

**MINUTES OF THE
ONE THOUSANDTH THREE HUNDREDTH AND SIXTY EIGHTH MEETING
ELECTRIC POWER BOARD OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
HELD AUGUST 27, 2025**

The regular meeting of the Electric Power Board was held on Wednesday, August 27, 2025.

Members present: Board Chair Anne Davis, Rob McCabe, Ian Prunty; Clifton Harris; and, Casey Santos (attended virtually)

Officers present: Teresa Broyles-Aplin, David Frankenberg, Laura Smith, Dr. Trish Holliday and Brent Baker

Board Chair Anne Davis called the meeting to order at 8:01 a.m.

OATH OF OFFICE ADMINISTRATION – IAN PRUNTY

Secretary David Frankenberg administered the Oath of Office for NES’s new Board Member Ian Prunty and requested that he recite his Oath of Office for the record. His five-year term of office commenced on August 5, 2025, and expires July 1, 2030.

SAFETY TIP

Daniel Johnson presented safety tips on how to prevent distracted driving.

PUBLIC COMMENT PERIOD

David Frankenberg informed the Board that there were no public speaker requests for the month of August.

RECOMMENDATION FOR APPROVAL OF MINUTES FROM THE REGULAR MEETING AND THE ANNUAL MEETING HELD JULY 23, 2025

Upon motion by Member McCabe and seconded by Member Harris, the Board approved the minutes from the Electric Power Board meeting and the Annual meeting held July 23, 2025, with five ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF HOME UPLIFT CONTRIBUTIONS AND QUARTERLY HOME UPLIFT | POWER OF CHANGE UPDATE

Jay Neal reported that as of July 2025, the Home Uplift program has utilized approximately \$17.9 million of its \$19.4 million in total funding to complete energy efficiency upgrades on 1,872 homes, with 28 additional homes currently in progress.

Mr. Neal stated that Tennessee Valley Authority (TVA) has set its maximum donation for the fiscal year 2026 Home Uplift program at \$899,822 contingent upon a matching donation from Nashville Electric Service. Management recommended that NES contribute \$1.2 million, which is the amount budgeted for the fiscal year, using funds from non-electric revenue to fulfill the matching requirement.

Chair Davis observed that the 193-person waitlist seems shorter than in the past and asked if this is an improvement. According to Mr. Neal, a review of the CLEAResult waitlist data showed an oversight in clearing completed homes from the list which resulted in a data integrity matter which has since been corrected. He noted that approximately forty homes are completed each month.

Upon motion by Member McCabe and seconded by Member Harris, the Board approved the Home Uplift contribution in the amount of \$1,200,000 with five ayes and zero nays.

**RECOMMENDATION FOR APPROVAL OF PROFESSIONAL SERVICES FOR AN
ENGINEERING STAFF AUGMENTATION SERVICES CONTRACT**

Dray Moultrie reported that after a comprehensive review by the Engineering department and its RFQ committee, a selection of three firms was made for Engineering Technical Staff Augmentation Services. Five-year contracts have been recommended for TRC Environmental Corporation (not to exceed \$20M), DRG Technical Solutions (not to exceed \$5M), and Patterson & Dewar Engineers, Inc. (not to exceed \$5M). Mr. Moultrie noted that these new resources would work on a project assignment basis to assist with engineering work on our distribution and transmission systems.

Management recommended approval of the three referenced contracts for a five-year term beginning November 1, 2025, through September 30, 2030.

Member McCabe asked if technical augmentation services means assisting NES staff on certain projects. Mr. Moultrie explained that the "technical augmentation services" are for processing the increasing number of pole attachment applications from companies like Google, AT&T, and Comcast.

Upon motion by Member Santos and seconded by Member McCabe, the Board approved the Engineering Staff Augmentation Services contracts with five ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF PURCHASES

Mr. Frankenberg presented management’s recommendation for approval of \$9,733,292.20 in purchases and contracts exceeding \$50,000. This amount included \$2,496,841.70 in monthly purchases and contract additions between the \$50,000 and \$250,000 threshold that received prior management approval.

Upon motion by Member McCabe and seconded by Member Santos, the Board approved the list of purchases and contracts with five ayes and zero nays. This list consists of five pages and has been attested to on each page by the signature of the Secretary and is attached hereto as “Appendix A”¹ to these minutes. Total cost of purchases and contracts, as approved, amounts to \$9,733,292.20.

FINANCIAL REPORT

Mr. Frankenberg reviewed NES’s performance for July, the first month of the new fiscal year, reporting that revenue was \$162 million, purchased power was \$122 million and the sales margin was approximately \$40 million. Mr. Frankenberg indicated that a favorable margin is projected for August, with final figures for July and early August still being processed.

He stated that on the expense side, there has been some favorability in IT, customer service, and staffing offset by some unfavourability with tree trimming as the crews were ahead of schedule.

Mr. Frankenberg stated that overall net gain was \$7.5 million which was \$1.5 million favorable to budget. Cash on hand was at \$520 million which was about 134 days, and capital spend was \$8 million of the \$219 million budget. Debt service coverage ratio was 3.6 exceeding the goal requirements.

Chair Davis inquired whether the 29% fuel cost adjustment has remained stable over time considering the evolving fuel mix and market conditions and asked what impact that has had on customers. Mr. Frankenberg clarified that the percentage fluctuates, typically ranging from 25% to 35%, and that recent base rate increases as well as weather conditions are also contributing factors.

¹ Appendix A Electronically Filed

QUARTERLY ASSET MANAGER’S REPORT

Mr. Frankenberg gave an update on NES’s asset management services provided by SEI which includes the NES Pension Plan, Post Employment Benefits Plan, and the 401(a) Plan for the quarter ended June 30, 2025.

He noted a strong market recovery in Q2 following a challenging Q1 for domestic markets. The NES Plan achieved returns of about 7.6% for the quarter. Mr. Frankenberg explained that due to its diversified portfolio, NES did not experience the same level of performance as some larger, tech-heavy companies during their market rebound.

Mr. Frankenberg stated that NES's diversified investment approach, managed by SEI, yielded a solid 14% return over the last year, just shy of the S&P 500's 15% return, but with much lower risk. He disclosed that the Pension Plan has \$709 million, OPEB holds \$287 million, and the 401(a) accounts for \$50 million, resulting in a total exceeding \$1 billion to cover future obligations.

Member McCabe inquired whether SEI conducts an annual review of NES's investment policy and its asset allocations. Mr. Frankenberg replied that a comprehensive refresh of the policy occurred last year to enhance formalization, and that the asset mix has remained largely consistent.

Member McCabe asked if SEI had proposed recommendations regarding alternative investment options or felt there was a need for listed securities. Mr. Frankenberg explained that SEI is currently operating within NES's established investment philosophy but keeps the committee abreast of trends in other organizations. He emphasized the investment committee’s satisfaction with SEI's performance.

QUARTERLY OPERATIONS REPORT

Daniel Johnson delivered the Fiscal Year 2025 Fourth Quarter Operations Report, noting that all goals across every category were successfully achieved. He highlighted that recordable injuries for Q4 2025 continued the positive downward trend observed throughout the fiscal year end. Mr. Johnson noted that the NES Safety team continued to roll out employee safety behavioral management processes with T&D employees.

Additionally, Engineering and Operations launched a new reliability initiative earlier this year aimed at improving under-performing circuits. As a result of this initiative, NES achieved all four reliability targets for the quarter, despite a particularly active Spring storm season.

A total of 527,500 customer calls were handled by Customer Relations between April and June, with all six quarterly performance targets met. Corporate Communications coordinated messaging during the severe weather events in May and June, covering social media, customer email, and media outreach. The fiscal year concluded with the successful achievement of all six financial goals.

Chair Davis inquired about the strategy for enhancing underperforming circuits. Mr. Johnson explained that by tracking the duration and frequency of outages using SAIDI-CAIDI and AISI data, repairs can be prioritized for the most affected customers. He added that there is also a focus on the affected customers to see if vegetation management or proactive maintenance is needed.

Teresa Broyles-Aplin commented that most customers experience infrequent power interruptions of short duration. However, she acknowledged a disparity in reliability, noting that specific communities on different circuits do not have the same level of service. As a result, a concentrated effort is underway to address the root causes on those underperforming circuits. NES has also deployed technology to isolate outages in order to speed up service restoration following localized incidents in situations like a vehicle striking a pole.

Brent Baker explained that the strategy is designed to ensure consistent service across all areas, and to reassure customers of NES's commitment to equitable treatment.

INVESTMENT PROGRAM AND INVESTMENT ACTIVITY REPORT

Tabitha Beach presented the Investment Program and Investment Activity Report noting that the NES investment policy requires Management to present an annual report on the investment

program and investment activity to the Board within ninety days of the end of the fiscal year. Ms. Beach shared details on the twelve-month comparison of returns, the investment structure, and the investment strategy for Fiscal 2026.

Ms. Beach summarized the key points and reported that NES has a short-term investment policy that has a principal-preservation focus and stated that maturities are restricted to two years or less in order to reduce exposure to interest rate volatility. Management utilizes these conservative investment options to earn interest on funds held in the General Fund. She noted that all of NES' bank deposits are held by financial institutions which are FDIC insured or participate in the bank collateral pool administered by the State of Tennessee.

She stated that performance is monitored using three different interest rate benchmarks 1) The 90 day U.S. Treasury Bill which is the goal, 2) The State of Tennessee's Local Government Investment Pool (LGIP) which is an investment pool managed by the State of Tennessee's Treasurer and invests in short term U.S. Treasury products, offering more liquidity similar to a money market type fund, and 3) The earnings rate offered by Tennessee Valley Authority (TVA).

Based on the average investable balance as of June 30, 2025, the NES investment outperformed its benchmarks with returns averaging 4.87 percent which was 25 basis points higher than the average 90-day U.S. Treasury Bill benchmark's return of 4.62 percent. Ms. Beach indicated that NES will continue to evaluate options to purchase U.S. Treasury and U.S. government agency securities and commercial paper keeping in mind the risks associated with market rate volatility.

PRESIDENT’S REPORT

Teresa Broyles-Aplin delivered the President’s Report acknowledging everyone for their contributions to five Back to School events. The report included an update on various NES workshops and speaking events held by NES employees as well as recognition to eight local winners of TVA’s Robotics Award.

She noted that NES's commitment to innovative energy solutions was recognized with TVA's Top Performer Award for FY24. She highlighted the company's first place rankings in PowerFlex participation and demand response participants and stated that there was a total of six awards earned.

Ms. Broyles-Aplin announced the completion of Phase I of the Central Substation project by the Engineering team. The substation is fully energized and handling the full network load. Phase II is set to start later this month.

MISCELLANEOUS

There were no miscellaneous items to report.

RECESS AND RECONVENE

At this point, the Board recessed and reconvened to ratify the actions taken by the Civil Service Board.

Upon motion by Member McCabe and seconded by Member Harris, the Board ratified the actions taken during the Civil Service Board meeting with five ayes and zero nays.

ADJOURNMENT

The meeting adjourned at 8:43 a.m.

Attest:

Signed by:

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Secretary

Approved,

DocuSigned by:

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Board Chair

August 27, 2025

Appendix “A”

Approval of Purchases and Contracts
at the Meeting on Wednesday August 27, 2025

Management recommends Board approval
of the following purchases and contracts:

Total Materials and Supplies Purchases	\$622,800.00
Total Contracts and Services	\$1,958,650.50
Total Additions, Extensions, and Changes	\$4,655,000.00
Total Ratified Purchases and Contracts	\$2,496,841.70
TOTAL	\$9,733,292.20
Total Line Items	\$30,000,000.00

Signed by:

David Frankenberg

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Attested By: _____
David Frankenberg, Secretary

All above items have been processed in accordance with Board approved policy and applicable rules and regulations.

August 27, 2025

MATERIALS AND SUPPLIES PURCHASES

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
Conductor, Aluminum, 25KV EPR 4/0 W/CN 3CP AWG 19 Strand (36,000 circuit ft.)	Border States Industries	\$622,800.00	Competitive (1 Year) Blanket	3/8
TOTAL		\$622,800.00		

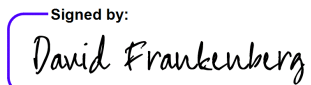
CONTRACTS AND SERVICES

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
Health and Safety Management Software Platform	Origami Risk	*\$397,347.50	Competitive (5 Years)	8/5
Joint Use Agreement – Excess Heights	AT&T	350,000.00	Sole Source (5 Years)	N/A
System Implementer for ServiceNow IRM Module	Atos IT Solutions Services, Inc.	*861,303.00	Competitive (5 Years)	9/17
Vehicle and Equipment Tire Service	Southern Tire Mart	350,000.00	Competitive (1 Year)	1/7
TOTAL		\$1,958,650.50		

*Price includes a 10% contingency.

ADDITIONS, EXTENSIONS, AND CHANGES

<u>Item Description</u>	<u>Contractor</u>	<u>Additional Amount</u>	<u>Change Requested</u>
C2M Development Services	Pinnacle IT Consulting	\$1,000,000.00	Addition (New NTE \$3,000,000.00)
CCTV Material and Labor	Tristar Digital Connections	100,000.00	Addition (New NTE \$850,000.00)
Cellular Telephone Service	Cellco dba Verizon Wireless	150,000.00	Addition (New NTE \$370,000.00) Extension (4 Months)

Signed by:

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 David Frankenberg, Secretary

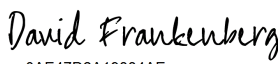
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Janitorial Services	Bestway Services, Inc.	2,300,000.00	Addition (New NTE \$6,500,000.00)
Non-Warranty Parts and Service for Construction Equipment	Forklift Systems LiftOne, LLC Parman Tractor & Equip. Sherman Reilly, Inc. Tennant Sales Service, Co. Thompson Machinery Vermeer Heartland	100,000.00	Addition (New NTE \$400,000.00)
Non-Warranty Repair Parts and Service for Aerial Device and Mounted Equipment	Altec Industries Hiab, Inc. Nesco, Inc. Palfinger USA, LLC Terex Utilities South, Inc. UTV International Utility Equipment Service	640,000.00	Addition (New NTE \$3,940,000.00)
Non-Warranty Repair Parts and Service for Trucks	Clark Power Services Cumberland International Cummins Crosspoint Freightliner of Arizona MHC Tennessee Kenworth McMahon Truck Center	220,000.00	Addition (New NTE \$2,788,341.71)
OEM Repair Parts for Various Make/Model Vehicles and Equipment	Ken Smith Auto Parts Mid-Tenn Ford Town & Country Ford	145,000.00	Addition (New NTE \$955,000.00)
TOTAL		\$4,655,000.00	

RATIFIED PURCHASES AND CONTRACTS

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
Asbestos Abatement	Envirowerks, LLC	\$100,000.00	Addition (New NTE \$250,000.00)	N/A
Cabinet, Sectionalizing, Three Phase, 25K (60)	Wesco Distribution	188,580.00	Competitive	7/5
Cable, ACSR Bare 795 36/1 (38,400 ft.)	Gresco	78,720.00	Competitive	7/8
Cable, Copper, 4/0 AWG, Soft Drawn (12,000 ft.)	Border States Industries	68,760.00	Competitive	5/23

Signed by:

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 David Frankenberg, Secretary

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August 27, 2025

Center of Excellence Advisory Services	RJS Consulting Services	250,000.00	Professional Service (1 Year)	N/A
Crossarm, Weathered Steel, 4"x4"x9'-4" (225)	Border States Industries	114,714.00	Competitive	5/6
Crossarm, Weathered Steel, 4"x6"x9'-4" (120)	Wesco Distribution	106,714.80	Competitive	3/7
Crossarm, Fiberglass, 4x6x10	Stuart C. Irby	60,412.50	Competitive	4/6
Doors and Hardware	Isenhour Door Products	100,000.00	Competitive (5 Years)	2/11
Emergency Roofing Repair	Baker Roofing Company	40,000.00	Addition (New NTE \$114,900.00) Extension (2 Years)	N/A
Energy to Community Project Facilitation	Greater Than Equal, LLC	150,000.00	Professional Service (17 Months)	N/A
Fasteners (Fleet)	Fastenal Company	40,000.00	Addition (New NTE \$105,000.00)	N/A
HVAC Supplies	Johnstone Supply	50,000.00	Addition (New NTE \$120,000.00)	N/A
Insulator, Guy Strain (2,880)	Wesco Distribution	91,612.80	Competitive (1 Year) Blanket	6/8
Legal Services	Adams & Reese LLP	150,000.00	Addition (New NTE \$225,000.00) Extension (1 Year)	N/A
PCB Contaminated Solid Waste Disposal	CWM, Inc. dba WM	50,000.00	Addition (New NTE \$200,000.00) Extension (2 Years)	N/A
Pole, Steel, H7, 90 ft. (6)	MD Henry Co., Inc.	72,708.00	Competitive	6/8
Pole, Wood, C4, 40 ft. (180)	Thomasson Company	50,940.00	Competitive	6/10
Regulated Waste Material Shipment and Disposal	Waste Management NS	N/A	Extension (1 Year)	N/A
Service to Develop a Comprehensive Data Strategy	HCL America	N/A	Extension (5 Months)	N/A

Attested By:



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David Frankenberg, Secretary

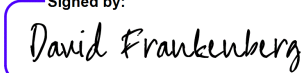
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Spida Studio Software Subscription and Maintenance	Bentley Systems, Inc.	92,209.00	Sole Source (1 Year)	N/A
Sprinkler Maintenance and Repair	John Bouchard & Sons Co.	87,000.00	Competitive (3 Years)	3/5
Steel and Aluminum Bars, Length and Sheets	Loftis Steel & Aluminum	100,000.00	Competitive (1 Year)	1/17
Switch, Pad Mount, PMH-11, 125Bil, 600A, 25KV LB (3)	Wesco Distribution	103,515.00	Competitive	4/4
Transformer, Pad Mount, Single Phase, 13.8/23.9Y 240/120, DF 50 (10); DF 100 (10); DF 250 (4); 18.8/23.9Y 240/120, DF 50 (10)	Gresco	206,885.60	Competitive	5/8
Transformer, Pad Mount, Single Phase, 13.8/23.9Y 240/120, DF 167 (10)	Central Moloney	89,070.00	Competitive	5/8
Wash Bay Sediment Cleaning, Rinsing, and Disposal	Spectrum Environmental Services	15,000.00	Addition (New NTE \$85,000.00)	N/A
Wrecker Service	Dads Towing Service	40,000.00	Addition (New NTE \$65,000.00)	N/A
TOTAL		\$2,496,841.70		

LINE ITEMS

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
Engineering Technical Staff Augmentation	DRG Technical Solutions	\$5,000,000.00	Competitive (5 Years)	12/18
Engineering Technical Staff Augmentation	Patterson and DeWar Engineering	5,000,000.00	Competitive (5 Years)	12/18
Engineering Technical Staff Augmentation	TRC Environmental Corp.	20,000,000.00	Competitive (5 Years)	12/18
TOTAL		\$30,000,000.00		

Signed by:

Attested By: 0AE47D2A19884AE
David Frankenberg, Secretary

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