	April 1, 2024	May 1, 2024	June 1, 2024
	Fuel Cost	Fuel Cost	Fuel Cost
500 kWh	\$11.26	\$9.63	\$10.44
1000 kWh	\$22.51	\$19.26	\$20.87
1500 kWh	\$33.77	\$28.89	\$31.31
2000 kWh	\$45.02	\$38.52	\$41.74

Approval of Purchase of Substation Voltage Regulators

Mr. Dowell reported on the need to upgrade the voltage regulators at some of our substations to increase the capability and capacity of the substation. In the past, we have used 416 kV regulators and we are increasing to larger 667 kV units. As the 416 kV units are replaced, we plan to refurbish and re-use those at Bluff City District substation where the current units are rated at 167 kV. We requested proposals from our approved vendors and advertised in the Bristol Herald Courier. We received two proposals and are recommending purchasing six 667 kV regulators from Howard Industries at a total cost of \$326,532.00. Mr. Turner made a motion to purchase the equipment. Mr. Akard seconded and the motion passed unanimously.

Approval of Purchase of Replacement Digger Trucks for V77 and V87

Mr. Dowell reported that we have two digger trucks scheduled to be replaced in the next two years. These trucks have recently had mechanical issues and been out of service for long periods of time and are no longer reliable. The current typical lead times to order these vehicles is 24-36 months. Two of our known vendors have trucks that meet our specifications available now because other customers did not take delivery of their orders. We recommend purchasing two 2025 DM47 trucks from Global Rental Co., Inc. for a cost of \$520,365.00. Mr. Akard made a motion to purchase the trucks and Mr. Turner seconded. The motion was approved unanimously.

Approval of 2024-2025 Business Plan

Ms. Dowell led discussion on the 2024-2025 Business Plan. Topics discussed included the revised formatting of the Business Plan, differences in budgeted amounts as compared to last year and five-year budget projections. Mr. Vann made a motion to approve the 2024-2025 Business Plan, Mr. Akard seconded and the motion was approved.

CEO Report

Internet Price Decrease

Mr. Dowell reported that many Internet customers not in a package will see an increase in speed at no additional charge or a decrease in the price starting May 13. This is the twelfth time since starting in the Internet business that there has been a price decrease or speed increase.

USDA/Rural Development

Mr. Dowell reported on a USDA loan program that allows utilities to borrow funds for up to ten years with zero percent interest for the purpose of loaning the funds for economic development opportunities. The City of Bristol has a project that could qualify for the program but because BTES is a part of the City, they cannot loan funds directly to the City. Other options were discussed.

Project Costs

Mr. Dowell led a discussion on how customer projects are paid for, particularly in residential and commercial developments. Our process has been for the beneficiary of the project to pay for the project either through rates or Construction-In-Aid. Since the cost of equipment and supplies have increased so much, we recover less of the cost through rates.

Other Items

Power 7 will televise East, West Ridge and Tennessee High School graduations. Transformers are scheduled to be moved to the South Bristol Primary substation site on May 20 and May 23. A brief discussion was held regarding the possibility of BTES becoming a utility authority.

Board Comments

No further Board comments.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,



Doug Harmon, Secretary