

FEBRUARY 2021 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, February 17, 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. The meeting continued electronically by general consensus.

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

Minutes

Chairman Downs asked if there were any corrections to the minutes of the January board meeting which had been previously distributed. Chairman Downs asked for a change in wording for clarification. The minutes as amended were approved by general consensus.

Safety Report

Ms. Ellis reported that BTES has completed 430,911.8 safe working hours as of January 31, 2021 without a lost time accident. A safety meeting was held on February 2 for all employees on Right to Know, OSHA Updates, EAP and Bloodborne Pathogens.

Financial Reporting

Electric Business Unit

Ms. McVey presented the January 2021 financial reports. She reported that electric revenue and purchased power are lower than last year but the Revenue Less Power Cost (what we have to operate on) is above budget. This is due to weather and billing cycles. We are still working on capital projects causing maintenance expense to be lower than budget.

There are 152 PrePay customers as of January 31, 2021.

The financial highlights are as follows:

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 47,330.2	\$ 49,339.2
Other Electric Revenue	\$ 3,953.2	\$ 4,056.3
Other Income	\$ 233.5	\$ 519.4
Total Operating Expense	\$ 48,937.2	\$ 53,080.4
Non-Operating Expense	<u>\$ 773.5</u>	<u>\$ 607.3</u>
Electric Net Income (Loss)	\$ 1,806.2	\$ 227.2
Operating & Maintenance Expense	\$ 5,937.6	\$ 6,626.2
Broadband Net Income	\$ 2,065.8	\$ 1,318.9

Advanced Broadband Services Business Unit

Ms. McVey reported that the number of customers in the Advanced Broadband Services (ABS) Business Unit increased by 60 in January 2021. She also reported that there was an increase in the number of Internet services and we now have 437, 1 Gig residential customers. Net income remains positive.

TVA Monthly Fuel Cost

Dr. Browder indicated that the March 2021 monthly fuel cost will increase to \$.01647 per kWh for residential (RS) customers.

	February 1, 2021	March 1, 2021
	Fuel Cost	Fuel Cost
500 kWh	\$8.01	\$8.24
1000 kWh	\$16.02	\$16.47
1500 kWh	\$24.03	\$24.71
2000 kWh	\$32.04	\$32.94

Approval of Purchase of Breakers for Shelby Street Substation

Dr. Browder presented a proposal to purchase three 69kV breakers for Shelby Street Substation from Border States Electric at a total cost of \$100,258.11. The maintenance cost for the breakers has increased and the parts for the breakers are not readily available. After discussion about reliability there was no objection to the purchase and it was approved by general consensus.

Approval of Fiber Optic Cable for Washington County, VA and Backbone Extension

Dr. Browder reported that we are working on a plan to provide fiber optic services to our Washington County, VA customers and extend our fiber backbone for Fordtown substation. This also provides for future connectivity to other LPCs. Because of long lead times, the fiber needs to be ordered so that it is available when we are ready to begin construction. Dr. Browder recommended that the fiber be purchased from TTM Solutions, Inc. at cost of \$126,032.20. There were no objections and it was the sense of the meeting that the recommendation be approved.

Approval of Site Grading at Bristol Business Park

Dr. Browder reported that in March 2020, the Board approved the engineering for two pad ready sites in the Bristol Business Park which was approved by the State of Tennessee and TVA for grant reimbursement of

\$850,000. Originally the project cost was expected to be less than \$1.6 million and currently the cost is expected to be less than \$1.4 million. Glass Machinery and Excavation, Inc. was recommended from the bid meeting in January. Mr. Turner made a motion to approve Glass Machinery and Excavation, Inc. contingent upon them providing acceptable, required information by February 24, 2021. Mr. Harmon seconded and the motion was approved unanimously.

2020 Year End Review

Dr. Browder reported that during the calendar year 2020, 419,552.8 safe working hours as of December 31, 2020 and there were no lost time accidents in 2020. He also reported that 63 percent of employees had perfect attendance, installed 410 water heaters and have 17,239 Load Management Devices on customer water heaters. The energy savings loan program continued to grow in 2020 by adding 62 heat pump loans. In 2020, 843 fiber optic services were added. Average outage time was 93.15 minutes per customer. Dr. Browder reviewed the various automated billing arrangements available, number of customers in the Round Up program and contributions to the Help Your Neighbor Program.

Pending Item

Cybersecurity Report

Mr. Dowell reported that the cybersecurity assessment is complete and we received high marks for a solidly engineered system.

CEO Report

Dr. Browder reported that we are working with TVA and the State of Tennessee to install Electric Vehicle Quick Charging Stations.

Board Comments

Mr. Turner asked about TVA power lines feeding the South Bristol Delivery Point. Mr. Dowell explained that TVA looked at the best possible routes and the public comment period is one month.

Mr. Clarke asked about payment for electric usage on the Electric Vehicle Chargers. Customers will pay by credit card and we will get the money periodically.

Chairman Downs inquired about the APPA Legislative Rally being held virtually and the process for meeting with legislators. She also inquired about the status of the Neopharma bankruptcy.

Chairman Downs adjourned the meeting.

Respectfully Submitted,



David Akard III, Secretary