

JANUARY 2020 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, January 15, 2020 at noon at 2470 Volunteer Parkway, Bristol, Tennessee.

Call to Order

Larry Clarke called the meeting to order at 12:00.

Board Members Present

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

Staff Present

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

Others Present

Joel Cullum from SESCO Management Consultants

Leadership Progression Planning

Joel Cullum of SESCO Management Consultants made a presentation regarding the leadership progression planning process and the services they offer to lead boards through the process. He will submit a written proposal to the Board for its consideration including prices.

Minutes

Mr. Clarke presented the minutes of the December 2019 board meeting. Mr. Harmon made a motion to approve the minutes. Mr. Akard seconded the motion and the minutes were unanimously approved.

Safety Report

Ms. McCall reported that BTES has completed 279,672.4 safe working hours as of December 31, 2019 without a lost time accident. This month's safety training was held on January 7 with a Topic of "You got my Back?" – Safety Awareness. Ms. McCall reported on the events planned for BTES' 75th anniversary.

Financial Reporting

Electric Business Unit

Dr. Browder presented the report for the month ending December 31, 2019. There was a net operating profit in December. Operating and maintenance expenses were under budget.

The financial highlights are as follows:

	YTD Actual	YTD Budget
Electric Revenue	\$ 41,257.7	\$ 41,070.3
Other Electric Revenue	\$ 3,259.8	\$ 3,627.4
Other Income	\$ 535.7	\$ 571.7
Total Operating Expense	\$ 44,065.3	\$ 44,353.1
Non-Operating Expense	\$ 745.2	\$ 533.0
Electric Net Income (Loss)	\$ 242.7	\$ 383.3
Operating & Maintenance Expense	\$ 4,593.5	\$ 5,285.8
Broadband Net Income (Loss)	\$ 1,548.1	\$ 854.9

Advanced Broadband Unit

The number of Internet customers continues to increase and the number of cable customers continues to decrease.

TVA Monthly Fuel Cost

Dr. Browder indicated that the February 2020 monthly fuel cost will be \$.01755 per kWh for residential (RS) customers.

	January 1, 2020	February 1, 2020
	Fuel Cost	Fuel Cost
500 kWh	\$9.83	\$8.78
1000 kWh	\$19.65	\$17.55
1500 kWh	\$29.48	\$26.33
2000 kWh	\$39.30	\$35.10

Approval of Nokia Technical Assistance Center Coverage for 2020

Dr. Browder presented a proposal for technical support coverage for a flat fee price of \$104,269.64 for various pieces of equipment including OLT, ONT, AMS and G6. Mr. Akard moved to approve and Mr. Turner seconded the motion. The motion was unanimously approved.

Pending Items

Carina Updates

Mr. Dowell reported that virtually all of the Carina CPMD collars have been updated using new firmware. Four collars have opened since the last meeting which were all consistent with electric system events. The new servers have been installed and 80 percent of the functionality have been migrated to the new server. The remaining elements should be moved within the month.

Prepay Program

Ms. McVey reported that SEDC is testing the ancillary services. Prepay is being tested at two employees' houses. Customers will be able to pay at several stores in the area including Dollar General locations at a cost of \$1.50 which will be paid to the store.

Cybersecurity Report

All employees are being trained and tested using a new cybersecurity tool to ensure the training is effective. Two factor authentication has been deployed to all users for access to certain systems.

CEO Report

Dr. Browder reported on Teacher Industry Day. The kickoff is January 21 at 7:30 am at the Bruton Smith Building. He invited the Board to attend. Ms. Downs indicated that she would be in attendance.

Dr. Browder showed the Board a rendering of the building pad at the Bristol Business Park purchased by BTES. Grants were received from TVA and the State of Tennessee for the site preparation. For that one parcel, BTES made an agreement with the city that BTES would be paid back for its investment by the city from the taxes received. Similar agreements will be sought for the other parcels.

Board Comments – Mr. Turner reported that the Summit Companies will provide a presentation at the March meeting regarding Leadership Development. Mr. Turner asked about an email message that the Board received from a purchaser of a building lot in Grand Harbor. Dr. Browder reported that this lot was part of a pre-existing subdivision agreement that had certain obligations that needed to be met before BTES could provide permanent electric service. This agreement process exists to help developers reduce initial development costs by deferring some of the electric infrastructure costs to future lot owners. In this case, the time had passed for BTES to force a direct payment based on the lien. However, BTES can still require payment for the homeowner to use the circuit that BTES installed. A portion of the price is waived if the purchaser installs a load managed water heater and a BTES/TVA inspected electric heat pump. The customer had already purchased a gas water heater and doesn't want to pay BTES for the amount of the lien.

There being no further business, the meeting was adjourned at 2:09.

The next meeting is scheduled for Wednesday, February 19, 2020 at noon.

Respectfully Submitted,



Erin Downs, Secretary

