

OCTOBER 2025 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, October 15, 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, 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, and Supervisor of Accounting Heather Jenkins.

Others Present

Josh Vehec and Matthew Esco with Coulter & Justus, P.C.

Adoption of Meeting Agenda

Chairperson Downs asked if there were any amendments to the agenda. There were none. Mr. Turner motioned to adopt the agenda for the October board meeting. Mr. Vann seconded. The motion passed.

Public Comment Period

Chairperson Downs called for public comments. There were none.

Audit for Fiscal Year Ending June 30, 2025

Josh Vehec and Matthew Esco from Coulter & Justus, P.C. presented the audit report for the fiscal year ending June 30, 2025. They reported that the audit process went smoothly with no issues. The opinion on the financial statements is unmodified (clean), with no findings of noncompliance or material misstatements. The auditors tested financial control procedures and had no findings.

Minutes

Chairperson Downs asked if there were any corrections to the minutes of the September board meeting, which had been previously distributed. No corrections were noted. Mr. Vann motioned to approve the minutes as distributed. Mr. Harmon seconded. The motion passed.

Safety Report

Mr. Craddock reported 263,004.26 safe working hours from January 12, 2024, to September 30, 2025. The October safety meeting for all employees took place on October 7th. The topic was "Digger Derrick Use and Safety."

Reliability Report

Mr. Hacker presented the outage data for September 2025. He reported an average of 1.743 customer outage minutes for the month. The year-to-date average, through September 30, 2025, was 43.071 customer outage minutes.

Financial Report

Electric Business Unit

Ms. Jenkins presented the financial reports for September. She reported Electric Sales for September were down from the previous month due to milder weather. The balance of allocated funds of \$4.3 million shown on the Electric Balance Sheet includes the AMI metering project, voltage regulators, a grading project, and substation breakers.

Advanced Broadband Services Business Unit

Ms. Jenkins reported total Fiber customers at the end of September were 17,905 with 17,068 Internet services, 5,244 cable services, and 4,609 telephone services.

	September 2025	
	\$(000)	
	YTD Actual	YTD Budget
Electric Sales	\$ 25,709.6	\$ 22,950.2
Other Electric Revenue	1,836.2	1,666.1
Other Income	559.9	655.5
Total Operating Expense	25,825.6	24,123.6
Non-Operating Expense	144.3	96.0
Electric Net Income (Loss)	\$ 2,135.8	\$ 1,052.2
 Operating & Maintenance Expense	 \$ 3,632.8	 \$ 3,898.0
 Broadband Net Income	 \$ 1,683.2	 \$ 773.6

TVA Monthly Fuel Cost

Mr. Dowell reported that the November 2025 monthly fuel cost would increase to \$0.02197 per kWh for residential (RS) customers.

	September 1, 2025	October 1, 2025	November 1, 2025
	Fuel Cost	Fuel Cost	Fuel Cost
500 kWh	\$12.10	\$10.70	\$10.99
1000 kWh	\$24.20	\$21.39	\$21.97
1500 kWh	\$36.30	\$32.09	\$32.96
2000 kWh	\$48.40	\$42.78	\$43.94

November Board Meeting Date Change

Chairperson Downs led a discussion about changing the date of the November Board Meeting. Mr. Vann made a motion to change the date of the Board Meeting from November 19th to

November 13th. Mr. Dowell stated that Financial Statements would be available at the meeting, but might not be finalized in time to distribute beforehand. Mr. Harmon seconded the motion and it passed unanimously.

TVA Delivery Point Agreement

Mr. Dowell reported that BTES has successfully completed construction of the South Bristol Primary Delivery Point Substation in partnership with TVA. TVA has provided a General Delivery Point Agreement for this substation that outlines the responsibilities of both TVA and BTES. The agreement includes reimbursement to be provided by BTES to TVA in the amount of \$875,362.59 for two of the eight 161 kV breakers and related relays, switches, and miscellaneous equipment, as these represent additional equipment requested to increase the reliability of electric service to BTES' substation. Staff conducted a thorough review and determined that the reimbursement amount is accurate, appropriate, and favorable, considering the benefits received by BTES and its customers. After discussion, Mr. Turner made a motion to approve the agreement. Mr. Vann seconded, and the motion passed unanimously.

Wholesale IP Services Agreement

Mr. Dowell presented a proposal from FiberWise Networks to add two additional 100 Gbps Internet circuits to Atlanta, GA and Ashburn, VA. These circuits will be used to provide increased capacity for our Internet customers as well as lower latency and improve reliability. Two options were discussed. After discussion, Mr. Turner made a motion to accept the proposal from FiberWise Networks to add two additional 100 Gbps Internet circuits at a monthly cost of \$34,400. Mr. Harmon seconded, and the motion passed unanimously.

Approval of Purchase of Three-Phase Reclosures

Mr. Dowell presented information on IntelliRupter PulseClosers from S&C Electric Company that would be used to replace our legacy reclosing devices that are approximately 50 years old. Six devices are needed to expand our automation and improve reliability. The total cost is \$322,050. Mr. Vann made a motion to approve the purchase of six three-phase reclosures from S&C Electric Company. Mr. Harmon seconded, and the motion passed unanimously.

Approval of Purchase of Replacement Bucket Truck

Mr. Dowell reported that a bucket truck is needed to replace a current 2012 model that is reaching the end of its reliable service life. Two proposals were received and discussed. Mr. Dowell recommended the purchase of a 2026 AA55-ESR 4x4 bucket truck from Altec, Inc. for \$288,846. Mr. Turner made a motion to approve the purchase. Mr. Vann seconded, and the motion passed unanimously.

CEO Report

Mr. Dowell provided an update on the enterprise software implementation. The Accounting Information System was successfully implemented in September. The Customer Information System will be implemented in January. Staff is formulating the plan for customer

communications to ensure a smooth transition for customers. He also reported that staff has begun planning for the next fiber backbone upgrade.

Board Comments

Chairperson Downs invited comments from the Board. Mr. Turner inquired about employment matter updates. Mr. Vann inquired about updates to current legal matters. Chairperson Downs provided feedback on BTES TV+ and reminded the Board that the CEO's performance review would be conducted in December.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,

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

Doug Harmon, Secretary