

**MINUTES OF THE
ONE THOUSANDTH THREE HUNDREDTH AND SEVENTIETH MEETING
ELECTRIC POWER BOARD OF THE METROPOLITAN
GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
HELD NOVEMBER 20, 2025**

The regular meeting of the Electric Power Board was held on Thursday, November 20, 2025.

Members present: Ian Prunty, Clifton Harris and Casey Santos.

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

Vice Chair Casey Santos called the meeting to order at 8:32 a.m.

PUBLIC COMMENT PERIOD

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

COMMITTEE REPORTS

Audit and Ethics Committee

Vice Chair Casey Santos reported that the Audit and Ethics Committee met this morning and approved the minutes from the October 22, 2025, meeting, reviewed the findings of the Grant Administration and Stewardship Program audit as well as the FY26 Travel Expenses audit. The Committee also received an update on Enterprise Risk Management.

RECOMMENDATION FOR APPROVAL OF THE MINUTES FROM THE REGULAR MEETING HELD OCTOBER 22, 2025

Upon motion by Member Prunty and seconded by Member Harris, the Board approved the minutes from the Electric Power Board meeting held October 22, 2025, with three ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF 2026 OPERATIONS GOALS AND QUARTERLY OPERATIONS REPORT

Daniel Johnson presented the Quarterly Operations Report that included a recommendation for approval of the 2026 Operations goals. He reviewed where the organization trended compared to last year's goals.

Member Prunty remarked that he found it impressive that Vegetation Management had shifted from traditionally falling behind to being 12% ahead and asked for additional detail.

Mr. Johnson responded that operations has been consolidated with a single contract resource. He added that it took some time to bring additional resources on board, but there are now thirty-nine crews working on the system which has made a significant impact.

Member Prunty asked if Vegetation Management is pursuing new technology that could reduce costs and improve operations. Mr. Johnson responded yes, explaining that a pilot program using satellite imagery is helping identify priority trim areas and where to allocate resources.

Brent Baker added that the Operations team recently prioritized out-of-norm circuits over their routine tasks which has boosted both reliability and customer service. He stated that the organization is becoming more integrated, with communication strengthening across all departments.

Upon motion by Member Prunty and seconded by Member Harris, the Board approved the 2026 Operations Goals with three ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF REVISIONS TO THE DISCONNECTION OF SERVICE POLICY

Eric Lewis proposed revisions to the Customer Relations Policy related to pausing service disconnections in accordance with the Disconnection of Service Policy. The revised policy expands the hot-weather criteria by permitting a forecasted high temperature over 95°, along with a heat index above 102° to be used in deciding when to halt disconnections. The update broadens cold-weather protections by shifting from a daily high threshold to a 24-hour forecast threshold for temperatures below 32°.

Mr. Lewis stated that the updated policy shifts to a day-ahead decision process for pausing disconnections, replacing the current same-day evaluation. The update further provides that disconnections will be avoided on any day preceding a non-working day for NES crews, such as holidays or weekends.

Management recommended approval of these revisions.

Upon motion by Member Harris and seconded by Member Prunty, the Board approved the revisions to the Disconnection of Service Policy with three ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF A RESOLUTION RENEWING THE \$25 MILLION ELECTRIC SYSTEM ANTICIPATION NOTE

Tabitha Beach reported that as part of the five-year banking contract with Pinnacle Financial Partners, a line of credit (LOC) agreement was negotiated. The LOC, otherwise referenced as an electric system revenue anticipation note, renews annually and provides access to a \$25 million loan to be used to purchase electricity in the event of a natural catastrophe. She stated that the term of this LOC is from January 1, 2026, to December 31, 2026. Management recommended that the Board approve the resolution, pledge and note.

Upon motion by Member Harris and seconded by Member Prunty, the Board approved the resolution, pledge and note renewing the \$25 million Electric System Anticipation Note with three ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF THE SALE OF 18 MUSIC CIRCLE EAST

Laura Smith reported that NES owns a parcel of property located at 18 Music Circle East and is the former site of a substation which has been removed. This property has been declared surplus and Southeast Venture, NES' commercial real estate group, has been authorized to market the property for sale. NES received multiple offers on the property with OakPoint Real Estate submitting the best evaluated offer with a purchase price of \$1.25 million.

Management recommended that the Board approve the sale of NES' property at 18 Music Circle East to OakPoint Real Estate for \$1.25 million.

Upon motion by Member Prunty and seconded by Member Harris, the Board approved the sale of 18 Music Circle East to OakPoint Real Estate for \$1.25 million with three ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF A CONTRACT TO PROVIDE LIFE AND AD&D INSURANCE

Jeff Eck reported that NES's three-year contract with Metropolitan Life Insurance Company expires December 31, 2025. A Request for Bid was issued in August, with Metropolitan Life Insurance Company submitting the lowest bid.

Management recommended approval of a contract with Metropolitan Life Insurance Company for a three-year term, with the option to renew for two one-year periods, at a not-to-exceed cost of \$6,500,000.

Upon motion by Member Harris and seconded by Member Prunty, the Board approved the contract with Metropolitan Life Insurance Company to provide Life and AD&D Insurance with three ayes and zero nays.

RECOMMENDATION FOR APPROVAL OF PURCHASES

Amanda Cochran presented management's recommendation for approval of \$15,006,881.93 in purchases and contracts exceeding \$50,000. This amount included \$1,863,651.23 in monthly purchases and contract additions between the \$50,000 and \$250,000 threshold that received prior management approval. She brought the Board's attention to one sole source item and two sole brand items that were included in the report.

Ms. Cochran reported that during the first quarter of FY26, NES continued its commitment to strengthen relationships with small and local business partners through the Vendor Outreach & Engagement Program (VOEP). She stated that the program focuses on broadening participation opportunities for qualified vendors while supporting a more resilient and locally connected supply base. She indicated that more emphasis on education and communication will include a new vendor quarterly newsletter in order to share bid opportunities and tips for navigating the procurement process. Additionally, a vendor survey is planned to better understand where vendors need support.

Member Harris expressed appreciation for the Procurement team's initiatives to inform and educate vendors.

Ms. Cochran, along with management, recommended approval of purchases in the amount of \$15,006,881.93.

Upon motion by Member Harris and seconded by Member Prunty, the Board approved the list of purchases and contracts with three ayes and zero nays. This list consists of four 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 \$15,006,881.93.

FINANCIAL REPORT

David Frankenberg reported that for the month of October, revenues totaled \$581.1 million and purchased power was at \$398.8 million, leaving a sales margin of \$182.3 million. He stated that this margin was about \$16 million favorable to budget, driven largely by favorable degree days and improvement in customer accounts.

On the expense side, Mr. Frankenberg reported that FY26 operating expenses, excluding purchased power, was \$88.1 million which was about \$9 million favorable to budget. He stated that there is still favorability versus what was forecasted in customer service staffing, maintenance, and IT support.

Mr. Frankenberg noted that overall net gain was \$56 million which is approximately \$30 million favorable to budget. Cash totaled approximately \$520 million with 131 days of operating expense and is well in excess of the 90-day floor. Capital spend was at approximately \$50 million and debt service coverage ratio was 3.5 well ahead of the 2.0 requirement.

QUARTERLY ASSET MANAGER'S REPORT

Mr. Frankenberg gave an update on NES's asset management services provided by SEI. He reported that Pension results for the quarter had a gain of 5.25 percent as compared to a gain of 5.75 percent for the dynamic index.

He reported on individual fund performance and the asset allocation for the quarter's end which he stated consisted of 38 percent domestic equity, 36 percent fixed income, 26 percent foreign equity and less than one percent cash. The investment strategy goal is to have no more than one percent of the funds in cash.

The composite result for the OPEB Trust had a gain of 5.24 percent as compared to the dynamic index which had a gain of 5.75 percent. The OPEB Trust held \$303.1 million of assets as of September 30, 2025. The asset mix mirrors the Pension Plan allocation.

¹ Appendix A Electronically Filed

The composite result for the 401(a) Trust had a gain of 5.44 percent as compared to the dynamic index which had a gain of 5.75 percent. The 401(a) Trust held \$56.6 million of assets as of September 30, 2025.

Mr. Frankenberg noted that the Trust will be transitioning to target date funds for each participant in FY26. He reported that at quarter end there was \$736 million in assets for the Pension Plan, \$303 million in assets for OPEB and \$57 million for the 401(a) Plan. He stated that detailed performance of all funds was included in the board materials.

QUARTERLY HOME UPLIFT AND POWER OF CHANGE UPDATE

Barry Daniel provided a Home Uplift and Power of Change update and stated that any material changes in the program will be brought before the Board.

Member Prunty remarked that he found the update on Home Uplift exciting, particularly the fact that a waitlist exists, and asked what is driving the waitlist. Mr. Daniel explained that discussions with TVA continue and expressed that there is an interest in expanding participation; however, the current monthly capacity is already maxed out due to staffing constraints.

PRESIDENT’S REPORT

Teresa Broyles-Aplin presented the President’s Report and reported that 148 circuit miles were trimmed for the month of October. She formally recognized the Customer Relations employees for their strong performance and provided an overview of the company’s community engagement and speaking initiatives.

MISCELLANEOUS

There was one miscellaneous item to report. Dr. Trish Holliday introduced Tony Wu with Korn Ferry who was assisting with the annual review of NES’s President and Chief Executive Officer’s compensation assessment. He presented a benchmarking study and addressed the competitiveness of NES’s CEO’s current base salary against the executive salary sponsored by Knoxville Utilities Board (KUB) consisting of 22 public utilities. Mr. Wu stated that this broader public utility market provided additional clarity on the CEO market which is most relevant to NES.

Pay proposals were presented for the Board’s consideration within the competitive range and relevant public utility market medians.

Upon motion by Member Prunty and seconded by Member Harris, the Board approved a ten percent pay increase for NES’s Chief Executive Officer with three ayes and zero nays.

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 Prunty, the Board ratified the actions taken during the Civil Service Board meeting with three ayes and zero nays.


ADJOURNMENT

The meeting adjourned at 9:46 a.m.

Attest:


Secretary

Approved,


Board Chair

November 20, 2025


Appendix "A"

Approval of Purchases and Contracts at the Meeting on Thursday November 20, 2025

Management recommends Board approval
of the following purchases and contracts:

Total Materials and Supplies Purchases	\$5,095,941.60
Total Contracts and Services	\$987,289.10
Total Additions, Extensions, and Changes	\$7,060,000.00
Total Ratified Purchases and Contracts	\$1,863,651.23
TOTAL	\$15,006,881.93

Total Line Items	\$6,167,739.00
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Attested By:  Signed by:
0AE47D2A19884AE...
David Frankenberg, Secretary

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

November 20, 2025

MATERIALS AND SUPPLIES PURCHASES

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
Cable, Copper, 15KV EPR 750 W/TS 1C 3CT (48,000 ft.)	Border States Industries	\$4,475,040.00	Competitive (1 Year) Blanket	4/7
Load Break Switch, 1200 AMP (14); 1200 Amp, Vertical W/S Riser (2); Coupler for S&C 1200 Amp (24)	Stuart C. Irby	306,581.60	Competitive Sole Brand	2/2
Pole, Steel, H1, 55 ft. (80)	MD Henry	314,320.00	Competitive	6/9
TOTAL		\$5,095,941.60		

CONTRACTS AND SERVICES

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
Demo and Replace Tile in Restrooms	Skilled Services	\$153,400.00	Competitive (6 Months)	4/9
In-Ground Lift System, Furnish and Install; Concrete Repairs in Central Fleet Shop	Choice Construction, Inc.	833,889.10	Competitive (1 Year)	1/12
TOTAL		\$987,289.10		

ADDITIONS, EXTENSIONS, AND CHANGES

<u>Item Description</u>	<u>Contractor</u>	<u>Additional Amount</u>	<u>Change Requested</u>
Cafeteria Services	U-Kno Catering, Inc.	\$60,000.00	Addition (New NTE \$460,000.00) Extension (6 Months)
C2M Development Services	Pinnacle IT Consulting	4,000,000.00	Addition (New NTE \$7,000,000.00) Extension 1 Year)

Signed by:

 Attested By: 0AE47D2A19884AE...
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November 20, 2025

Cellular Telephone Service	Cellco dba Verizon Wireless	100,000.00	Addition (New NTE \$470,000.00) Extension (3 Months)
Cloud Phone Solution and Implementation Services	Carahsoft Technology Corp.	1,000,000.00	Addition (New NTE \$1,700,000.00)
Motorola Radio Equipment and Services	Motorola Network Services	N/A	Extension (7 Months)
Temporary Services for Customer Service Advisors, Tellers and Administrative Support	Atlas Management Corp	400,000.00	Addition (New NTE \$600,000.00)
UVM Services Ground Maintenance	Wright Tree Service, Inc.	1,500,000.00	Addition (New NTE \$5,500,000.00)
TOTAL		\$7,060,000.00	

RATIFIED PURCHASES AND CONTRACTS

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
Asphalt Repair Services	Sessions Paving Company	N/A	Extension (3 Months)	N/A
Automotive Body Repairs and Paint Service	Mid-Tenn Ford Murphy-Hoffman Co.	\$150,000.00	Addition (New NTE \$100,000.00) (1 Year)	N/A
Cable, ACSR, 477 MCM (48,186 ft.)	Border States Industries	74,360.63	Competitive (1 Year) Blanket	5/7
Conductor, 1 Ft. #1/0 AL Triplex (93,600 ft.)	Cape Electric	124,488.00	Competitive (1 Year) Blanket	5/7
Connector, One U-Bolt, 6 2/0 AL/CU-6 2/0 AL/CU (6,000)	Border States Industries	129,480.00	Competitive (1 Year) Blanket	4/7
Connector, Overhead Service Tap (10,656)	Border States Industries	161,012.16	Competitive (1 Year) Blanket	4/7
Connector STR Receipt BUS H CU 25KV (120)	Wesco Distribution	137,040.00	Competitive Sole Brand	4/5

Attested By:

David Frankenberg, Secretary

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November 20, 2025


Dead End Clamp, Straight 795 AL D End (1,836)	Wesco Distribution	64,076.40	Competitive (1 Year) Blanket	6/7
Crossarm, Steel, 4"x6"x 9'-4" (120)	Stuart C. Irby	76,988.40	Competitive	5/6
EMTP Transient Load Evaluation Software	Quebec dba PGSTech	81,000.00	Sole Source (1 Year)	N/A
Executive Consulting	Stowe Utility Group	183,000.00	Professional Service (1 Year)	N/A
Pole, Self Weathering Steel, H4, 80 ft. (7)	Trans American Power Poles, Inc.	58,723.00	Competitive	5/9
Pole, Self Weathering Steel, H3, 60 ft. (22)	MD Henry Company, Inc.	108,768.00	Competitive	6/9
Pole, Self Weathering Steel, H1, 55 ft. (60)	MD Henry Company, Inc.	221,520.00	Competitive	5/9
Pole, Steel, H7, 90 ft. (6)	TransAmerican Power Poles, Inc.	76,962.00	Competitive	6/9
Quarterly Preventative Maintenance Service for Lift Trucks	LiftOne LLC	17,000.00	Addition (New NTE \$92,000.00)	N/A
Surge Arrester, Heavy Duty Distribution (2,592)	Border States Industries	181,232.64	Competitive (1 Year) Blanket	4/7
Treated Wood Pole and Crossarm Inspection	A W Williams Inspection Co., Inc.	18,000.00	Addition (New NTE \$63,000.00)	N/A

TOTAL **\$1,863,651.23**

LINE ITEMS

<u>Item Description</u>	<u>Vendor</u>	<u>Amount</u>	<u>Type Contract</u>	<u>Bids Received/Sent</u>
Life Insurance Third Party Administrator	MetLife	\$6,167,739.00	Competitive (3 Years)	2/12

TOTAL **\$6,167,739.00**

Signed by:

 Attested By: 0AE47D2A19884AE...
 David Frankenberg, Secretary

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