OCTOBER 2026 BOARD MINUTES

The regular meeting of the Bristol Tennessee Essential Services Board of Directors was held at noon on Wednesday, October 21, 2026, at 2470 Volunteer Parkway, Bristol, Tennessee.

Call to Order
Chairperson Downs called the meeting to order at 12:00 p.m.

Board Members Present
Erin Downs, Jason Booher, Doug Harmon, Vince Turner, and John Vann.

Staff Present
CEO Clayton Dowell, Vice President of People Operations Tara Ellis, Vice President of Engineering David Hacker, Vice President of Operations and Safety Steve Craddock, and Director of Accounting and Finance Heather Jenkins.

Others Present
Josh Vehec, Matthew Esco, and Jackson Hounshell with Coulter & Justus, P.C.

Adoption of Meeting Agenda
Chairperson Downs asked if there were any amendments to the agenda. There were none. Mr. Turner moved to adopt the agenda for the October board meeting. Mr. Vann seconded the motion, and it passed unanimously.

Public Comment Period
Chairperson Downs called for public comments. There were none.

Audit for Fiscal Year Ending June 30, 2026
Josh Vehec, Matthew Esco, and Jackson Hounshell from Coulter & Justus, P.C. presented the audit report for the fiscal year ending June 30, 2026. They reported that the audit process went smoothly with no issues. The opinion on the financial statements is unmodified (clean), with no findings of noncompliance or material misstatements. The auditors tested financial control procedures and had no findings.

Minutes
Chairperson Downs asked if there were any corrections to the minutes of the September board meeting, which had been previously distributed. No corrections were noted. Mr. Booher moved to approve the minutes as distributed. Mr. Harmon seconded the motion, and it passed unanimously.

Safety Report
Mr. Craddock reported 39,502 safe working hours from July 6, 2026, to September 30, 2026. The October safety meeting for all employees took place on October 13, 2026. The topic was “Emergency Communication.”

Reliability Report
Mr. Hacker presented the outage data for September 2026. He reported an average of 3.192 customer outage minutes for the month. The year-to-date average, through September 30, 2026, was 88.964 customer outage minutes.

Financial Report

Electric Business Unit

Ms. Jenkins presented the September 2026 financial reports. She reported that Electric Sales for September were 74.1 MWh, largely due to the warmer-than-normal temperatures. The balance of allocated funds shown on the Electric Balance Sheet includes voltage regulators, three trucks, meter collars, and utility poles.

	September 2026	
$(000)	**YTD Actual**	**YTD Budget**
Electric Sales	$ 26,244.3	$ 24,122.7
Other Electric Revenue	1,933.7	1,808.2
Other Income	558.7	508.7
Total Operating Expense	27,757.7	24,624.3
Non-Operating Expense	197.3	140.5
Electric Net Income (Loss)	**$ 781.7**	**$ 1,674.8**
Operating & Maintenance Expense	**$ 4,159.0**	**$ 3,752.3**
Broadband Net Income	**$ 710.9**	**$ 446.5**

Advanced Broadband Services Business Unit

Ms. Jenkins reported that total Fiber customers at the end of September numbered 17,454, including 16,821 Internet services, 4,222 video services, and 4,184 telephone services.

TVA Monthly Fuel Cost

Mr. Dowell reported that the November 2026 monthly fuel cost would increase to $0.02801 per kWh for residential (RS) customers.

	September 1, 2026	**October 1, 2026**	**November 1, 2026**
	Fuel Cost	**Fuel Cost**	**Fuel Cost**
500 kWh	$12.89	$11.00	$14.01
1000 kWh	$25.78	$22.00	$28.01
1500 kWh	$38.67	$33.00	$42.02
2000 kWh	$51.56	$44.00	$56.02

Acquisition of Property for Substation

Mr. Dowell presented information on property that is being evaluated for purchase. The Engineering Department has identified property located along one of BTES' 69 kV power lines that is listed for sale, which aligns with BTES' long-range system plan for future substation projects. He recommended approval to acquire the property for a purchase price of up to $299,000, pending completion and satisfactory results of due diligence work. Mr. Vann made a motion to approve the purchase, as recommended. Mr. Harmon seconded, and the motion passed unanimously.

Purchase of Poles for Highway 394 Power Lines – Phase 2
Mr. Dowell reported that poles are needed for the construction of 69 kV power lines along Highway 394. This project will complement a similar project that was presented in the August 2026 board meeting and will facilitate the remainder of the project to extend a second 13 kV feed to Bristol Business Park. He recommended approval to purchase the poles from McWane Poles Ductile Iron for a total cost of $222,807. Mr. Booher made a motion to approve the purchase. Mr. Harmon seconded, and the motion passed unanimously.

Purchase of Automation Equipment
Mr. Dowell reported that automation switches are needed for several upcoming projects. The automation switches will benefit the residential and business customers in the area by increasing fault isolation capabilities on circuits and decreasing their risk of having a power outage. He recommended the purchase of thirteen automation switches from S&C Electric Company for a total cost of $715,260. Mr. Booher made a motion to approve the purchase. Mr. Turner seconded, and the motion passed unanimously.

CEO Report
Mr. Dowell provided updates on the FiberWise Networks Internet access project and on staff's evaluation of several additional Internet access options. He also presented an update on tools that have been implemented which will allow customers to report outages through the BTES Engage app and will enhance outage management and customer communications. Additionally, Mr. Dowell provided a report of damages done to BTES' facilities by contractors working in the service area. He also provided an update on an existing legal matter.

Board Comments
Chairperson Downs inquired about a recent telephone issue involving outbound calls and about the state of operations following the enterprise software implementation that occurred in January. She also called for other comments from the Board. There were no additional comments.

Chairperson Downs adjourned the meeting.

Respectfully submitted,



Doug Harmon, Secretary