

JANUARY 2021 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, January 20, 2021 at noon. The meeting was held pursuant to Governor Bill Lee's Executive Order No. 16, which allows members of the governing body subject to the Tennessee Open Meetings Act to meet and conduct essential business by electronic means if the body determines meeting electronically is necessary to protect the health, safety and welfare of Tennesseans in light of the COVID-19 pandemic. The public could attend the meeting live via remote access from the BTES office and was notified of the process for joining remotely with detailed instructions on the BTES website, including the opportunity to address the Board on any matter of BTES business. Mr. Clarke motioned to continue the meeting electronically and Mr. Akard seconded. The motion passed unanimously.

Call to Order

Chairman Downs called the meeting to order at 12:00.

Board Members Present

Erin Downs, Vince Turner, David Akard III, Larry Clarke and Doug Harmon

Staff Present

CEO Dr. Mike Browder, Director of Engineering Clayton Dowell, Director of Management Services Tara Ellis and Director of Accounting and Finance Lola McVey

Others Present

Attorney C. Thomas Davenport

Revised Agenda

Mr. Harmon motioned to amend the agenda to move the Approval of Public Records Policy to the beginning of the agenda. Mr. Akard seconded the motion, and it was approved.

Approval of Public Records Policy

Mr. Davenport reported that there were some revisions to the Public Records law in 2020. Most of the changes do not apply to BTES. He made some small changes to the policy regarding the time to respond to a request and added the following to the policy – "Pursuant to the Tennessee Public Records statute a record of this request will be maintained for a minimum of twelve (12) months." Chairman Downs requested the name of the policy be changed to "Public Records Request Policy and Procedures" and the revision date be added. Mr. Akard motioned to accept the changes and Mr. Harmon seconded. The motion was approved.

Minutes

Chairman Downs presented the minutes of the December board meeting. Mr. Turner motioned to approve the minutes. Mr. Clarke seconded the motion, and the minutes were unanimously approved.

Safety Report

Ms. Ellis reported that BTES has completed 419,552.8 safe working hours as of December 31, 2020 without a lost time accident. A safety meeting was held on January 5 for all employees on Hazard Recognition.

Financial Reporting

Electric Business Unit

Ms. McVey presented the December 2020 financial reports. She reported that the average cost of power purchased was down 9 percent over the prior year due to the TVA Pandemic Relief Credit, lower fuel cost and weather. Load management devices installed on water heaters and conservation loans continue to increase.

There are 134 PrePay customers as of December 31, 2020.

Ms. McVey also reported on the Local Broadcast Retransmission Fee increases. The Sinclair Broadcasting contract is now final. She explained that the increase to the Retransmission Fee originally scheduled for February 1, 2021 will be delayed until late spring when electric bills are lower and combine that increase with other content increases. This is similar to passing through the TVA rate increases or decreases.

The financial highlights are as follows:

\$(000)	YTD Actual	YTD Budget
Electric Revenue	\$ 38,870.1	\$ 40,707.5
Other Electric Revenue	\$ 3,271.2	\$ 3,328.8
Other Income	\$ 208.0	\$ 446.1
Total Operating Expense	\$ 40,611.5	\$ 43,879.5
Non-Operating Expense	\$ 662.1	\$ 521.2
Electric Net Income (Loss)	\$ 1,075.7	\$ 81.7
Operating & Maintenance Expense	\$ 4,903.1	\$ 5,703.8
Broadband Net Income	\$ 1,782.6	\$ 1,180.1

Advanced Broadband Services Business Unit

Ms. McVey reported that the number of customers in the Advanced Broadband Services (ABS) Business Unit increased by 44 in December 2020. There was an increase in the number of Internet services. Net income remains positive. Dr. Browder reported that we are collecting data when customers disconnect their cable service to determine how they will be watching TV going forward. We will use this information as we plan for the future of our cable system.

TVA Monthly Fuel Cost

Dr. Browder indicated that the February 2021 monthly fuel cost will decrease to \$.01602 per kWh for residential (RS) customers. This is the lowest fuel cost in January since it was implemented.

	January 1, 2021	February 1, 2021
	Fuel Cost	Fuel Cost
500 kWh	\$8.46	\$8.01
1000 kWh	\$16.91	\$16.02
1500 kWh	\$25.37	\$24.03
2000 kWh	\$33.82	\$32.04

Approval of In Lieu of Tax Resolution

Dr. Browder presented the In Lieu of Tax Resolution to pay the maximum taxes for the fiscal year ending June 30, 2021, as provided by Tennessee State Law and the TVA contract. By way of the Resolution, the BTES Board recommends to the City Council that BTES pay the maximum tax equivalent as per Chapter 84 of the Public Acts of the State of Tennessee for 2021 which is:

Sullivan County, Tennessee	\$ 538,770.65
Washington County, Tennessee	\$ 1,008.96
Buff City, Tennessee	\$ 9,422.45
City of Bristol, Tennessee	\$ 1,845,334.17
Total	\$2,394,536.23

After some discussion and explanation of the process and some background information, Mr. Turner moved to approve the resolution. Mr. Harmon seconded the motion and the Board voted unanimously to approve the In Lieu of Tax Resolution.

Approval of Employee Handbook

Ms. Ellis presented the revised Employee Handbook for approval. She reported that Attorney Tom Davenport has reviewed the handbook from a legal perspective. There was discussion about access to employee's personnel files. Mr. Harmon motioned to approve the handbook subject to Mr. Davenport reviewing the language regarding employee access to their personnel file. Mr. Clarke seconded the motion and it was approved.

Approval of Ethics Policy

Chairman Downs presented the Ethics Policy and asked if Board members had any updates to the policy after their review. There were no changes noted. Mr. Clarke motioned to approve the Ethics Policy and Mr. Turner seconded. The motion was approved unanimously.

Approval of Nokia Technical Assistance Center Coverage for 2021

Dr. Browder presented a proposal for technical support coverage for a flat fee price of \$106,270.00 for various pieces of equipment including OLT, ONT, AMS and G6. This is an increase of about \$2,000 due to increase in the amount of customers. Mr. Akard moved to approve the proposal and Mr. Clarke seconded the motion. The motion was unanimously approved.

Pending Item

Cybersecurity Report

Mr. Dowell reported that we have engaged a company to do a cybersecurity assessment. The interactive process will begin next week.

CEO Report

Mr. Dowell gave an overview of our revised Communication Plan that details how and when we communicate internally about service interruptions and how and when we notify customers. It included templates for Facebook posts and news releases.

Dr. Browder reported that we are getting closer to grading Lots 2 and 3 in the Bristol Business Park. We are in the process of taking bids for excavation. We have an agreement with the City of Bristol that we will be reimbursed from new tax money when they start collecting the tax.

Dr. Browder reported that Neopharma has declared Chapter 11 bankruptcy. The Bankruptcy Court has agreed to allow BTES to be paid over \$160,000 as a prepayment for the next 4-6 weeks of electric usage.

We are working to provide fiber to our Virginia customers. We are preparing the final documents and have ordered some equipment.

Board Comments

There were no further Board comments.

Respectfully Submitted,



David Akard III, Secretary