



Electric Power Board Meeting
Wednesday, 6/25/2025
8:30 - 10:00 AM CT
Board Chair Michael Vandenberg

1. Call to Order

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2. Public Comment Period

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3. Committee Reports

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a. Audit and Ethics Committee

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4. Consent Agenda

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a. Recommendation for approval of minutes from the regular meeting held May 28, 2025

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5. Discussion Items

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a. Recommendation for approval of a Physical Security Contract - Demond Ivery

Recommendation for approval of a Physical Security Contract - Page 21

b. Recommendation for approval of a Memorandum of Understanding between NESEA and Management - Dr. Trish Holliday/Jeff Eck/Tabitha Beach

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i. NES Defined Contribution Retirement Plan Resolution

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ii. NES Retirement Annuity and Survivor's Benefit Plan Resolution

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c. Recommendation for approval of Pension and OPEB Contributions - Tabitha Beach

Recommendation for Approval - Pension OPEB Contributions - Page 29

d. Recommendation for approval of Purchases - David Frankenberg

Purchases - Page 34

6. Financial Report - David Frankenberg

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7. Monthly C2M Update - Aleisha Johnson

Monthly C2M Update - Page 42

8. Quarterly Corporate Communications Activity Report - Kat Pohlman

Quarterly Corporate Communications Activity Report - Page 48

9. Quarterly Sustainability Update - Kat Pohlman

Quarterly Sustainability Update - Page 53

10. President's Report - Teresa Broyles-Aplin

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11. Miscellaneous

Miscellaneous - Page 55

12. Recess to Civil Service Board Meeting

Recess to Civil Service Board Meeting - Page 56

13. Consent Agenda

Consent Agenda - Page 57

a. Recommendation for approval of the minutes from the Civil Service meeting held May 28, 2025

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14. Discussion Items

Discussion Items - Page 60

a. Recommendation for approval of the Reappointment of an Administrative Law Judge - Laura Smith

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b. Recommendation for approval of a Workers' Compensation Settlement - Tabitha Robinson

Recommendation for the approval of a Workers' Compensation Settlement - Page 62

15. HR - Corporate Services Workforce Update - Dr. Trish Holliday

HR Corporate Services Workforce Update - Page 63

16. Miscellaneous

Miscellaneous - Page 64

17. Adjournment of Civil Service Board Meeting

Adjournment of Civil Service Meeting - Page 65

18. Reconvene to ratify actions taken by the Civil Service Board

Reconvene to ratify actions taken by Civil Service Board - Page 66

19. Adjournment of Electric Power Board Meeting

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Call to Order

Public Comment Period

Committee Reports

Audit and Ethics Committee

Consent Agenda

**MINUTES OF THE
ONE THOUSANDTH THREE HUNDREDTH AND SIXTY FOURTH MEETING
ELECTRIC POWER BOARD OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
HELD MAY 28, 2025**

The regular meeting of the Electric Power Board was held on Wednesday, May 28, 2025.

Members present: Rob McCabe, Casey Santos and Clifton Harris; Board Chair Michael Vandenberg attended virtually

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

Board Chair Michael Vandenberg called the meeting to order at 8:28 a.m.

PUBLIC COMMENT PERIOD

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

COMMITTEE REPORT

Audit and Ethics Committee

Committee Chair Rob McCabe stated that the Audit and Ethics Committee met this morning and approved the Audit and Ethics Committee minutes from the meeting held April 23, 2025.

The Committee recognized NES's Journeyman and Apprentice Linemen teams that participated in the 2025 APPA Lineworkers Rodeo in Roseville, CA on March 28-29.

Kraft CPAs presented the Committee with a review of the following Internal Audit Reports:

- a) Audit and Ethics Committee Calendar
- b) Internal Audit Status Report
- c) Internal Audit Accounting Processes Report and Recommendations
- d) Q2 and Q3 FY25 Follow-Up and Remediation
- e) Internal Audit Annual Communications
- f) 2025 Internal Audit Risk Assessment
- g) Proposed FY26 Internal Audit Plan
- h) Audit and Ethics Committee Charter and Internal Audit Charter Redlines
- i) KraftCPAs Leadership Bios

The Committee did not enter into an executive session.

RECOMMENDATION FOR APPROVAL OF THE MINUTES FROM THE ELECTRIC POWER BOARD MEETING HELD APRIL 23, 2025

Upon motion by Member Santos and seconded by Member Harris the Board approved the minutes from the Electric Power Board meeting held April 23, 2025, with four ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF COMPANY MEMBERSHIPS

Laura Smith indicated that, per NES Policy Manual, any organizational memberships with annual dues exceeding \$50,000 require Board approval. Currently, NES holds memberships in four such organizations: the American Public Power Association (APPA) with dues of \$150,000; the Middle Tennessee Industrial Development Association (MTIDA), \$60,000; the Tennessee Valley Public Power Association (TVPPA), \$60,000; and the Large Public Power Council (LPPC), \$140,000.

Ms. Smith noted that, at this time last year, the Board postponed a decision on the APPA dues due to concerns over the organization's lobbying efforts—specifically, its involvement in a coalition opposing the Environmental Protection Agency's greenhouse gas regulations. After further discussions, APPA reimbursed the portion of dues allocated to that litigation and has since ceased its financial support for the case.

Ms. Smith explained that through a series of meetings with APPA's CEO and General Counsel, she and Teresa Broyles-Aplin communicated their concerns about APPA's participation in such legal actions. She noted that APPA now has a clear understanding of NES's position and the expectation that membership dues will not be used to fund those types of initiatives.

Chair Vandenberg thanked Ms. Broyles-Aplin and Ms. Smith for their efforts in these discussions.

Member Santos mentioned that these memberships are an important part of NES's ability to know what is happening in the industry and stated that she appreciates that NES is working with these affiliate organizations.

Management recommended approval of the APPA, MTIDA, TVPPA, and LPPC memberships for the fiscal year ending June 2026.

Upon motion by Member McCabe and seconded by Member Santos, the Board approved the payment of membership dues for APPA, MTIDA, TVPPA, and LPPC totaling \$410,000 for the fiscal year ending June 2026 with four ayes and zero nays.

PROCUREMENT TRANSFORMER UPDATE AND RECOMMENDATION FOR APPROVAL OF BLANKET CONTRACT EXTENSIONS

Amanda Cochran reported that NES has seen moderate improvements in the distribution transformer supply chain compared to the severe constraints experienced in prior years. She stated that extended lead times continue to limit NES's operational ability and demand across the utility industry remains elevated. Ms. Cochran explained that while global logistics have largely normalized since the pandemic, workforce constraints at manufacturing facilities persist, preventing production from returning to pre-2020 levels.

Ms. Cochran stated that although NES has a limited number of units on order with an overseas supplier, the vast majority of NES's transformers are manufactured in the United States and this sourcing strategy has helped mitigate some of the risks associated with international trade volatility.

Given the ongoing challenges and critical importance of maintaining a reliable transformer supply for system resiliency, management recommended Board approval for a three-year extension of NES's current contracts with Gresco, Central Moloney, Stuart C. Irby, and WEG along with funding totaling \$37,500,000 to support single phase and three phase, pole mount and pad mount distribution transformer purchases made during the extended contract period.

Member Santos noted that NES has faced ongoing challenges and price volatility for some time and inquired if these issues are expected to persist. In response, David Frankenberg explained that the organization is not currently experiencing the kind of inflation seen in 2021 and 2022 when some unit prices had doubled.

Upon motion by Member Harris and seconded by Member McCabe, the Board approved a three-year extension of current transformer suppliers and funding in the amount of \$37,500,000 with four ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF THE OPERATING AND MAINTENANCE BUDGET FOR FISCAL YEAR 2026 AND CAPITAL BUDGET FOR FISCAL YEARS 2026 AND 2027

Matt Kiser and David Frankenberg reported on the Operating Budget for Fiscal Year 2026 and the Capital budget for Fiscal Years 2026 and 2027. Mr. Kiser noted that the complete budget document had been distributed in advance to allow board members sufficient time for review. Mr. Kiser stated that the operating budget forecasts a net income of \$29 million for the year ending June 30, 2026. He highlighted key aspects of revenues and expenditures, including annual wage increases and associated percentage changes, historical cost trends in retirement and survivors' benefits, increased tree trimming activity, and a reduction in software maintenance costs.

Mr. Kiser stated that NES's proposed Capital Budgets are \$219 million for Fiscal Year 2026 and \$184 million for Fiscal Year 2027. These projections account for expected growth in infrastructure development and enhancements, including building improvements and the expansion of the distribution system to accommodate projected increases in demand.

David Frankenberg presented the Five-year Financial Model. He stated that the updated plan reflects continued strength in financial position with favorable revenue along with spend history and projections. According to the model, the next rate increase is anticipated in Fiscal Year 2028; and for reference, he reported that the last increase was in October of 2022.

He highlighted the key risks and opportunities associated with the Five-Year plan. The risks involve the necessity for increased investments in long-term grid and innovation upgrades, rising power supply costs, and the challenges in sustaining planned expenditure levels. Alternatively, the opportunities include potential legacy FEMA recoveries, energy and demand performance that exceeds margin expectations, and grant funding.

Chair Vandenberg commented that the additional investments for the long-term grid renovation needs are one way to offset the future risks of TVA rate increases. He inquired if these two factors are connected and sought insight into management's investment strategy for the next several years.

Ms. Broyles-Aplin agreed that the two factors are closely linked. She explained that NES's battery storage strategy is currently a pilot project but anticipated it will expand over time. She emphasized that it is in NES's best interest to implement an initial system to better understand how it can be most effectively utilized. She added that the vision is to create a virtual power plant which will ultimately save NES money on purchased power from TVA.

Mr. Frankenberg added that those active discussions with TVA are ongoing in an attempt to produce solutions regarding long term supply options.

Management recommended approval of the Operating Budget for Fiscal Year 2026 and the Capital Budgets for Fiscal Years 2026 and 2027.

Upon motion by Member McCabe and seconded by Member Santos, the Board approved the Operating and Maintenance Budget for FY26 and Capital Budget for FY26 and FY27 with four ayes and zero nays.

PURCHASES

Mr. Frankenberg presented management's recommendation for approval of a list of purchases and contracts (greater than \$50,000) in the amount of \$37.5 million. This included \$1.9 million of purchases and contract additions throughout the month that were between the \$50,000 and \$250,000 threshold that were approved by management.

Upon motion by Member McCabe and seconded by Member Santos, the Board approved the list of purchases and contracts with four 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 \$37,500,000.00.

FINANCIAL REPORT

Mr. Frankenberg reported that operating revenues totaled \$1.3 billion, offset by purchased power of \$900 million, resulting in a sales margin of approximately \$407 million. He noted that this was \$32 million favorable to budget to date.

Mr. Frankenberg stated that on the expense side, operating expenses, excluding purchased power, were approximately \$197 million which is favorable to budget by \$31 million primarily due to retirement cost favorability and Encompass spend.

Depreciation expense came in slightly favorable, primarily due to the timing and placement of certain assets into service. Overall, there was a net gain of approximately \$65 million above budget. Cash on hand stood at \$488 million, representing 33 days of liquidity. Mr. Frankenberg also reported capital expenditures of \$169 million compared to a budgeted \$255 million, noting that about two-thirds of the capital budget had been utilized over the first ten months of the fiscal year.

¹ Appendix A Electronically Filed

QUARTERLY ASSET MANAGERS REPORT

Mr. Frankenberg presented the results of the Pension, 401(a), and Other Post-Employment Benefits (OPEB) asset manager's services provided by SEI as of March 31, 2024. He stated that the last quarter was a poor quarter for domestic markets and said it speaks to the benefits of diversification when it comes to assets.

For the quarter, the S&P declined by more than 4%, while domestic small-cap stocks fell approximately 8%. In contrast, NES's portfolio generated positive returns. International stocks and bonds posted gains of 0.6%, outperforming the benchmark index. Mr. Frankenberg mentioned that a detailed summary of these results is included in the board materials.

Mr. Frankenberg reported that Pension assets stood at \$665 million, reflecting a decline from the December balance. He noted that a higher number of retirements typically occur at the beginning of the year, contributing to the decrease.

The allocation percentages for the OPEB and 401(a) plans are generally consistent with those of the Pension fund. As of March 31, 2025, the OPEB Trust held \$265 million in assets, while the 401(a) plan held \$38 million.

QUARTERLY HOME UPLIFT AND POWER OF CHANGE UPDATE

Jay Neal reported that since the last quarterly update, NES customer contributions to the Home Uplift program through the Power of Change initiative have exceeded \$400,000, bringing total program funding to approximately \$19 million. Of that amount, about \$16.6 million has been utilized. While the average spend per home has historically been around \$10,000, recent months have shown a trend closer to \$11,000 per home due to the increase in the cost of materials.

Mr. Neal noted that 84 homes were completed in the previous quarter, which fell during the winter months, while 109 homes were completed in the most recent quarter. To date, a total of 1,770 homes have been completed. Currently, 19 homes are in progress, and 460 homes remain on the eligible list.

Member Santos expressed her desire to see the program reach as many homes as possible and conveyed her appreciation for the progress achieved to date.

QUARTERLY OPERATIONS REPORT

Daniel Johnson presented the third quarter Operations Report and stated that all goals were met in each category. He noted that recordable injuries were down by approximately 50% compared to the first and second quarter of FY25. He noted that all four reliability goals were met despite the active storm season.

By the end of the third quarter, vegetation management crews had trimmed a total of 342 miles, with forty crews actively working across the system. The Customer Relations team experienced a high-volume quarter, handling 514,040 calls between January and March. Corporate Communications effectively managed severe weather communications, coordinating 455 media touchpoints to provide timely updates on power outages.

Mr. Johnson explained that financial goals are determined in alignment with the annual budget, which is approved by the Board each May. When calculating the targets for both the Operation and Maintenance and the Administrative and General expenses, non-cash retirement costs are excluded. All six financial objectives for the annual reporting period were successfully achieved.

MONTHLY ENCOMPASS PROGRAM UPDATE

Brent Baker presented the monthly Encompass update and reported that as of mid-May, the Encompass project has successfully transitioned into its production support phase following the conclusion of a comprehensive Hypercare period. During Hypercare, all defined exit criteria across multiple operational domains were achieved or determined to be in a healthy and sustainable state allowing a shift to the next phase of support and optimization. Focus now shifts to ensuring long-term stability, reinforcing end-user adoption, and preparing for sustained support beyond June 2025.

STRATEGIC PLAN UPDATE

Ms. Smith acknowledged that in late 2024, NES selected the firm Porter Novelli to develop and facilitate its strategic plan. The firm has concluded the initial research and observation phase which included a detailed review of NES's 2017 Strategic Plan, governing documents, employee survey results, consumer market research, annual reports, community initiatives, and industry benchmarking.

Ms. Smith reported that in the current phase of the project, Porter Novelli has conducted one-on-one meetings with the CEO and Board members who have facilitated a series of in-depth discussions with the organization's vice presidents. She explained that the focus of identifying key strategic shifts needed to move NES from an execution-focused utility to a community-anchored energy partner. She highlighted the main themes that emerged from the meetings and mentioned that next steps include engaging union leadership and collecting wider employee feedback to ensure inclusive input as the plan is refined.

PRESIDENT'S REPORT

Teresa Broyles-Aplin stated that this month's President's Report is quite lengthy, so to save time, she opted not to go over it in detail. However, she encouraged everyone to read it, emphasizing the many positive activities within the NES family.

Ms. Broyles-Aplin, with deep sadness, announced the passing of colleague and friend Cody Fletcher, a lineman apprentice, who died on April 27, 2025.

MISCELLANEOUS

One miscellaneous item was presented for consideration. Laura Smith recommended Board approval to enter into a purchase and sale agreement for the property located at 310 McCann Street. She noted that NES foresees the need to construct a substation south of downtown Nashville in the coming years to support ongoing growth, and the 32,705-square-foot site meets the utility's operational requirements. NES's commercial real estate broker, Southeast Venture, has been

negotiating with the seller's representative and has reached a tentative agreement, pending Board approval.

Management recommended that NES proceed with a purchase and sale agreement to acquire the property at 310 McCann Street for \$10.5 million. Additionally, management proposed that the Board authorize NES to cover half of Southeast Venture's 3% brokerage commission.

Upon a motion by Member Vandenberg, seconded by Member Santos, the Board approved both the purchase and sale agreement and the payment of a 1.5% commission to Southeast Venture, NES's real estate broker.

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 Santos and seconded by Member McCabe, the Board ratified the actions taken during the Civil Service Board meeting with four ayes and zero nays.

ADJOURNMENT

The meeting adjourned at 9:27 a.m.

Attest:

Approved,

Secretary

Board Chair

May 28, 2025

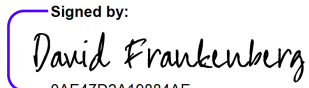
Appendix “A”

Recommendation of Purchases and Contracts
at the Meeting on Wednesday May 28, 2025

Management recommends Board approval
of the following purchases and contracts:

Total Materials and Supplies Purchases	\$2,263,669.00
Total Additions, Extensions, and Changes	\$6,802,536.58
Total Ratified Purchases and Contracts	\$1,891,489.20
TOTAL	\$10,957,694.78
Total Line Items	\$37,500,000.00

<u>Ethnic/Gender/Size</u>	<u>Amount</u>
Caucasian, female, large	\$485,040.00
Caucasian, male, small	\$166,590.00
Supplier Diversity Program Total	\$651,630.00
Note: Vendors not otherwise indicated are not part of the NES Supplier Diversity Program.	

Signed by:

Attested by: _____
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David Frankenberg, Secretary


May 28, 2025

MATERIALS AND SUPPLIES PURCHASES

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
Bucket Truck, 60K GVWR, Tandem Axle, 105' Aerial Device, 2025, Used (1)	Global Rental Co., Inc.	\$498,320.00	Competitive	2/13
Connector, 3 U-Bolt, 605-900 MCM, 900A (1,800)	Border States Industries	290,574.00	Competitive (1 Year) Blanket	3/9
Luminaire, LED, Roadway, 10000 Lumens (1,800)	Cape Electric	251,640.00	Competitive (1 Year) Blanket	5/9
Pole, Steel, H1, 55' (120)	MD Henry Co., Inc. <i>Caucasian, female, large</i>	485,040.00	Competitive	6/9
Switch, Load Break, 1200 Amp (15)	Stuart C. Irby	263,265.00	Competitive Sole Brand	2/4
Transformer, Pad Mount, 3 Phase, 5000kVA, 23.9/13.8-13.8/7.9 (1)	WEG Transformers USA	474,830.00	Competitive	4/8
TOTAL		\$2,263,669.00		

ADDITIONS, EXTENSIONS, AND CHANGES

<u>Item Description</u>	<u>Contractor</u>	<u>Additional Amount</u>	<u>Change Requested</u>
I3-Milestone Pre-Built Automated Test Scripts and Support for Oracle C2M	I3-Milestone	\$61,500.00	Addition (New NTE \$660,000.00)
Motorola Radio Equipment and Services	Motorola Network Services	N/A	Extension (5 Months)
NES Health Plan Third Party Administration	UMR, Inc.	1,700,000.00	Addition (New NTE \$6,200,000.00) Extension (1 Year)
On-Site Information Technology Staffing Services	BG Staffing, Inc. dba Zycron	5,000,000.00	Addition (New NTE \$169,500,000.00) *Extension (6 Months)
Pole Inspection Services	Osmose Utilities Services	N/A	Extension (2 Years)

Signed by:

 Attested by: _____
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 David Frankenberg, Secretary

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

May 28, 2025

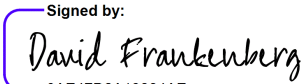
Power Circuit Breaker, 69kV, 300AMP, 63kA (6)	Mitsubishi Electric Power Products	41,036.58	Addition (New NTE \$767,576.40)
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TOTAL	\$6,802,536.58
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*Total contract term is ten (10) years and six (6) months.

RATIFIED PURCHASES AND CONTRACTS

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
365 Data Center Cabinet and Panels Lease	365 Services, LLC	\$22,560.00	Addition (New NTE \$56,400.00) Extension (2 Years)	N/A
AiDash Intelligent Vegetation Management System – Pilot Program	Schneider Electric c/o USI	100,000.00	Sole Source (1 Year)	N/A
Asphalt Repair	Sessions Paving Company	35,000.00	Addition (New NTE \$160,000.00)	N/A
Cable, ACSR Bare 477 18/1 (80,310 ft.)	Wesco Distribution	99,584.40	Competitive	6/15
Clean Agent Fire Suppression System Inspection and Maintenance	Koorsen Fire and Security	75,000.00	Addition (New NTE \$145,000.00) Extension (2 Months)	N/A
Crossarm, Treated Wood, Douglas Fir, 3 3/4"x4 3/4"x10' (1,000)	Cape Electric	109,750.00	Competitive	4/6
Crossarm, Fiberglass, 4x6x10 (200)	Stuart C. Irby	54,000.00	Competitive	5/6
Crossarm, Steel, 4"x6"x9'-4" (120)	Border States Industries	73,312.80	Competitive	5/6
Document Shredding	Stericycle, Inc.	130,000.00	Competitive (5 Years)	2/14
HVAC Supplies	Johnstone Supply <i>Caucasian, male, small</i>	20,000.00	Addition (New NTE \$70,000.00)	N/A
Lineworker Battery Powered Hand Tools	Border States Industries	125,000.00	Addition (New NTE \$225,000.00)	N/A

Signed by: 
 Attested by: _____
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 David Frankenberg, Secretary

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May 28, 2025

Luminaire, LED, Acorn Granville, 10,000 Lumens (48); Wallpack, 7,000 Lumens (30)	Cape Electric	55,530.00	Competitive Sole Brand	3/12
Pole, Self-Weathering, H3, 60' (22)	Stuart C. Irby	110,660.00	Competitive	6/9
Pole, Steel, Galvanized, H4,80' (11)	Stuart C. Irby	80,982.00	Competitive	6/9
Pole, Wood. C2, 45' (180)	Stella-Jones Corporation	78,300.00	Competitive	6/7
Recloser, Vacuum, 27KV, 800A (5)	Gresco	87,490.00	Competitive Sole Brand	2/3
SafeGrid Intelligent Grid System	SafeGrid USA, LLC <i>Caucasian, male, small</i>	146,590.00	Sole Source (1 Year, 3 Months)	N/A
Software Solutions and Services	DLT Solutions, LLC	250,000.00	Cooperative (2 Years, 8 Months, 3 Days)	N/A
Surge Arrester, Distribution Class, Heavy Duty, 12KV (2,304)	Gresco	114,624.00	Competitive (1 Year) Blanket	5/9
Transformer, Pole Type, Three Phase, 13.8 Delta-240x480 Volts, 75KVA (1); 23.9Y/13.8-240x480 Volts, 30KVA (1); 75KVA (2); 150KVA (2)	Central Moloney	68,956.00	Competitive	1/2
Uninterruptible Power Supply Systems Maintenance	Gruber Technical, Inc.	54,150.00	Competitive (3 Years)	2/7
TOTAL		\$1,891,489.20		

LINE ITEMS

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
Transformer, Pad Mount, Single Phase	Central Moloney	N/A	Extension (3 Years)	N/A
Transformer, Pad Mount, Single Phase	Gresco	\$6,500,000.00	Addition (New NTE \$9,000,000.00) Extension (3 Years)	N/A

Signed by:

 Attested by: _____
 David Frankenberg, Secretary

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

May 28, 2025

Transformer, Pad Mount, Three Phase	Central Moloney	N/A	Extension (3 Years)	N/A
Transformer, Pad Mount, Three Phase	Gresco	10,000,000.00	Addition (New NTE \$17,700,000.00) Extension (3 Years)	N/A
Transformer, Pad Mount, Three Phase	Stuart C. Irby	5,000,000.00	Addition (New NTE \$33,000,000.00) (3 Years)	N/A
Transformer, Pad Mount, Three Phase	WEG Transformers USA	5,000,000.00	Addition (New NTE \$10,400,000.00) Extension (3 Years)	N/A
Transformer, Pole Mount, Single Phase	Central Moloney	N/A	Extension (3 Years)	N/A
Transformer, Pole Mount, Single Phase	Gresco	7,000,000.00	Addition (New NTE \$11,900,000.00) Extension (3 Years)	N/A
Transformer, Pole Mount, Three Phase	Central Moloney	N/A	Extension (3 Years)	N/A
Transformer, Pole Mount, Three Phase	Gresco	4,000,000.00	Addition (New NTE \$4,200,000.00) Extension (3 Years)	N/A
TOTAL		\$37,500,000.00		

Signed by: 
Attested by: 
David Frankenberg, Secretary

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

Discussion Items

RECOMMENDATION FOR APPROVAL OF A PHYSICAL SECURITY CONTRACT

NES' current contract with Walden Security, which provides onsite physical security for NES' downtown facility and service centers, is set to expire on August 31, 2025. This contract plays a critical role in ensuring a safe and secure environment for both our customers and employees.

For the upcoming contract period, NES conducted a competitive selection process that included two qualified vendors. After reviewing both proposals and presentations, the evaluation committee selected Walden Security to continue as NES' physical security contractor.

Management recommends approval of a new contract with Walden Security, effective September 1, 2025, through August 31, 2030, at a not-to-exceed cost of \$11,000,000.00.

RECOMMENDATION FOR APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN NASHVILLE ELECTRIC SERVICE AND NESEA

Management brings before the Board its recommendation for approval of proposed revisions on pay and related matters in accordance with Policy Manual Section 16 D (g). In 1968, Management and NESEA signed an agreement with the purpose of fostering better employee relations within NES and more effectively conducting the personnel policy and administration of NES and the Board's rules and regulations governing employees of NES. The agreement covers the relationship between NES and NESEA, including recognition of NESEA, membership and activities, payroll deduction of dues, wages, and other related matters. Most of the language of the agreement is embodied in NES Policy Manual Section 16 Nashville Electric Service Employee Association/Service Employees International Union Local 205 Policy. The 1968 Agreement outlines the process for negotiations between NES and NESEA and such process has been included in Policy Manual Section 16.

In accordance with Policy Manual Section 16 we submit the following for your consideration.

- The CEO notified NESEA/SEIU LOCAL 205 at least sixty (60) days prior to the proposed effective date of such revised Pay Plan.
- The CEO's designated representatives met with a committee of representatives of NESEA/SEIU LOCAL 205 to discuss proposed revisions and to resolve differences.

Management recommends approval of proposed revisions to employee pay and related matters in accordance with Policy Manual Section 16 as outlined in the following exhibit.

EXHIBIT

1. This is a five (5) year wage and benefit agreement for non-supervisory employees effective July 1, 2025, and ending June 30, 2030.
2. Increase wages by the CPI-U Annual Average plus one-half percent, with a 3% minimum and 5.5% maximum beginning the first pay period in July 2025, 2026, 2027, 2028, and 2029.
3. Increase the annual retiree pension cost of living increase from 2.0% to 2.5%.
4. The Defined Contribution Plan (401(a)) will be paid out quarterly within 60 days of the close of the quarter. The payment will be based on the last known Normal Cost Percent from our actuaries.
 - a) The fourth quarter will be paid out in the April following the end of the calendar year. It will be based on the latest Normal Cost Percent, calculate the payout due for the entire year, and true up any over or under payment of contribution for the first three quarters.
 - b) For the calendar year 2025, a contribution will be made for the first six months of the year within 60 calendar days following the close of the second quarter
 - c) The contribution for Military Service credit will be made in April of the following year.

**THIRD AMENDMENT TO
NASHVILLE ELECTRIC SERVICE
DEFINED CONTRIBUTION RETIREMENT PLAN**

WHEREAS, effective July 1, 2012, the Electric Power Board of the Metropolitan Government of Nashville and Davidson County (the “Board”) established the Nashville Electric Service Defined Contribution Retirement Plan (the “Plan”), a qualified plan within the meaning of Section 401(a) of the Internal Revenue Code (the “Code”), for employees who commenced employment on or after July 1, 2012; and

WHEREAS, Article X of the Plan reserves the Board’s right to amend the Plan provided the amendment does not violate the exclusive benefit rule of Section 401(a) of the Code or have the effect of reducing the benefit or vesting percentage of any Participant; and

WHEREAS, effective June 1, 2017, the Board amended the Plan (i) to recognize the claims of a former spouse, child or other dependent of a Participant under a qualified domestic relations order as required by Tennessee law; (ii) to further describe the authority reserved by the Board to amend the Plan to change future benefit accruals and other unaccrued rights; (iii) to add a two-year limitations period for filing a lawsuit concerning denial of a claim, or appeal of the denial of a claim, against the Plan; (iv) to conform the anti-assignment provisions to the specifications of Tennessee law; and (v) to clarify that contributions are made to a disabled participant until that participant reaches his or her Disability Benefit Date; and

WHEREAS, effective February 2, 2020, the Board amended the Plan to change the commencement date of the initial computation period for measuring a Year of Vesting Service from the date an Employee becomes a Participant to the date an individual becomes an Employee, and subsequent Years of Vesting Service to commence on the anniversary dates thereof; and

WHEREAS, Section 5.2(a) provides that Participants shall be credited with Employer Basic Contributions as of December 31 of each Plan Year, provided that the Participant is an Employee on December 31 of the relevant Plan Year (except if the Participant had a Severance from Employment during the relevant Plan Year for Normal Retirement, delayed retirement, Disability or death); and

WHEREAS, the Board desires to amend the Plan to change the crediting date for Employer Basic Contributions from December 31 of each Plan Year to the last day of each quarter of each Plan Year; and

WHEREAS, the capitalized terms used in this Third Amendment are the same as used and defined in the Plan; and

WHEREAS, effective July 1, 2025, the Plan is amended as follows:

1. Section 5.2(a) (Employer Basic Contribution) is amended to provide as follows:

(a) Employer Basic Contributions. As the last day of each quarter of the Plan Year (which, for the avoidance of doubt, is March 31, June 30, September 30, and December 31 of each Plan Year), the Account of each Participant who is an Employee on such date (including a Participant who has a Disability and whose Disability Benefit Date has not occurred as of the first day of such Plan Year quarter) shall be credited with one fourth (1/4th) of his or her estimated share (as determined below) of the Employer Basic Contribution made by the Employer for such Plan Year (with the exception that the amount credited on December 31 shall be equal to the entire remainder of such Participant's Employer Basic Contribution for the Plan Year); provided, however, that no portion of such Employer Basic Contribution shall be allocated to the Account of a Participant who has a Severance from Employment with the Employer prior to the last day of such Plan Year quarter, except that a Participant who had a Severance from Employment during such Plan Year quarter by reason of Normal Retirement, delayed retirement, death or the occurrence of such Participant's Disability Benefit Date shall not be excluded from receiving an allocation. The Employer Basic Contribution shall be allocated to the Accounts of such Participants based upon an uniform percentage of each Participant's Compensation estimated to be paid during the Plan Year, such uniform percentage being determined pursuant to clause (i) of Section 4.1 (with the exception that the amount credited on December 31 may be adjusted so that the Participant receives the full amount of his or her share of the Employer Basic Contribution made by the Employer for such Plan Year).

IN WITNESS WHEREOF, the Electric Power Board of the Metropolitan Government of Nashville and Davidson County has caused this Third Amendment to be executed by its duly authorized officers, effective on the dates provided herein for each provision amended.

APPROVED by the Electric Power Board on _____, 2025.

**THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY,
ACTING BY AND THROUGH THE ELECTRIC
POWER BOARD OF SAID GOVERNMENT
D/B/A NASHVILLE ELECTRIC SERVICE**

ATTEST:

Secretary

By: _____
Chairman of the Board

Date: _____

Date: _____

Approved as to Form and Legality:

By: _____
Laura Smith
Vice-President and General Counsel

Date: _____

**First Amendment to the
Nashville Electric Service Retirement Annuity
and
Survivors' Benefit Plan
(As restated Effective March 27, 2024)**

PREAMBLE

WHEREAS, on May 1, 1941, the Electric Power Board of the Metropolitan Government of Nashville and Davidson County (the "Board") established a program for providing retirement benefits and other benefits for certain employees and their beneficiaries, which is now called the Nashville Electric Service Retirement Annuity and Survivors' Benefit Plan (the "Plan"); and

WHEREAS, the Board most recently restated the Plan effective March 27, 2024, to incorporate prior amendments and changes in the law since it was previously restated in 2012; and

WHEREAS, Section 28(a) of the Plan reserves the Board's right to amend the Plan, including (but not limited to) the specific right to alter any future Cost of Living Increases, provided the amendment does not have the effect of reducing the benefit or vesting percentage of any Participant; and

WHEREAS, the Board desires to amend the Plan to provide for a new Cost of Living Increase of 2.5%, effective as of July 1, 2025

First Amendment

Effective as of July 1, 2025, a new paragraph is added to Section 8.B, immediately following the paragraph that begins “Effective January 1, 2011...,” to provide as follows:

Effective July 1, 2025, the Employer shall provide a Cost-of-Living Increase each year equal to 2.5% of the yearly amount of the current Retirement Annuity for each Retired Participant, Terminated Vested Participant or Contingent Annuitant and of the Survivor Benefit for the Survivor, as the case may be, that was effective immediately prior to such increase.

[signature page follows]

IN WITNESS WHEREOF, the Electric Power Board of the Metropolitan Government of Nashville and Davidson County has caused this First Amendment to be executed by its duly authorized officers, effective on the date provided herein.

APPROVED by the Electric Power Board on June ___, 2025.

**THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY,
ACTING BY AND THROUGH THE ELECTRIC
POWER BOARD OF SAID GOVERNMENT
D/B/A NASHVILLE ELECTRIC SERVICE**

ATTEST:

Secretary

By: _____
Chairman of the Board

Date: _____

Date: _____

Approved as to Form and Legality:

By: _____
Laura Smith
Vice-President and General Counsel

Date: _____

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RECOMMENDATION FOR APPROVAL OF PENSION AND OPEB CONTRIBUTIONS

Pension Plan

The Nashville Electric Service Retirement Annuity and Survivors' Plan (the "Plan") is a single employer defined benefit pension plan administered by the Board. The Plan provides retirement and survivors' benefits to members and beneficiaries.

All full-time regular employees who were employed prior to July 1, 2012, are eligible to participate in the Plan. The vesting provision of the Plan provides for five-year cliff vesting. Employees who retire are entitled to annual retirement benefits payable monthly for life in an amount equal to 2 percent of final average compensation multiplied by years of service in the Plan not in excess of 35 years. Final average compensation is the average compensation for the 36 consecutive months, in which compensation is highest.

The annual required contribution for the current Plan year was determined as part of the April 1, 2025, actuarial valuation using the individual entry age normal percent of pay method as prescribed by GASB 67. The actuarial assumptions included (a) 7.25 percent long-term rate of return on investments, (b) career based projected salary increases using an adjusted scale, and (c) a cost-of-living post-retirement benefit increase equal to 2.5 percent per year. The current valuation is being audited and is subject to change.

The following table summarizes the significant calculations from the most recent three valuations that impact the Actuarially Determined Contribution (ADC):

<u>Description</u>	<u>Plan Year 2025</u>	<u>Plan Year 2024</u>	<u>Plan Year 2023</u>
Active Participants	435	462	492
Average Salary	\$142,394	\$130,923	\$127,718
Average Age	51.6	50.9	50.4
Average Service	22.0	21.4	20.6
Total Covered Payroll	\$61,942,000	\$60,487,000	\$62,837,000
Retirees & Beneficiaries	982	945	939
Present Value of Benefits	\$945,118,000	\$903,782,000	\$902,611,000
Unfunded Accrued Liability	\$190,350,888	\$198,262,000	\$216,963,000
Market Value of Assets	\$664,284,000	\$640,405,000	\$570,270,000
Actuarial Valuation Assets	\$672,207,000	\$632,604,000	\$606,847,000
Actuarially Determined contribution	\$33,872,000	\$32,700,000	\$34,250,000
% of Payroll	54.68%	54.06%	54.47%
Security Ratio (Asset FMV /Accumulated Benefit Value)	85.3%	84.3%	76.6%
Funded Ratio – Using actuarial value of Asset	77.9%	76.1%	73.7%

The following table presents a reconciliation between the recommended actuarially determined contribution and the prior year actuarially determined contribution for the Plan.

Prior year contribution level	\$32,699,000
Investment Performance	(1,558,000)
Salary changes	1,490,000
Assumption Changes	1,042,000
Active Experience	(327,000)
Retiree Experience	242,000
Plan Expenses	210,000
Net impacts, all other	<u>74,000</u>
Actuarially Determined contribution	<u>\$33,872,000</u>
Discretionary Contribution for Retiree COLA Change After Plan Year End	<u>4,331,000</u>
Plan Year 2025 Contribution	<u>\$38,203,000</u>

The budgeted 2025 ADC prior to overhead allocations was \$33,477,000.

The results of the 2025 five-year assumption study were used in the calculation. Assumptions for factors such as salary scale, partial lump sum distributions, and retirement rates are appropriate to use in the study. Other assumptions used in the Plan analysis are monitored and are consistent with management's expectations.

Actuarial returns on investment for the year ended March 31, 2025, were 7.6% compared to an expected return of 7.25% resulting in a decrease in the ADC. The market return on plan assets was a gain of 10.3% for the period.

The changes in salaries of active participants in the Plan were higher than expected.

The active experience saw fewer retirements than expected reducing the ADC by \$327,000.

The Retiree experience including the deferred vested participants was favorable to expectation decreasing the ADC by \$242,000.

The upcoming funding cycle will be complete as of March 31, 2026. A new funding request will be presented to the Board in June of 2026, for the twelve-month period ending March 31, 2027.

OPEB Plan

The NES Other Post Employment Benefit Plan (OPEB Plan) is a single employer defined benefit plan funded through an irrevocable trust. This plan provides post-retirement medical, dental, and life insurance benefits to all employees who retire from NES under the provisions of the qualified plans and supplemental executive retirement plan. Medical

and dental benefits are also provided to spouses. Expenses for these post-retirement benefits are recognized on a full accrual basis over the working careers of plan members.

The annual required contribution for the 2026 OPEB Plan year was determined as part of the April 1, 2025, actuarial valuation using the actuarial methods prescribed by GASB 74. The current valuation is being audited and is subject to change.

The actuarial assumptions included (a) 7.5 percent long-term investment rate of return, (b) a projected cost trend for medical and dental expenses, and (c) career based projected salary increases using a trended scale.

The following table summarizes the significant calculations from the most recent three valuations that impact the Actuarially Determined Calculation:

<u>Description</u>	<u>Plan Year 2025</u>	<u>Plan Year 2024</u>	<u>Plan Year 2023</u>
Projected Payouts	\$19,038,000	\$18,798,000	\$18,220,000
Unfunded Accrued Liability	\$81,009,000	\$115,781,000	\$134,342,000
Market Value of Assets	\$262,231,000	\$237,128,000	\$197,021,000
Actuarial Valuation of Assets	\$259,037,000	\$233,217,000	\$208,217,000
Actuarially Determined Contribution	\$21,700,000	\$23,400,000	\$23,100,000
Funded Ratio	76.2%	66.8%	60.8%
Active Participants	929	927	925
Retiree & Beneficiaries	962	954	942

The following table presents a reconciliation between the recommended OPEB Plan actuarially determined contribution and the prior year actuarially determined contribution.

Prior year contribution level	\$23,400,000
Passage of time – Interest carrying cost	759,000
Investment Performance	(79,000)
Medical claims experience	(1,265,000)
Participant demographics	221,000
Rx, Dental & Vision claims experience	109,000
Assumption Changes	(1,435,000)
Other	(10,000)
Plan Year 2025 Contribution	<u>\$21,700,000</u>

The budgeted 2025 ADC prior to overhead allocations was \$23,184,000.

Please note that every five years, our consultants review and update the assumptions related to the valuation. The results of the 2025 five-year assumption study were used in the calculation. These updates to assumptions related to retirement, disability, plan

participation, medical inflation and pay increases resulted in a decrease to the funding requirement as shown above.

Other than the assumption changes, the net change in the annual contribution was the result of both favorable and unfavorable factors. Favorable trends in plan activity decreasing the contribution requirements were primarily due to medical claims experience that was better than expected. Better than forecast investment performance also contributed to the decrease in the funding requirement

The unfavorable impacts were demographic experience and higher than expected increases in prescription drug, dental and vision costs. Interest carrying cost on the liability will always increase the funding requirement.

Actuarial returns on investment as of March 31, 2025, were 8.2% compared to an expected return of 7.5% resulting in a decrease in the ADC.

The upcoming funding cycle will be complete as of March 31, 2026. A new funding request will be presented to the Board in June of 2026, for the twelve-month period ending March 31, 2027.

Recommendation

Management recommends approval to fund the plans for the Plan year ending March 31, 2025, with payments made quarterly beginning with the June 30, 2025, quarterly payment, at the following annual amounts:

	<u>Proposed Funding</u>	<u>Last Year's Requirements</u>
Defined Benefit Pension Plan	\$38,200,000	\$32,700,000
OPEB Plan	\$21,700,000	\$23,400,000

Accounting policy for plan assumption measurements

The Pension and OPEB plans are long-term obligations. The significant assumptions used are based on estimation processes using similar long-term trend analysis. For example, the expected rate of return on investments is based on the historical long-term rate of return for a portfolio of investments like those held in the plans. The significant assumptions are monitored every year and evaluated in more depth periodically.

Management directed the actuary to make such an actuarial investigation into the significant assumptions of the benefit plans in preparation in the plan year 2020. The actuaries evaluated assumptions for Rates of Retirement, Investment Returns, Experience, and Health Care Costs.

The results of the 2025 study will be used for the plans' valuations through plan year 2030.

If prior to plan year 2030 there is (1) a new accounting rule or other regulatory change that mandates a measurement or (2) a significant change in the plan design or employee / retiree

population that would require measurement of a new significant factor, a separate study may be conducted, and results incorporated into the long-term assumptions.

**Recommendation of Purchases and Contracts
at the Meeting on Wednesday June 25, 2025**

**Management recommends Board approval
of the following purchases and contracts:**

Total Materials and Supplies Purchases	\$10,024,576.00
Total Contracts and Services	\$3,600,000.00
Total Additions, Extensions, and Changes	\$335,740.00
Total Ratified Purchases and Contracts	\$2,554,323.70
Total Invoices	\$59,881.00
TOTAL	\$16,574,520.70

Total Line Items	\$11,000,000.00
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<u>Ethnic/Gender/Size</u>	<u>Amount</u>
Caucasian, female, large	\$11,093,625.00
Caucasian, female, small	\$235,000.00
Hispanic, male, large	\$107,300.00
Supplier Diversity Program Total	\$11,435,925.00
Note: Vendors not otherwise indicated are not part of the NES Supplier Diversity Program.	

MATERIALS AND SUPPLIES PURCHASES

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
56K, Tandem Axle, Extended Cab, 60' E-PTO/Material Handler (6)	Altec Industries	\$3,277,116.00	Competitive	1/13
Cable, ACSR, Bare, 795 36/1 (172,800 ft)	Wesco Distribution	336,960.00	Competitive (1 Year) Blanket	5/9
Diesel	JAT Oil, Inc.	4,500,000.00	Competitive (1 Year)	4/14
Ethanol	JAT Oil, Inc.	50,000.00	Competitive (1 Year)	2/7
Gasoline	Petroleum Traders Corp.	1,500,000.00	Competitive (1year)	4/14
Pole, Steel, Galvanized, H3, 60' (70)	Stuart C. Irby	360,500.00	Competitive	6/9
TOTAL		\$10,024,576.00		

CONTRACTS AND SERVICES

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
Architectural and Engineering Services	Burns & McDonnell Engineering Co.	\$2,000,000.00	Competitive (3 Years)	3/13
Herbicide and TCR Services	Edko, LLC	1,000,000.00	Competitive (2 Years)	5/30
Legal Services	Bass, Berry & Sims PLC	300,000.00	Professional Service (3 Years)	
Legal Services	Constangy Brooks Smith & Prophete LLP	300,000.00	Professional Service (3 Years)	N/A
TOTAL		\$3,600,000.00		

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

ADDITIONS, EXTENSIONS, AND CHANGES

<u>Item Description</u>	<u>Contractor</u>	<u>Additional Amount</u>	<u>Change Requested</u>
Engineering Technical Staff Augmentation	Leidos Engineering, LLC	N/A	Extension (60 Days)
Engineering Technical Staff Augmentation	TRC Environmental Corp.	N/A	Extension (60 Days)
Kiosks, Software and Support	CityBase, Inc.	\$75,740.00	Addition (New NTE \$441,640.00) Extension (1 Year)
System Integration Services for the Implementation of Oracle Software	Ernst & Young	260,000.00	Addition (New NTE \$102,260,000.00) Extension (3 Months)
TOTAL		\$335,740.00	

RATIFIED PURCHASES AND CONTRACTS

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
Cable, ACSR Bare 2 6/1 Reel/Sparrow (465,600 ft.)	Border States Industries	\$115,468.80	Competitive (1 Year) Blanket	6/9
Cable, Aluminum, 600V XLP 2/0 IN TPXD SM (72,000 ft.)	Cape Electric	99,360.00	Competitive (1 Year) Blanket	4/9
Cable, Aluminum, 600V, XLP 350 4/0 TPXD (24,000 ft.)	Wesco Distribution	73,920.00	Competitive (1 Year) Blanket	4/9
Cable, Copper, BSD #4, Solid (189,600 ft.)	Gresco	144,096.00	Competitive (1 Year) Blanket	5/9
Connector, Elbow, LB 1 AL/CU 25 KV (2,400)	Stuart C. Irby	115,080.00	Competitive (1 Year) Blanket	4/9
Construction Lumber	Elder Building Supply	55,000.00	Addition (New NTE \$145,000.00)	N/A
Contacts and Electrical Components, New	Normandy Machine Co.	200,000.00	Competitive (5 Years)	1/18

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

Customer Behavior Change Advisory Services	Powering Potential <i>Caucasian, female, small</i>	60,000.00	Addition (New NTE \$120,000.00) Extension (1 Year)	N/A
Dilo SF6 Multi-Analyzer (2); Analyzer Discharge Recovery Bag (2); Leak Spy/Sniffer (1)	DILO Company, Inc.	91,517.50	Competitive Sole Brand	1/22
Electrical Supplies	Border States Industries	50,000.00	Addition (New NTE \$185,000.00)	N/A
Emergency Response Services	Hepaco LLC	100,000.00	Competitive (3 Years)	1/11
Industrial Lift Truck (3)	Forklift System, Inc.	144,000.00	Competitive	3/8
Insulator, Polymer, Vertical Line Post (3,600)	Stuart C. Irby	209,304.00	Competitive (1 Year) Blanket	3/9
Legal Services	Bradley Arant Boult Cummings LLP	200,000.00	Professional Service (3 Years)	N/A
Legal Services	Butler Snow LLP	50,000.00	Addition (New NTE \$200,000.00) Extension (1 Year)	N/A
Meter Field Analyzer (8)	Radian Research, Inc	203,366.40	Sole Source	N/A
Occupational Contract Nursing Services for NES Dispensary	Jackie Hammond <i>Caucasian, female, small</i>	10,000.00	Addition (New NTE \$68,000.00) Extension (1 Year)	N/A
Pole, Steel, Galvanized, H5, 60' (8)	TransAmerican Power Poles <i>Hispanic, male, large</i>	57,296.00	Competitive	6/9
Pole, Steel, Stub, 33' (6)	TransAmerican Power Poles <i>Hispanic, male, large</i>	50,004.00	Competitive	5/9
Pole, Wood, C1, 55' (205)	Stuart C. Irby	152,725.00	Competitive	4/9
Pole, Wood, C2, 50' (175)	Thomasson Company <i>Caucasian, female, large</i>	93,625.00	Competitive	6/7
Remanufacture Contacts and Other Electrical Components	Patterson Welding Service <i>Caucasian, female, small</i>	165,000.00	Addition (New NTE \$245,000.00)	N/A

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

June 25, 2025

Roof Removal and Replacement, C&M	Baker Roofing Company	89,561.00	Competitive (60 Days)	2/12
Steel and Aluminum Bars, Length, and Sheets	Loftis Steel & Aluminum	25,000.00	Addition (New NTE \$192,000.00)	N/A
TOTAL		\$2,554,323.70		

INVOICES

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>
In Lieu of Taxes	City of Goodlettsville	\$59,881.00
TOTAL		\$59,881.00

LINE ITEMS

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
Security Guard Services	Walden Security <i>Caucasian, female, large</i>	\$11,000,000.00	Competitive (5 Years)	4/8
TOTAL		\$11,000,000.00		

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

**NASHVILLE ELECTRIC SERVICE
MONTHLY FINANCIAL OVERVIEW
YEAR TO DATE AS OF MAY 31, 2025**

FINANCIAL RESULTS

<u>(millions)</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>	<u>%</u>
Operating Revenues	\$ 1,418.6	\$ 1,337.4	\$ 81.2	6.1%
Purchased Power	(976.5)	(935.2)	(41.3)	4.4%
Sales Margin	\$ 442.1	\$ 402.2	\$ 39.9	9.9%
Operating Expenses	(218.6)	(249.8)	31.2	-12.5%
Other Revenues	23.4	24.9	(1.5)	-6.0%
Depreciation	(87.9)	(92.7)	4.8	-5.2%
Taxes	(35.6)	(34.2)	(1.4)	4.1%
Interest Income	28.5	27.0	1.5	5.6%
Other Non-Operating Income	1.7	1.7	-	0.0%
Interest/Other Expense	(20.1)	(17.9)	(2.2)	12.3%
Change in Net Position	\$ 133.5	\$ 61.2	\$ 72.3	118.1%

Highlights

Margin - favorable primarily due to higher than forecasted customer growth, and weather patterns/temperatures that were more extreme than forecasted

Operating Expenses - primarily due to favorability in contract tree and grass, outside services, retirement, uncollectible accounts, medical & IT shared services

Depreciation - lower due to fewer asset additions than planned

Taxes - higher due to increases in the taxable asset base for Metro

Interest Income - investable balances greater, offset by lower interest rates

Interest/Other Expense - lower rates and CWIP balance, offset by greater bond premium amortization

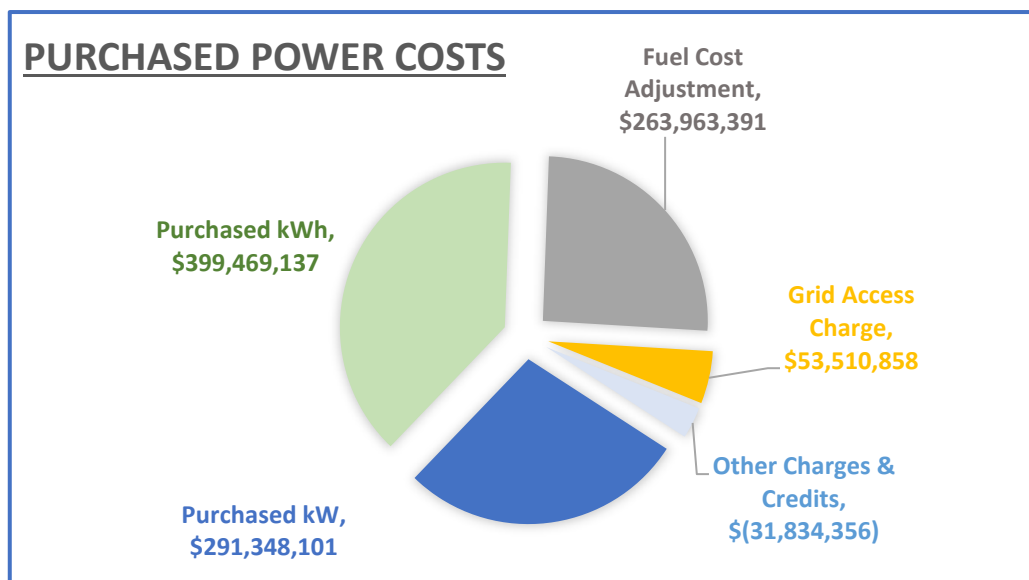
FINANCIAL GOALS

<u>GOAL</u>	<u>TARGET</u>	<u>ACTUAL</u>
Debt Service Coverage	2.0	4.4
Days Cash on Hand Value	\$338.7M	\$499.3M

**NASHVILLE ELECTRIC SERVICE
MONTHLY FINANCIAL OVERVIEW
YEAR TO DATE AS OF MAY 31, 2025**

WHOLESALE UNITS AND CHARGES

Purchased kW	25,105,446	\$	291,348,101	29.8%
Purchased kWh	11,361,976,474	\$	399,469,137	40.9%
Fuel Cost Adjustment		\$	263,963,391	27.0%
Grid Access Charge		\$	53,510,858	5.5%
Other Charges & Credits		\$	(31,834,356)	-3.3%
Total Purchased Power Costs		\$	976,457,131	



Units & Charges: Retail Sales vs. Wholesale Purchased

<u>Description</u>	<u>Retail</u>	<u>Wholesale</u>
kWh	11,190,478,506	11,361,976,474
KW	16,296,048	25,105,446
Sales / Purchases	\$ 1,418,639,039	\$ 976,457,131
FCA	\$ 269,524,254	\$ 263,963,391
Degree Days	4,797	4,624
Temperature at Peak	Various	Various

**NASHVILLE ELECTRIC SERVICE
MONTHLY FINANCIAL OVERVIEW
YEAR TO DATE AS OF MAY 31, 2025**

SALES VOLUME & CUSTOMER STATS

SALES VOLUME - MWH				
Sales Volume	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>	<u>%</u>
Residential	4,799,341	4,480,636	318,705	7.1%
Small Commercial	762,056	742,433	19,623	2.6%
Large Commercial	5,524,485	5,398,244	126,241	2.3%
Street & Highway Lighting	104,596	110,402	(5,806)	-5.3%
Total MWH Sales	11,190,478	10,731,715	458,763	4.3%

NUMBER OF CUSTOMERS	
Residential	426,057
Small Commercial	37,465
Large Commercial	7,124
Large Commercial BCD	45
Street & Highway Lighting	208
Total Number of Customers	470,899

CAPITAL BUDGET RESULTS

<u>(millions)</u>	<u>FY25 Budget</u>	<u>YTD Actuals</u>	<u>FY25 Balance</u>	<u>YTD % Budget</u>
New Business	19,895	11,863	8,032	60%
System Construction - Capacity	47,562	36,232	11,330	76%
System Construction - Reliability	1,414	1,695	(281)	120%
System Construction - Asset Mgmt	29,275	24,631	4,644	84%
Unplanned Replacements	18,998	13,894	5,104	73%
Relocations	7,161	3,342	3,819	47%
Lighting Systems	14,691	16,344	(1,653)	111%
Meters	5,847	3,616	2,231	62%
Transformers	33,125	27,249	5,876	82%
Equipment & Facilities	31,581	13,306	18,275	42%
Encompass	45,639	26,736	18,903	59%
Total Capital Budget Results	255,188	178,908	76,280	70%



EMPOWERING CUSTOMERS. EMBRACING CHANGE.

Encompass Program – NES Board Meeting

Wave 1B: Executive Summary

Go-Live Date: Sunday, March 30, 2025

Current Phase: Production Support (May 5 – June 30, 2025)

- As of mid-June, the Encompass Project has successfully transitioned into its Production Support phase. **This week marks our 12th week post-Go Live and a critical milestone in our transformation efforts as Credit & Collections activities to include Severance have been activated.**
- During the Production Support Phase, the primary focus areas and corresponding criteria addressed include:
 - **User Adoption and Proficiency**
 - Exit Criteria: Users can independently complete daily tasks with minimal reliance on floor support or help desk assistance.
 - Current State: Incident volume remains stable; user proficiency reflected in steady incident closure rates and increased self-sufficiency.
 - **Support Transition**
 - Exit Criteria: NES IT, Production Support, and COE teams are fully prepared to own daily operations, maintenance, and support functions.
 - Current State: Transition in progress; Help Desk will begin direct assignment to IT C2M teams on June 16, with Center of Excellence (COE) ticket ownership starting June 23.
 - **Center of Excellence (COE)**
 - Exit Criteria: COE is operational, managing workstreams independently, and integrated with NES Enterprise IT and business stakeholders.
 - Current State: Incident routing and demand management transitions are underway; C2M Configuration training starts June 16 and runs through July.
 - **Operational Metrics**
 - Exit Criteria: KPIs are defined, monitored, and meet or exceed baseline benchmarks with reporting in place at agreed frequency.
 - Current State: Metric reviews occurring daily; Late Pay Charges (LPC) and Credit & Collections performance now part of standard monitoring cycle.

Wave 1B: Executive Summary

- During the Production Support Phase, the primary focus areas and corresponding criteria addressed include:
 - **Knowledge Transition**
 - Exit Criteria: All critical knowledge is transferred, and NES support teams are fully equipped for system ownership and issue resolution.
 - Current State: Knowledge transfer sessions are ongoing and progressing on schedule; aligned with approved C2M training through July.
 - **Suspended Procedures**
 - Exit Criteria: All Go-Live-suspended processes are reinstated and functioning with full operational support.
 - Current State: LPC successfully reactivated on June 11; Credit & Collections testing underway with no major defects; payment integration issues resolved.
 - **To Do Resolution and Business Process Efficiency**
 - Exit Criteria: To Do volumes are actively managed and resolved by appropriately trained NES support teams.
 - Current State: Monitoring and resolution processes are in place; teams are adequately resourced and responding effectively.
 - **Remedial Training Opportunities**
 - Exit Criteria: Identified training gaps have been addressed and Training Navigator content updated accordingly.
 - Current State: No new training needs identified; Navigator remains the primary tool supporting user proficiency
- **Looking Ahead:** This successful exit from Production Support Phase reflects a stable operational environment and a maturing support organization. Focus now shifts to ensuring long-term stability and sustained support beyond June 2025.

Wave 1B: Executive Summary – Production Stabilization

Stabilization Metrics Overview (Post-Go Live)

Incident Metrics (Control Center/Help Desk Intake):

- From March 30 through June 15, daily C2M incident volume averaged **~7 per day**, down from an early peak of ~49 on March 31.
- The steady decline reflects improved system familiarity, effective triage, and knowledge transfer to support teams. The stabilization trend demonstrates that incidents are increasingly being resolved at the front line, reducing reliance on escalation paths.

Defect Metrics:

- During the Production Support phases, the team has averaged approximately **~6 new defects per day**, with about **~7 closures daily**—resulting in a gradual backlog increase that is now leveling off near 115 open items.
- The backlog is being actively managed through structured triage, prioritization, and COE-led daily reviews to maintain momentum toward resolution.

Batch Processing Health:

- All critical jobs completed successfully with limited reported interruptions

Stabilization Metrics (continued)

To-Do Volume and Trends:

- Since May 5, the daily average To-Do backlog has hovered around **~5,700**, with **Meter-Ops** and **Bill-Ops** consistently accounting for approximately **80–85%** of the volume.
- As of mid-June, Meter-Ops has stabilized around **~1,612 open items** and Bill-Ops around **~514**, both showing backlog reductions in recent weeks.
- Secondary areas of growth include **CC-Ops**, **Business-Ops**, and **Rate-Ops**, with CC-Ops experiencing the largest positive delta in recent weeks.
- Daily volume fluctuations are being actively monitored, and ownership of operational backlogs is being reinforced across teams to support sustained stabilization and resolution.

System Health (End-to-End):

- Dynatrace confirms continued daily stable performance and availability

Wave 1B: Executive Summary – Customer Perspective

Call Center Metrics:

- Call center operations have shown sustained improvement and stabilization since the initial post-Go-Live surge. Weekly call volume has declined from a peak of over **28,000 in Week 1** to approximately **14,407 in Week 11**, while performance metrics continue to trend positively:
- **Average Speed of Answer (ASA)** improved significantly from **36 minutes (Week 1)** to **3 minute, 45 seconds (Week 11)**.
- **Average Handle Time** has remained stable in the **4–6-minute range**, landing at **5 minutes, 35 seconds** in Week 11.
- **Advisor Answer Rate** rose steadily from **65%** to over **95%**.
- These improvements reflect increasing advisor efficiency, improved responsiveness, and a maturing service environment as system and user proficiency continue to strengthen.

Digital Self Service Metrics:

- Digital adoption remains strong and sustained, helping reduce pressure on the call center while improving customer engagement.
- **Unique logins have averaged ~9,142/day**, peaking at **14,557 on May 1**, with consistent activity across mobile and web.
- **API calls range from 16,000 to 47,000/day**, with a high of **47,110 on April 1**, demonstrating stable system performance at scale.
- **Mobile and web registrations are nearly even (7,194+ web vs. 7,166+ mobile)** indicating strong and balanced customer engagement across both platforms.
- **Program Enrollment volumes** remain healthy, led by **Paperless Billing (5,552)**, **Power of Change (2,612)**, **Payment Extensions (2,111)**, and **Budget Billing (373)**.
- This broad self-service adoption is delivering tangible ROI by reducing call volume, increasing operational efficiency, and empowering customers to self-manage during critical post-Go-Live periods.

Billing Metrics:

- Billing performance has remained highly stable through **June 15**, with **1,097,011 total bills successfully processed**.
- All major billing cycles for **April (Cycles 1–21)**, **May (Cycles 1–21)**, and **June (Cycles 1–10)** have closed as expected, with only **June Cycles 11 and 12** currently open and in progress.
- This continued consistency in billing execution reflects strong system stability, timely processing, and no significant backlog—supporting customer confidence and minimizing downstream impacts to collections, payments, and service operations.

Remittance Metrics:

- Since Go-Live, NES has successfully processed **over 1,030,000 payments totaling approximately \$315 million** across multiple inbound channels, reflecting a highly effective and stabilized remittance landscape.
- **Channel Mix & Vendor Contributions:**
 - **Third-party vendor platforms**—including Paymentus, Fiserv, First Horizon, and Fidelity Express—handled over **85% of all transactions**, demonstrating broad utilization of integrated payment methods.
 - **Paymentus** remains the dominant source, processing over **637,000 transactions** and contributing more than **\$149M** in payments alone.
- The remittance process continues to demonstrate strong scalability, accuracy, and post-Go-Live maturity.

Wave 1B: Financials

Budget Summary (as of May 31, 2025)

Cost Category/Area	Approved Dec 31, 2023 Wave 1B ETC	Actuals through May 2025	Budget through May 2025	Budget YTD Variance	Revised Project Forecast	EAC Variance	EAC Note(s)
EY Base Services	\$ 41,100,000	\$ 34,880,785	\$ 34,880,785	\$ -	\$ 41,100,000	\$ -	
EY Travel Expenses	\$ 250,000	\$ 329,000	\$ 250,000	\$ 79,000	\$ 441,100	\$ 191,100	Extended travel for March - July 2025 (Dress Rehearsal, Go Live, Hypercare, Production Support)
NES Internal Resource Costs	\$ 9,566,329	\$ 5,253,556	\$ 9,416,329	\$ (4,162,773)	\$ 5,703,556	\$ (3,862,773)	Accounting Overhead Adjustment for July and December 2024; Less actual than budgeted
NES Contractor Costs	\$ 9,724,975	\$ 11,132,837	\$ 10,474,976	\$ 657,861	\$ 11,882,837	\$ 2,157,862	Contractor labor running high due to Mock Events, Dress Rehearsals, Extended Testing
NES Contractor Travel Expenses	\$ 200,000	\$ 710,356	\$ 402,500	\$ 307,856	\$ 740,356	\$ 540,356	Late 2023 Invoices; Accruals not Captured in December 2023; Float for Production Support
Third Party Vendor Services	\$ 5,362,034	\$ 6,115,866	\$ 4,739,193	\$ 1,376,673	\$ 6,365,866	\$ 1,003,832	Float for Production Support
Software/Licensing/Subscriptions	\$ 4,894,709	\$ 3,141,833	\$ 4,894,708	\$ (1,752,875)	\$ 3,995,882	\$ (898,827)	Less actual than budgeted
Hardware/Infrastructure Costs	\$ 6,356,495	\$ 4,126,714	\$ 6,541,565	\$ (2,414,851)	\$ 4,919,164	\$ (1,437,331)	Less actual than budgeted
Additional Costs	\$ 1,344,000	\$ -	\$ 134,400	\$ (134,400)	\$ -	\$ (1,344,000)	Less actual than budgeted
	\$ 78,798,542	\$ 65,690,946	\$ 71,734,456	\$ (6,043,510)	\$ 75,148,760	\$ (3,649,782)	



CORPORATE COMMUNICATIONS QUARTERLY ACTIVITY REPORT

April – May 2025

SOCIAL MEDIA PLATFORM FOLLOWERS

	Followers: 26.6k (518 New Followers)		Followers: 975 (120 New Followers)		Followers: 38.5k (450 New Followers)
	Posts: 93		Posts: 61		Posts: 121
	Reach: 177.7k		Reach: 40.6k		Impressions: 670k

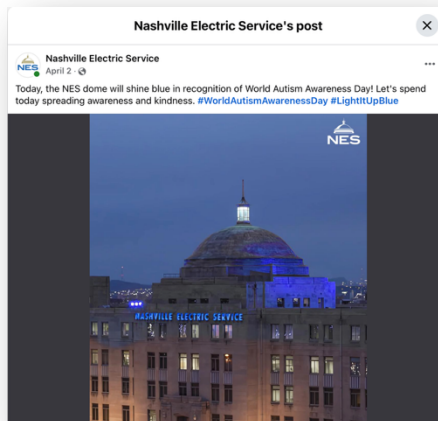
Social Media Posts with Highest Engagement



Reach: 12,638
Views: 25,175



Reach: 7,198
Views: 11,989



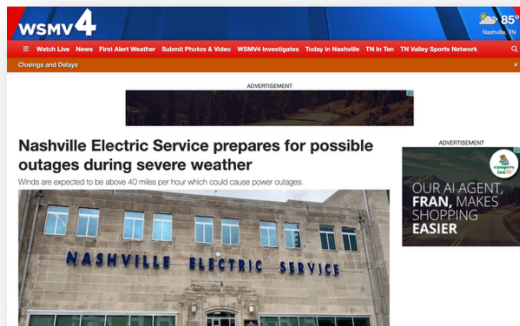
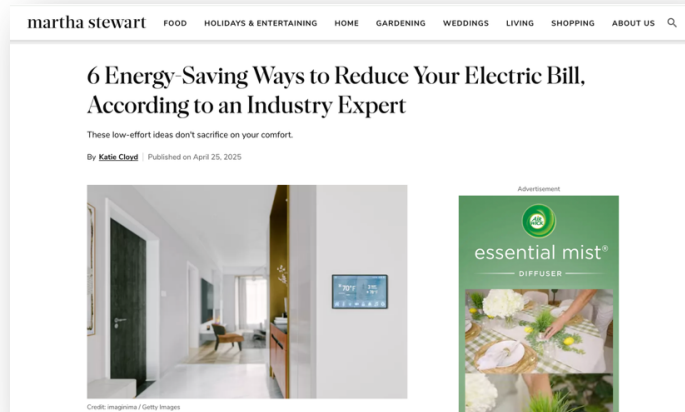
Reach: 5,940
Views: 9,117

MEDIA RELATIONS







A Sampling of Q3 reporter inquiries and media releases:

DATE	INQUIRY/OUTLET	STATUS
4/3/25	Storm Outage Noon Update	Statement sent to all local media
4/3/25	Storm Outage 5 pm Update	Statement sent to all local media
4/5/25	Outage Reporting Issues	Response Provided
4/5/25	Storm Outage 6 pm Update	Statement sent to all local media
4/5/25	Storm Outage 8 pm Update	Statement sent to all local media
4/5/25	Storm Outage 9 pm Update	Statement sent to all local media
4/5/25	Storm Outage 10 pm Update	Statement sent to all local media
4/5/25	Storm Outage 11 pm Update	Statement sent to all local media
4/6/25	Storm Outage 7:30 am Update	Statement sent to all local media
4/6/25	Storm Outage 9:30 am Update	Statement sent to all local media
4/6/25	Storm Outage 11:30 am Update	Statement sent to all local media
4/6/25	Storm Outage 12:30 pm Update	Statement sent to all local media
4/6/25	Storm Outage 1:30 pm Update	Statement sent to all local media
4/6/25	Storm Outage 2:30 pm Update	Statement sent to all local media
4/6/25	Storm Outage 4:30 pm Update	Statement sent to all local media
4/6/25	Storm Outage 7:30 pm Update	Statement sent to all local media
4/6/25	Storm Outage 9:30 pm Update	Statement sent to all local media
4/7/25	Storm Outage 9:30 am Update	Statement sent to all local media
4/7/25	Storm Outage 11:30 am Update	Statement sent to all local media
4/7/25	Storm Outage 4:30 pm Update	Statement sent to all local media
4/9/25	Overton High School Outage	Response Sent
4/12/25	West Nashville Outage	Response Sent
4/14/25	Antioch Outage	Response Sent
4/16/25	Martha Stewart's Energy Saving Tips	Response Sent
4/20/25	West Nashville Outage	Response Sent
4/22/25	Energy Saving Tips	Response Sent
5/5/25	Tree Removal on Raymond Street (WTVF)	Response Sent
5/6/25	Inquiry about load forecast (NBJ)	Statement Sent
5/17/25	Severe Weather Statement	Statement sent to all local media
5/17/25	Outage Inquiry (WSMV)	Response Sent
5/20/25	Outage Inquiry (WSMV)	Response Sent
Interviews		
4/2/25	Severe Weather Preparedness (WSMV)	Interview Complete
4/7/25	Outage Restoration Efforts (WZTV)	Interview Complete

MEDIA RELATIONS



COMMUNITY ENGAGEMENT

	<p>NES linemen compete at the 2025 APPA Lineworkers Rodeo</p>		<p>Pearl Cohn alumnus speaks to students about careers at NES</p>
	<p>NES recognizes the importance of planting trees for National Arbor Day</p>		<p>MSEMA inducts NES into its Hall of Fame</p>
	<p>NES President and CEO visits Capitol Hill to advocate for affordable energy</p>		<p>TSU leads collaborative research to enhance microgrid resilience with March 2020 tornado simulation</p>

Other Observances/Community Events:

- World Autism Month
- Earth Week
- National Lineman Appreciation Day
- Administrative Professionals Day
- National Arbor Day
- National Electrical Safety Month
- Asian American, Native Hawaiian and Pacific Islander Month
- National Skilled Trades Day
- Military Appreciation Month

RECENT CAMPAIGNS

- National Electrical Safety Month
- NES 85th Anniversary
- NES Customer Account Updates (C2M)
- Home Uplift



At NES, our mission is to provide safe, reliable and cost-efficient power but we're also keenly aware that many of our customers struggle to pay their electric bill. That's where our service goes well beyond providing electricity. Through a partnership with TVA and the Power of Change program, Home Uplift offers up to \$10,000 in free home energy upgrades to customers who qualify. The upgrades are proven to lower utility costs and improve overall quality of life.

But don't take it from us. Hear it from one of our recipients.

"I didn't have the money to get the appliances we needed, but the Home Uplift program revived my home and brought comfort to my family."

Howard J., NES customer

Living in a home built in the 1960s, Howard had countless faulty appliances, but with a family to provide for, he simply didn't have the funds to repair them. After a quick and easy application process, Howard was approved for Home Uplift. At no cost to him, the program replaced his hot water heater, HVAC unit, and also made repairs to his roof, saving him thousands of dollars.

"The program is truly a blessing from God, and my family was on the receiving end of that blessing."

Howard's home is just one of over 1,600 uplifted through this program, and we're accepting new applications to help even more customers transform their lives.

To learn more about Home Uplift or see if you're eligible to apply, find out [here](#).

[FIND OUT MORE](#)



The ARCHER Project

Accelerating Resilience of the Community through Holistic
Engagement and Use of Renewables

Congratulations to the ARCHER team on their **2024 TVA Environmental Award** for Climate Adaptation and Resiliency!

- Represents a collaboration between Northeast Nashville community organizations, NES, EPRI, TSU, City of Nashville, TVA, and DOE (*grantor*).
- Innovative joint effort between a community and their local power company to develop a plan for resilience.
- Engages local organizations in identifying critical loads – essential services that should be prioritized for power restoration during outages.
- Award-winning solution includes developing and testing a planning framework and a dashboard that facilitates real-time communication between NES and the community during major weather events.



On May 30th, NES, EPRI, TSU, and TVA held a tornado simulation exercise with local organizations to collaboratively prioritize community locations for restoration during a major weather event.

PRESIDENT'S REPORT

June 2025

OPERATIONS

We trimmed 111 circuit miles for the month of May.

CUSTOMER RELATIONS

Three advisors achieved Pacesetter status by exceeding their productivity goals and 11 are members of the 100 Percenters Club for reaching 100 percent in all call monitoring categories in the month of May.

COMMUNITY INVOLVEMENT

On May 31, Leah Taylor presented on Home Uplift and Insulation for Impact at the Bordeaux Hills Community Meeting. Neighborhood leaders asked clarifying questions about program eligibility and logistics, and NES provided flyers to share with residents.

MISCELLANEOUS

On June 5–6, Kat Pohlman attended the LPPC Communications Executives Working Group in Fort Collins, Colorado. The meeting gathered corporate communications leaders nationwide to discuss actionable use of customer survey insights, emergency communications, and included a tour of Platte Power's soon-to-be-decommissioned coal-fired power plant.

From June 9–11, Teresa Broyles-Aplin, Dr. Trish Holliday, David Frankenberg and Brent Baker attended the American Public Power Association Annual Conference in New Orleans. Dr. Holliday spoke on the connection between employee satisfaction and customer experience in her session, *Happy Employees Lead to Happy Customers*.

Mayor Freddie O'Connell appointed Rashed Fakruddin to the *Choose How You Move* Advisory Committee on Transportation.

NES proudly participated in the 2025 Tennessee Valley Lineman Rodeo in Murfreesboro, where our Lineworkers earned 10 awards, including 1st place overall in both the Senior and Journeyman Team categories. With strong support from Management, retirees, and families, NES fielded multiple teams and individuals, all demonstrating exceptional skill, safety, and teamwork. Special thanks and congratulations to Steve Stubblefield for his leadership and 39 years of service as he prepares to retire July 1.

Miscellaneous

Recess to Civil Service Board Meeting

Consent Agenda

**THE MINUTES OF THE ONE THOUSAND FIVE
MEETING OF THE ELECTRIC EMPLOYEES'
CIVIL SERVICE AND PENSION BOARD**

HELD MAY 28, 2025

The regular meeting of The Electric Employees' Civil Service and Pension Board was held May 28, 2025.

Board Members Present: Michael Vandenberg (virtual), Chair; Rob McCabe, Clifton Harris, Casey Santos. Officers Present: Teresa Broyles-Aplin, David Frankenberg, Laura Smith, Brent Baker, and Dr. Trish Holliday.

Chair Vandenberg called the meeting to order at 9:16 am and stated that the matters on the consent agenda have been provided to the Board in advance. The consent agenda included the recommendation for approval of the Civil Service Minutes from the meeting held April 23, 2025.

Upon motion by Member Vandenberg and seconded by Member Santos, the consent agenda was approved, which included the minutes from April 23, 2025

MANAGEMENT / NESEA MEETING

Dr. Holliday mentioned that Management and NESEA are continuing conversations with positive working relationships. No concern or issue is going unaddressed.

RECOMMENDATION FOR APPROVAL OF A CIVIL SERVICE RULES AND A POLICY MANUAL REVISION TO INCREASE THE COMPENSATORY TIME MAXIMUM

Compensatory (comp) time may be elected in lieu of overtime compensation by employees eligible for overtime under NES overtime provisions. Compensatory time balances may be requested as paid time off during the calendar year and all remaining balances are paid out to employees in December of each calendar year. The current maximum accumulation each calendar year is 104 hours and has been in effect since 2011. We have engaged in discussions with NESEA and Management and recommend, for your approval, an increase of 16 hours resulting in a new maximum of 120 hours of compensatory time that may be earned between January – November of each calendar year.

Management recommends approval for the revisions to the Civil Service Rules and Policy Manual to increase the maximum compensatory time accumulation to 120 hours each calendar year.

Upon motion by Member Harris and seconded by Member Santos, the Board approved a change to the Civil Service Rules and Policy Manual to increase the maximum compensatory time accumulation to 120 hours earned between January through November of each calendar year.

HUMAN RESOURCES - CORPORATE SERVICES WORKFORCE UPDATE

Dr. Holliday noted that the HR – Corporate Services Workforce Update is in the Board packet for review. Highlights from Training, Staffing and Employee Relations, Safety, Fleet, and Facilities and Security sections were shared to emphasize the significant activities within the department. The Civil Service Report was presented to the Board.

MISCELLANEOUS

There were no miscellaneous items to come before the Board.

ADJOURNMENT

The meeting adjourned at approximately 9:26 a.m.

Approved,

Chair

Attest:

Secretary
05-28-2025

Discussion Items

RECOMMENDATION FOR APPROVAL OF THE REAPPOINTMENT OF AN ADMINISTRATIVE LAW JUDGE

Pursuant to Section 7.081(A), Rules for Employees of Nashville Electric Service (the “Civil Service Rules”), Management and the Nashville Electric Service Employees Association (NESEA) have agreed to recommend the reappointment of M. Clark Spoden as an Administrative Law Judge for NES for a five-year term commencing on July 1, 2025. Mr. Spoden was appointed as an ALJ in May 2014 to fill an unexpired vacancy on the ALJ panel and was reappointed for a five-year term in June 2015 and again in June 2020; his current appointment will expire on June 30, 2025.

Mr. Spoden is a Tennessee certified Civil Trial Specialist who practices in the litigation section at Gullett Sanford Robinson & Martin PLLC. He is an experienced trial lawyer in employment, contract, wrongful death, personal injury, and environmental cases and has served as a professor at the Nashville School of Law since 2003.

Management and NESEA recommend the reappointment of M. Clark Spoden as an Administrative Law Judge for NES for a term through June 2025.

**RECOMMENDATION FOR APPROVAL OF WORKERS' COMPENSATION
SETTLEMENT FOR LELAND KING**

Employee Leland King is an Electrician. On August 11, 2022, Mr. King sustained injuries to his head, hip, and back after falling and striking his head while disembarking a truck.

Mr. King's treating physician, Dr. Strickland, diagnosed Mr. King with a traumatic subarachnoid hemorrhage and a right hip and back strain. Mr. King's subsequent treating physician, Dr. Neblett, placed Mr. King at maximum medical improvement and assigned him an impairment rating of 10% to the body as a whole.

Under Tennessee law, Mr. King is now statutorily entitled to permanent partial disability benefits as compensation for his workplace injury. Mr. King is entitled to 450 weeks of benefits multiplied by his impairment rating of 10% and his average weekly wage, capped at the statutory maximum of \$1,121.00 per week. This equates to \$50,445.00.

Management recommends approval of this settlement.

HUMAN RESOURCES / CORPORATE SERVICES WORKFORCE UPDATE

June 25, 2025

Below are section updates within the HR and Corporate Services Department:

Training Section

PAs go live in July. Zoom PA training sessions for Supervisors & Managers will be held July 14-23 (training in person at the centers). Zoom training sessions for non-supervisory employees will be held July 24-26. Enroll in HCM to attend.

Adversity Quotient training for non-supervisory employees will be held in September and October and pick back up in summer 2026. This is required training.

Training is part of the APPA RP3 application team in collaboration with Engineering and other functional departments across the company. We are proud to include details about the ELI program, professional development online courses, technical training, and the new PA in this year's application. Last application was submitted in 2022.

Applications are now open for the 2025 ELI Program. The program begins September 16.

CSC training is ongoing this week and the final sessions for this round will be in July.

Staffing and Employee Relations

As of June 17, 2025, NES has 917 employees. As of June 17th, there have been three new hires Dominique Paschal, Senior Engineer-Cust Engr-Attachments, John Barber, Utility Worker-Facilities and Security, and Tyler Fossler, Carpenter Apprentice-Support Carpentry.

Employees, Dee Walker and Orlando Rosado DeJesus, represented NES June 12th at the Community Connections Career Event, sponsored by the Urban League of Middle Tennessee, American Job Center, and Conexion.

Compensation & Benefits

Voya held one on one sessions with employees at all locations to answer questions about the 457 plans. Representatives from HR and Management met with employees at all locations to discuss the Request for Proposal process for the healthcare third party administrator. The Request for Proposal for a healthcare third party administrator was issued for bid to potential vendors.

Safety

Mark Booker was a panelist in a Safety Culture Focus discussion.

Fleet

Darin Anderson, Mark Booker, Meaghan Morgan, and Jody Redd attended the 2025 Electric Utility Fleet Managers Conference in Williamsburg, VA.

Facilities & Security

Facilities and Security is managing the parking deck renovations and T&D breakroom furniture has been ordered for Donelson, North, and West centers.

Miscellaneous

Adjournment of Civil Service Meeting

Reconvene to ratify actions taken by Civil Service Board

Adjournment of Electric Power Board Meeting