

## **APRIL 2021 BOARD MINUTES**

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, April 21, 2021 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 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 March board meeting and the March 24 Called Board Meeting, which had been previously distributed. Both meeting minutes were approved by general consensus.

### **Safety Report**

Ms. Ellis reported that BTES has completed 454,512.20 safe working hours as of March 31, 2021 without a lost time accident. A safety meeting was held on April 6 for outside employees on Care and Use of Personal and Vehicle Grounds. She also reported that \$12,212.15 is still outstanding from accounts that were delinquent from the suspension of residential disconnects for COVID-19.

### **Financial Reporting**

#### **Electric Business Unit**

Ms. McVey presented the March 2021 financial reports. She reported that we sold more kWh than purchased for the month which indicates that March revenue includes some unbilled revenue from previous months. The weather was colder than last year but not as cold as normal.

The 2021 Right of Way Improvement Process is continuing which will bring the Operating and Maintenance expense closer to budget by the end of the fiscal year.

There are 175 PrePay customers as of March 31, 2021.

The financial highlights are as follows:

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 62,511.6	\$ 64,259.6
Other Electric Revenue	\$ 4,854.7	\$ 5,002.4
Other Income	\$ 271.5	\$ 663.8
Total Operating Expense	\$ 63,148.1	\$ 67,692.1
Non-Operating Expense	<u>\$ 964.6</u>	<u>\$ 779.5</u>
<b>Electric Net Income (Loss)</b>	<b>\$ 3,525.1</b>	<b>\$ 1,454.2</b>
Operating & Maintenance Expense	\$ 7,530.8	\$ 8,238.7
Broadband Net Income	\$ 2,551.7	\$ 1,532.6

#### **Advanced Broadband Services Business Unit**

Ms. McVey reported that the number of customers in the Advanced Broadband Services (ABS) Business Unit increased by 26 in March 2021. The number of Internet only customers increased by 92 for the month of March.

#### **TVA Monthly Fuel Cost**

Dr. Browder indicated that the May 2021 monthly fuel cost will decrease to \$.01851 per kWh for residential (RS) customers.

	April 1, 2021	May 1, 2021
	Fuel Cost	Fuel Cost
<b>500 kWh</b>	\$10.92	\$9.26
<b>1000 kWh</b>	\$21.83	\$18.51
<b>1500 kWh</b>	\$32.75	\$27.77
<b>2000 kWh</b>	\$43.66	\$37.02

#### **Approval of FY 2021-2023 Financial Audit Services**

Ms. McVey reported that we sent out a Request for Proposal for FY 2021-2023 Financial Audit Services and advertised in the Bristol Herald Courier. We received four proposals and after review of the proposals, we recommend engaging Coulter and Justus, P.C. After discussion, Mr. Harmon made a motion to accept the proposal from Coulter and Justus. Mr. Clarke seconded and the motion passed.

#### **Approval of Resolution for Tennessee Unclaimed Property Refund**

Dr. Browder presented a Resolution for Tennessee Unclaimed Property. When Unclaimed Property Funds have been sent to the State of Tennessee and unclaimed after eighteen months, BTES can file for a refund of those funds. To process our request, the State of Tennessee

requires a Resolution to be passed by the BTES Board of Directors. The refund will be approximately \$10,000. Mr. Turner made a motion to approve the resolution. Mr. Akard seconded the motion and the Board voted unanimously to approve the Resolution.

### **Approval of Purchase of V59 Night Service Bucket Truck**

Dr. Browder reported that we need to purchase a bucket truck to replace the night-time service truck and we budgeted for the replacement of this truck. Requests were sent to our approved body manufactures and an advertisement was placed in the Bristol Herald Courier. He recommended that we purchase the vehicle from Altec at a cost of \$169,134.00. The purchase was approved by general consensus.

### **Approval of Purchase of Substation Voltage Regulators**

Dr. Browder reported that we have had some damage to some regulators and they cannot be repaired. The engineering department has a plan to upgrade, refurbish and reuse some of the existing regulators and maintain equipment for spares. They would also like to purchase spare equipment because of long lead times and to use in case of an emergency. Dr. Browder recommended the purchase of seven 667 kVA transformers from Siemens Industry, Inc. at a total cost of \$175,000. The purchase was approved by general consensus.

### **Approval of Purchase of ONTs**

Dr. Browder presented a recommendation to purchase 750 Optical Network Terminals (ONTs) for customer growth and maintenance. The units are \$151.00 which includes a discount for the HPNA and a volume discount. The total cost is \$113,250.00. The purchase was approved by general consensus.

### **Approval of CEO Succession Plan**

Chairman Downs led discussion about the CEO Succession Plan drafted by Joel Cullum of SESCO Management Consultants and Ms. Ellis. There were some additional changes to be made. The CEO Succession Plan will be submitted for approval at the next meeting.

### **CEO Annual Review Procedure Discussion**

Chairman Downs discussed the procedure for the CEO Annual Review and the tabulation of the results. The Board will review the Wage and Salary Plan at the next meeting.

### **CEO Report**

Dr. Browder reported that we are recommending the purchase of four Electric Vehicle Chargers to be placed at The Pinnacle. We will be applying to the State of Tennessee and TVA for a grant that will reimburse up to 80 percent of the cost including the transformer and underground lines. Mr. Turner made a motion to approve up to \$400,000 for this project of which 80 percent will be reimbursed by TVA and/or the State of Tennessee. Mr. Harmon seconded and the Board unanimously approved.

**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