

**MINUTES OF THE
ONE THOUSANDTH THREE HUNDREDTH AND SIXTY FIFTH MEETING
ELECTRIC POWER BOARD OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
HELD JUNE 25, 2025**

The regular meeting of the Electric Power Board was held on Wednesday, June 25, 2025.

Members present: Rob McCabe, Anne Davis, 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 8:23 a.m.

PUBLIC COMMENT PERIOD

David Frankenberg informed the Board that two requests to speak had been received from Dan Terpstra and Pam Jones, both concerning the topic of solar balconies.

COMMITTEE REPORT

Audit and Ethics Committee

Audit and Ethics Committee Chair Rob McCabe reported that the Committee met this morning and approved the minutes of the May 28, 2025, meeting.

The Committee recognized fourteen NES linemen teams for their participation in the Tennessee Valley Lineman Rodeo.

In addition, the Committee reviewed the results of the annual Internal Audit Survey and heard presentations on NERC-SERC Reporting and Compliance, as well as the Encompass QAR Internal Audit Report provided by Kraft CPAs. The Committee did not go into Executive Session.

RECOMMENDATION FOR APPROVAL OF THE MAY 28, 2025, ELECTRIC POWER BOARD MINUTES

Upon motion by Member McCabe and seconded by Member Davis the Board approved the May 28, 2025, Electric Power Board minutes with four ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF A PHYSICAL SECURITY CONTRACT

Demond Ivery reported that NES’ current contract with Walden Security, responsible for providing onsite physical security at NES’ downtown facility and service centers, is set to expire on August 31, 2025. For the upcoming contract term, NES conducted a competitive selection process involving two qualified vendors. Following a thorough review of proposals, the evaluation committee recommended Walden Security to continue as NES’ physical security provider.

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

Upon motion by Member McCabe and seconded by Member Harris, the Board approved a new contract with Walden Security at a not-to-exceed cost of \$11,000.000 with four ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF A MEMORANDUM OF UNDERSTANDING WITH NESEA AND MANAGEMENT

Management brought 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. Dr. Trish Holliday spoke on the collaboration with NESEA and the continued focus on teamwork.

Jeff Eck explained that he was bringing three proposals to the Board for approval - a change in the annual wage increase parameters, an increase in the pension cost of living, and a change in the timing of the contributions of NES’s Defined Contribution Plan. Mr. Eck reviewed the proposed changes which were outlined in the board materials. He explained that NES retirement increases over the past decade have not kept up with inflation and that Social Security increases have exceeded those of NES.

Tabitha Beach briefed the Board on the anticipated financial impact of the plan changes and stated there will be an increase in the annual pension plan contribution of \$5.3 million and a FY25 expense of approximately \$42 million. She indicated that these amounts are included in the annual recommendation.

Member McCabe asked if this is a one-time expense. Ms. Beach replied yes.

Member McCabe requested clarification from Mr. Eck regarding his comment on Social Security. Mr. Eck acknowledged that NES’s increases in retiree compensation have not matched the yearly Social Security cost-of-living adjustments. In response to Member McCabe’s question on whether NES retirees view Social Security increases as a benchmark, Mr. Eck confirmed that they do.

Chair Vandenberg expressed appreciation to those involved in these revisions for their efforts to better understand the issues and noted that it is an example of thoughtful leadership. He questioned how the proposed costs compare with current bond commitments and asked whether financial alignment would be maintained if the recommendations are approved. Mr. Frankenberg responded that this was not part of the financial plan submitted to the Board in May. He stated that the positive financial trends anticipated for the year are expected to be greater than originally projected and passage of the proposal alone would not materially impact the company’s financial security.

Management recommended approval of the proposed revisions to non-supervisory employee pay and related matters in accordance with Policy Manual Section 16 as outlined.

Upon motion by Member Harris and seconded by Member McCabe the Board approved the memorandum of understanding with NESEA and Management with four ayes and zero nays.

After discussion of the Third Amendment to the NES Defined Contribution Retirement Plan, approval of the resolution was recommended.

Upon motion by Member Harris and seconded by Member McCabe the Board approved the NES Defined Contribution Retirement Plan Resolution with four ayes and zero nays.

After discussion of the First Amendment to the NES Retirement Annuity and Survivors’ Benefit Plan, approval of the resolution was recommended.

Upon motion by Member Harris and seconded by Member McCabe the Board approved the NES Retirement Annuity and Survivor’s Benefit Plan Resolution with four ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF PENSION AND OPEB PLAN FUNDING FOR PLAN YEAR 2026

Tabitha Beach introduced Laura Stewart and Joseph Meyers, USI representatives, who were present to assist with any questions about the valuations or recommended contributions. Ms. Beach presented the funding overview for the Pension and OPEB Plan for Plan Year 2026. She explained that the NES Retirement Annuity and Survivors’ Plan is a single-employer, defined benefit pension plan administered by the Board, providing retirement and survivor benefits to eligible members and beneficiaries. Eligibility includes all full-time employees hired before July 1, 2012.

Ms. Beach discussed the annual required contributions and provided a summary of the three most recent actuarial valuations that inform the Actuarially Determined Contribution (ADC). She reviewed a reconciliation between the recommended ADC and the prior year’s ADC for the Plan.

The budgeted ADC for 2025, before overhead allocations, was \$33,477,000. Additionally, management recommended including a discretionary contribution to account for the impact of the compensation revisions approved in the prior section.

Ms. Beach explained that the NES Other Post Employment Benefit Plan is 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. She explained the annual required contribution for the 2026 OPEB Plan year and the actuarial valuation using the actuarial methods prescribed by GASB 74. She noted that the current valuation is being audited and is subject to change.

Ms. Beach concluded her presentation with an explanation of the Accounting policy for plan assumption measurements.

Management recommended 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

Upon motion by Member McCabe and seconded by Member Harris, the Board approved to fund the plans for the Plan year ending March 31, 2025, with four ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF PURCHASES

Mr. Frankenberg presented Management’s recommendation for approval of a list of purchases and contracts (greater than \$50,000) in the amount of \$16,574,520.70. This included \$2.5 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 Davis and seconded by Member McCabe, 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 \$16,574,520.70.

FINANCIAL REORT

Mr. Frankenberg stated that as of May, operating revenues reached \$1.4 billion with purchased power costs of approximately \$1,0 billion, resulting in a sales margin of \$442 million. He indicated that the gross margin surpassed the budget by \$40 million.

He reported favorable expenses, noting other operating expenses are \$31 million under budget due to lower tree trimming and IT costs. Depreciation is \$5 million favorable to budget, and net gain is \$134 million. Overall, financial performance is \$72 million ahead of budget.

Cash reserves totaled \$500 million covering 132 days of operating costs. Capital expenditures were over \$70 million below FY25 plan while debt service coverage was 4.4, significantly exceeding the 2.0 target.

MONTHLY C2M UPDATE

Aleisha Johnson presented an update on the C2M transition into its production support phase. The project is in its 12th week post-Go Live and the system is performing well. Ms. Johnson stated that incident metrics have steadily improved, pointing to stronger system familiarity and better support team enablement. The stabilization indicates frontline teams are

¹ Appendix A Electronically Filed

resolving more issues directly, decreasing the dependency on escalation. She stated that defects are being actively managed through a disciplined triage process and daily Center of Excellence (COE) oversight to ensure continued resolution progress.

QUARTERLY CORPORATE COMMUNICATIONS ACTIVITY REPORT

Kat Pohlman presented the latest Corporate Communications Report, highlighting the most engaging social media posts. She also showcased key media coverage from Q3 and detailed NES employees' recent community outreach initiatives.

QUARTERLY SUSTAINABILITY UPDATE

Ms. Pohlman reported that to make Nashville’s infrastructure more resilient, Tennessee State University (TSU) joined local and federal partners to conduct a virtual simulation of the 2020 Nashville tornado to understand how innovative microgrid systems and self-contained electrical systems within a defined geographic service area can safeguard critical systems. This initiative is a joint effort between TSU, Electric Power Research Laboratory (EPRL), TVA, NES and Metropolitan Government of Nashville. The simulation is part of a grant known as Accelerating Resilience of the Community through Holistic Engagement and use of Renewables (ARCHER). Ms. Pohlman praised the eighteen NES employees who contributed directly to the project and specifically recognized Tony Richman and Carla Nelson for leading the effort.

She introduced TVA representatives Lynn Huffstetler and Mike McCall. Mr. Huffstetler acknowledged the Board and Executive Management for their ongoing partnership, pointing out the ARCHER grant as a key example. Mr. McCall praised NES for their environmental stewardship and extended congratulations on being selected as recipients of the TVA Environmental Award for Climate Adaptation and Resiliency out of numerous nominations.

Member Davis acknowledged everyone’s contributions and remarked that she values the collaboration between NES and TVA on cutting-edge projects.

PRESIDENT’S REPORT

Teresa Broyles-Aplin delivered the President’s Report, highlighting customer relations goals that were achieved for the month of May, the recent employee community involvement initiatives, and the various conferences attended by NES staff.

Ms. Broyles-Aplin honored Chair Michael Vandenberg for his dedicated service as he comes to the end of his term on the NES board . She commented that he has been a strong advocate for NES customers and worked to ensure all broad perspectives were heard. He has brought insights from not only his very illustrious career but also stayed on top of current and emerging issues in the utility industry. Ms. Broyles-Aplin praised Chair Vandenberg’s contributions and affirmed that NES is a better organization for having had his leadership.

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 Harris 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 9:33 a.m.

Attest:

Signed by:
David Frankenberg
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Secretary

Approved,

Signed by:
Michael Vandenberghe
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Board Chair

June 25, 2025


Appendix “A”

Approval 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

<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.	

Signed by: 
Attested by: 
David Frankenberg, Secretary

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

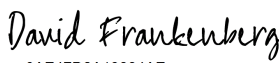
June 25, 2025

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		

Signed by: 
 Attested by: 0AE47D2A10884AE...
 David Frankenberg, Secretary

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June 25, 2025

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

Signed by: David Frankenberg
 Attested by: David Frankenberg, Secretary
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June 25, 2025

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

Signed by: 
 Attested by: 
 David Frankenberg, Secretary

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June 25, 2025

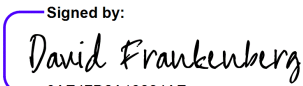
Roof Removal and Replacement, C&M	Baker Roofing Company	89,561.00	Competitive (60 Days)	2/12
Steel and Aluminum Bars, Length, and Sheets	Loftis Steel & Aluminum	25,000.00	Addition (New NTE \$192,000.00)	N/A
TOTAL		\$2,554,323.70		

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		

Signed by: 
Attested by _____
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David Frankenberg, Secretary

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