

FEBRUARY 2022 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Friday, February 18, 2022 at noon at 2470 Volunteer Parkway, Bristol, Tennessee.

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

Others Present

Joel Cullum

CEO Search

Mr. Cullum presented a timeline for the CEO search and led discussion about the job description, job posting and next steps.

Minutes

Chairman Downs asked if there were any corrections to the minutes of the January board meeting, which had been previously distributed. The minutes were approved by general consensus.

Safety Report

Ms. Ellis reported that BTES has completed 9,500.13 safe working hours from January 6, 2022 to January 31, 2022 without a lost time accident. A safety meeting was held on February 1, 2022 for all employees on OSHA Updates: Bloodborne Pathogens, Right to Know, and Emergency Action Plans.

Financial Reporting

Electric Business Unit

Ms. McVey presented the January 2022 financial reports. She reported that for January we purchased more kWh from TVA than we billed for in January. That means we have over \$1.5 million in unbilled revenue at the end of January 2022 that will be billed in February 2022. There are 261 PrePay customers as of January 31, 2022.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 49,973.1	\$ 48,305.5
Other Electric Revenue	\$ 3,730.1	\$ 4,028.2
Other Income	\$ 129.3	\$ 148.4
Total Operating Expense	\$ 53,693.0	\$ 51,872.0
Non-Operating Expense	<u>\$ 997.2</u>	<u>\$ 619.6</u>
Electric Net Income (Loss)	\$ (857.7)	\$ (9.5)
Operating & Maintenance Expense	\$ 6,493.9	\$ 6,894.4
Broadband Net Income	\$ 2,868.9	\$ 1,072.1

Advanced Broadband Services Business Unit

Ms. McVey reported that in January 2022 the number of Internet, cable and telephone services decreased. The number of customers subscribing to Internet Only increased by 76. Ms. McVey also reported that the Local Broadcast Retransmission Fee will increase on March 1 to reflect the true cost for the local off-air only channels. We will also begin focusing on selling and retaining Internet and telephone customers while decreasing focus on selling cable services.

TVA Monthly Fuel Cost

Dr. Browder indicated that the March 2022 monthly fuel cost will increase to \$.02174 per kWh for residential (RS) customers.

	February 1, 2022	March 1, 2022
	Fuel Cost	Fuel Cost
500 kWh	\$10.52	\$10.87
1000 kWh	\$21.04	\$21.74
1500 kWh	\$31.56	\$32.61
2000 kWh	\$42.08	\$43.48

General Power Deposit Discussion

Dr. Browder presented a deposit policy for GSA3 and Non-Standard customers distributed in the board packet as requested by the Board. After discussion, Mr. Turner made a motion to approve the policy and Mr. Harmon seconded. The motion was approved.

2021 Year End Review

Dr. Browder reported that as of December 31, 2021, we had 550,509.9 safe working hours and there were no lost time accidents in 2021. He also reported that 66 percent of employees had perfect attendance, we installed 470 water heaters and have 17,510 Load Management Devices on customer water heaters. The energy savings loan programs continued to grow in 2021 by adding 76 heat pump loans and three energy savings loans. In 2021, 289 fiber optic services were added. There were losses in cable and telephone services but a gain of 479 Internet services.

Average outage time was 55 minutes per customer. Dr. Browder reviewed the Automated Account Manager statistics as well as numerous Opportunities for Improvement and Positive communications with our customers.

Pending Items

Internet Reliability

Mr. Dowell reported that the two 50 gig circuits from Atlanta and Charlotte are in still in progress.

CEO Report

Dr. Browder reported that we have an offer to buy property in the Bristol Business Park. The sale price of the 17 acre plot is \$1,028,895.42. The buyer will pay \$595,000 in cash and supply a Letter of Credit in the amount of \$433,895.42. When the company meets the specifications of the agreement that obligation is released. The company has until December 31, 2027 to meet those obligations. Mr. Turner made a motion to sell the property as submitted, Mr. Akard seconded and the motion passed.

Board Comments

There were no further Board comments.

Chairman 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