

MAY 2023 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, May 17, 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, Vince Turner, 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

Minutes

Chairperson Downs asked if there were any corrections to the minutes of the April board meeting which had been previously distributed. There was one correction, and the minutes were approved by general consensus.

Safety Report

Ms. Ellis reported that BTES has completed 173,170.2 safe working hours from January 6, 2022 to April 30, 2023 without a lost time accident. The May safety meeting was cancelled and will be rescheduled. We have started CPR and first aid training.

Reliability Report

Mr. Hacker presented the outage data for April 2023. He reported 26.02 average customer outage minutes for the month and 55.2 for the year.

Financial Reporting

Electric Business Unit

Ms. McVey presented the April 2023 financial reports. She reported that in April we sold less kWh than in the previous April because the weather was warmer. The average cost per kWh is higher YTD due to the fuel costs peaking in July and August. The fuel cost has come down and is lower in April 2023 than it was in April 2022. Net income is above budget for the year although May and June are budgeted to have a negative net income.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 78,521.3	\$ 72,770.3
Other Electric Revenue	\$ 5,770.7	\$ 5,575.2
Other Income	\$ 1,154.4	\$ 199.2
Total Operating Expense	\$ 82,048.3	\$ 76,178.5
Non-Operating Expense	<u>\$ 508.0</u>	<u>\$ 807.0</u>
Electric Net Income (Loss)	\$ 2,890.1	\$ 1,559.2
Operating & Maintenance Expense	\$ 9,558.1	\$ 9,070.1
Broadband Net Income	\$ (3,853.1)	\$ 4,367.3

Advanced Broadband Services Business Unit

Ms. McVey reported that in April 2023 the number of cable services decreased by sixty-five (65), the number of telephone services decreased by thirty-four (34) and the number of Internet services increased by two (2). In April, we added thirty-three (33) 500 Mb customers and gained nine (9) 1 Gigabit customers. In June, cable prices will increase \$8.00 to offset content provider increases.

TVA Monthly Fuel Cost

Mr. Dowell indicated that the June 2023 monthly fuel cost will increase to \$.02618 per kWh for residential (RS) customers.

	May 1, 2023	June 1, 2023
	Fuel Cost	Fuel Cost
500 kWh	\$12.92	\$13.09
1000 kWh	\$25.83	\$26.18
1500 kWh	\$38.75	\$39.27
2000 kWh	\$51.66	\$52.36

Approval of Strategic Business Plan

Mr. Dowell and Ms. McVey asked if anyone had questions about the Strategic Business Plan. Chairperson Downs asked about the components of an Outage Management System and the timing of an Employee Satisfaction Survey. Mr. Akard and Mr. Harmon commented about the negative Operating Income on the FY 2024 Electric Income Statement and Advanced Broadband Services FY 2024 and Five-Year Income Statements. There was discussion about annual tree trimming expenses and additional Vegetation Management projects. Mr. Dowell stated that the Strategic Business Plan would be updated to reflect the changes discussed in the meeting and the full plan will be presented for approval at the June Board meeting. To comply with City of Bristol, Tennessee budget deadlines, Mr. Turner made a motion to approve the Electric Business Unit FY 2024 budget. Mr. Harmon seconded, and the motion carried.

Residential Development Program

Mr. Hacker presented the Residential Development Program. He discussed the incentives available to developers when building all electric homes. He also discussed payment options associated with each scenario.

CEO Report

Pad Ready Site in Bristol Industrial Park

Mr. Dowell reported that we have applied for \$500,000 in grant funds from TVA to assist in making the lot pad-ready. To proceed with the application for the grant, BTES needs to agree to match those funds. The Board voiced their support for Mr. Dowell to commit the matching funds for the project.

Vegetation Management

Mr. Dowell reported that the Vegetation Management Project is going well. We have received about fifty debris removal requests.

TV+ Update

Mr. Dowell reported that we are ready to ramp up testing TV+. Board members will be asked to begin testing soon.

Ribbon Cutting

Mr. Dowell reported that the Ribbon Cutting at The Pinnacle for the Electric Vehicle chargers is June 15. Representatives from TVA and the State of Tennessee will be present.

Board Comments

No additional Board comments.

Chairperson Downs adjourned the meeting.

Respectfully Submitted,

A handwritten signature in cursive script that reads "David Akard III". The signature is written in black ink and includes a stylized flourish at the end.

David Akard III, Secretary