

JUNE 2022 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held on Wednesday, June 22, 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, Vice President of Engineering Clayton Dowell, Vice President of People Operations Tara Ellis and Vice President of Finance Lola McVey

Others Present

Joel Cullum from SESCO Management Consultants, Danny Karst, Carla Karst and Brandon Stamper from Landstar Partners

The Overlook

Mr. Karst and Mr. Stamper discussed BTES fees to provide service to The Overlook. After discussion, the Board would further review with staff any other options that could be considered. BTES staff committed to reach back out to Mr. Karst to discuss available options they identified.

CEO Search

Mr. Cullum provided an overview of the process and his plan to conduct telephone interviews with candidates, resulting in a scorecard for Board members. The Board will review at a future meeting.

Minutes

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

Safety Report

Ms. Ellis reported that BTES has completed 52,864.69 safe working hours from January 6, 2022 to May 31, 2022 without a lost time accident. The June safety meeting was postponed. Cathy Selbert from the Tennessee Department of Agriculture made a presentation on invasive insect pests.

Financial Reporting

Electric Business Unit

Ms. McVey presented the May 2022 financial reports. She reported that May 2022 kWh sales were lower than May 2021 but year-to-date 2022 sales are higher than 2021. The number of conservation loans and load management devices continue to increase. She also reported that the TVA Load Management Buyout money has been used. There are 285 PrePay customers as of May 31, 2022.

\$(000)	YTD Actual	YTD Budget
Electric Sales	\$ 78,799.0	\$ 75,708.4
Other Electric Revenue	\$ 5,846.4	\$ 6,143.8
Other Income	\$ 191.7	\$ 233.1
Total Operating Expense	\$ 82,122.5	\$ 79,744.5
Non-Operating Expense	\$ 1,252.3	\$ 969.3
Electric Net Income (Loss)	\$ 1,462.3	\$ 1,371.5
Operating & Maintenance Expense	\$ 10,215.4	\$ 10,530.9
Broadband Net Income	\$ 4,731.9	\$ 1,456.3

Advanced Broadband Services Business Unit

Ms. McVey reported that in May 2022 the number of cable services decreased by 99, the number of telephone services decreased by 38 and the number of Internet services increased by 21.

TVA Monthly Fuel Cost

Dr. Browder indicated that the July 2022 monthly fuel cost will increase to \$.04106 per kWh for residential (RS) customers. This increase is mainly due to increased gas and purchased power rates.

	June 1, 2022	July 1, 2022
	Fuel Cost	Fuel Cost
500 kWh	\$14.56	\$20.53
1000 kWh	\$29.11	\$41.06
1500 kWh	\$43.67	\$61.59
2000 kWh	\$58.22	\$82.12

Approval of Metaswitch Annual Support and Extended Hardware Warranty

Dr. Browder presented a proposal for the approval of the annual support and extended hardware warranty with Metaswitch, the manufacturer of our Class 5 telephone switch at a cost of \$101,872. Mr. Harmon moved for approval of the proposal and Mr. Akard seconded the motion. It was approved unanimously.

Approval of Purchase of Switchgear for Bristol Business Park

Dr. Browder reported that we have been working with Tri-City Extrusion on electrical needs for the new facility at the Bristol Business Park. To meet their load request, we will need to purchase and install a pad mount switchgear. The quote from S & C was \$110,670. Mr. Turner made a motion to purchase the switchgear and Mr. Akard seconded. The motion was approved.

Approval of Strategic Business Plan 2022-2023

Ms. McVey presented the 2022-2023 Strategic Business Plan for approval. After discussion, Mr. Harmon made a motion to approve the plan, Mr. Turner seconded and the motion was approved.

Pending Items

Internet Reliability

Mr. Dowell reported that the two 50 gig circuits from Atlanta and Charlotte are still in progress but experiencing equipment delays. The Seven States Fiber Project is going well in our area.

CEO Report

Dr. Browder reported that the transformers approved at the last meeting have been ordered. There was an option for 180-week delivery and one for sixty-week delivery. We ordered the transformers to be delivered in sixty weeks.

Dr. Browder reported that in listening to our Internet customers and looking at our competition, we need to offer additional Internet speeds from 100mg to 1 gig. All ONTs installed recently can handle up to a gig speed but we would need to change ONTs at some customer's houses and at POP sites. This project was not included in this year's budget. We are working on a plan to purchase and install this equipment and we will bring it to the Board for approval.

Dr. Browder also informed the Board that there has been lots of tree growth and we have additional circuits that need to be trimmed. He also reported that we had gotten proposals from Wolfe Tree Trimming a couple of years ago and they were higher at that time. We will begin to identify circuits to be trimmed and get proposals.

CEO Evaluation

The Board completed and delivered Dr. Browder's performance evaluation and calculated his pay increase according to the Wage and Salary Plan. Mr. Clarke made a motion to implement the pay increase, Mr. Akard seconded, and the motion was approved unanimously.

Board Comments

There were no further Board comments.

Chairman Downs adjourned the meeting.

Respectfully Submitted,



David Akard III, Secretary