

BOARD MEETING NOTES

THE BTU BOARD OF DIRECTORS MET ON MONDAY, FEBRUARY 8, 2016 AND DISCUSSED THE FOLLOWING TOPICS:

OPERATIONS

Gary Miller presented the safety statistics for the previous month, stating BTU had no recordable incidents and one not at fault vehicle incident for the month of January.

Mr. Miller stated that all employee training for the "Speak Up Listen Up" module has been scheduled and will begin in February. The second Continuous Improvement Team has met and has developed new processes for improving BTU's Safety Meetings.

PRESENTATION OF THE BTU FINANCIAL AUDIT BY WEAVER AND TIDWELL, L.L.P.

Joe Hegwood introduced Ms. Laura Lambert of Weaver and Tidwell, L.L.P. Ms. Lambert reviewed the Fiscal Year 2015 audit report and informed the BTU Board that the BTU financials were received and there were no material weaknesses to report in the City or Rural audited financials.

Ms. Lambert complimented the BTU Staff for being very cooperative and helpful during the audit process.

MARKET RESEARCH

Gary Miller informed the BTU Board that GreatBlue Research will conduct the 2016 Customer Service Survey. GreatBlue is the research partner for HomeTown Connections, the entity that APPA uses to facilitate third-party services for Public Power. Mr. Miller stated that GreatBlue will take BTU specific data and benchmark these results against comparable utilities.



BRYAN TEXAS UTILITIES

205 East 28th Street • Bryan, TX 77803

email: ContactBTU@btutilities.com

www.btutilities.com

Hours of Operation

Monday - Friday, 8 a.m. - 5 p.m.

 facebook.com/Bryan-Texas-Utilities

 twitter.com/BTU_BryanTX

Board of Directors

Mr. Paul Turney, Chairman
Mr. David Bairrington, Vice Chairman
Mr. Bill Ballard, Secretary
Mr. Buppy Simank, Ex-Officio
Mr. Carl L. Benner
Mr. Flynn Adcock
Mr. A. Bentley Nettles
Mr. Art Hughes

General Manager

Gary Miller

Group Managers

Randy Trimble
David Werley

Division Managers

James Bodine
Bill Bullock
Shawndra Curry
Ken Lindberg
Vicki Reim
Scott Smith
James Tanneberger
Wes Williams

Doug Lyles, Chief Risk Officer/Controller

City of Bryan

Kean Register, City Manager
Joe Hegwood, CFO
Bernie Acre, CIO

Important Numbers

Billing/Collections/Connects	(979) 821-5700
Electrical Outage/Lines Down	(979) 822-3777
Distribution/Line Design	(979) 821-5770

CHILI COOK OFF WINNER!

Lisa Sebesta, BTU Senior Customer Service Representative, wins the 2016 Award for “Best Overall” chili recipe.

Here at Bryan Texas Utilities we take our work, and our chili, seriously. Every year since 1995, employees have looked forward to the annual BTU Employee Chili Cook Off where they are given the chance to win bragging rights for having the best chili this side of Downtown Bryan.





Beer, Boots, and History

(All in a Bottle)

STORY AND PHOTOS BY KENNETH W. SMITH, JR.

From its early days of bottling Dr. Pepper,
to its present incarnation distributing
Miller Lite and other beverages,
Kristen Distributing has
one thing that ties it
all together:
Family.



Everything about the building says “remodeling.” Sounds of construction ring through the halls. Temporary signs on doorframes designate people’s offices. There is a buzz of excitement as everyone waits to see the finished product.

Yet, everything is running smoothly at Kristen Distributing. The transition from their previous facility to this new one just north of Bryan is running on schedule. The remodeling, additions and reconfiguring of their new home in Texas Triangle Park, will be finished in May.

Amid all the construction, Mark Kristen, CEO of Kristen Distributing, sits in a conference room with his laptop and papers spread out all over the conference table. His office isn’t completed yet.

Lining the elegant, dark-wood walls of this conference room is a row of temporary shelves at least seven feet high. The shelves are full to overflowing with trophies and awards galore. There are pictures, both old and new, and bottles of soda, some full, some empty. On these shelves lives the history of the Kristen family’s work.

“My favorite award, the one I keep on my desk, is a bronze of Adolph Coors,” Kristen says. “We won the award for being the very best distributor for Coors in 2002. It’s

called the Founders Award.”

Everything about Kristen just seems to say “Texas,” from his bright blue eyes and friendly demeanor, to his blue jeans and chocolate full-quill ostrich boots. He leans back in his chair and then begins to tell a story that spans four generations.

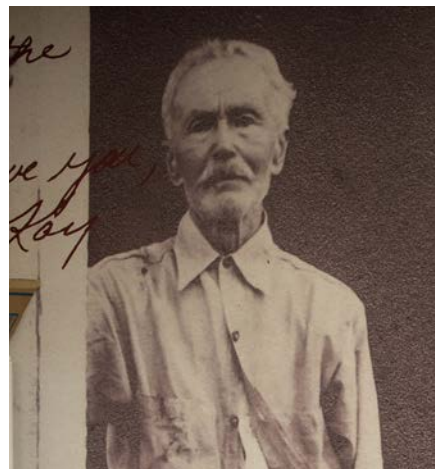
“You are recording this?” he asks. “Because it gets pretty long.”

ROOTS OF BOOTS

“I’ve really been blessed with whom I was born to and how I got involved in this industry,” Kristen says.

His grandfather, Ambrose Kristen, was a Swede who lived in an immigrant community in northeastern Germany. Ambrose was brought up as a German, but at age 16, he entered the United States through Galveston and proceeded to move toward the other German immigrant populations in the Hill Country. He settled in Shelby, just west of Bellville.

“Well the good news, although my grandfather was only 16 at the time, he was considered a master wheel-maker, called a wheelwright,” Kristen says. “And he set up a livery stable. He made wheels for wagons for Germans going to Austin, New Braunfels, Kerrville, that area. He worked very hard doing that, and in 1930 he bought the Bellville Bottling Works.”



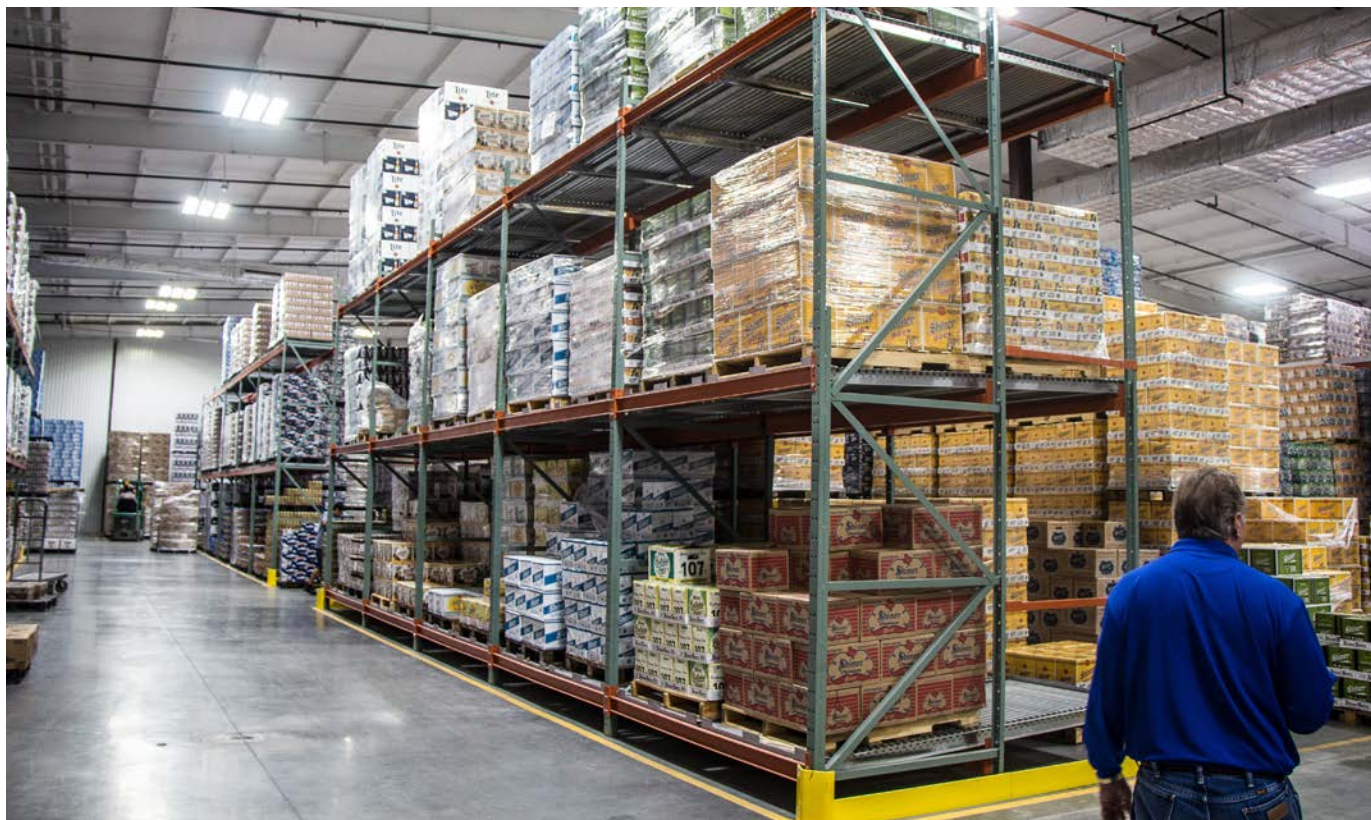
Ambrose bought the bottling works on Feb. 1, 1930, and was involved with the running of the company until the late 1940s. It included primarily the Dr. Pepper franchise, and he ended up getting the 7-UP and Frosted Root Beer franchises as well.

“My father returned [from World War II] in 1945, and he was running the company then because my grandfather would have been pretty old,” Kristen says. “But my grandfather was working, no doubt about that.”

As a new generation assumed control of the bottling works, Boots Kristen wanted to try something new. He started manufacturing his own line of sodas called “Boots,” and was able to produce them for about a decade before the costs of replacing non-returned glass bottles forced him to stop.

“As a child – I was five, six years old





– I'd be invited to birthday parties and stuff and they would serve Cokes," Kristen says. "Really hurt my feelings. And so I'll tell you God is real, because I had a prayer: 'God help me not to be upset or angry when somebody serves products other than what we sell.'"

Today, Kristen has resurrected Boots Beverages based on the concept from the 1950s. He remembers what each family member's role was at the bottling works during that time period, and each flavor is named after a family member, with a short history written on the label. It's revisiting an era and trying to duplicate simple pleasures, and he says the company is having great success with it.

"God heard my prayer, because I'm telling you, today we serve the world's finest beverages, and if I see somebody drinking something else, I pity them, because they ain't drinking the best," Kristen says. "And so, I've lived long enough to see the answered prayer and I remember - very

thankful for it."

BEER AND BUSINESS

The Kristen family got out of the soda business in 1962 to focus on malt beverages, and Mark had an opportunity after graduating college in 1972 to get into the beer business himself.

"I told my dad, 'I've had enough of this business, I'm going to graduate school.' And so I went off to graduate school for a while and ended up becoming a bona fide entrepreneur," Kristen says. "And when I got back involved in the beer business in 1979, that [entrepreneurship] was my primary focus."

Kristen says he soon found obstacles to new ideas because, at that time, the industry focus was all on big breweries.

"The craft breweries were going away. The Jacksons, the Pearls, the Lone Stars were getting bought out, couldn't compete with Miller and

Bud. Even Pabst couldn't compete," Kristen says. "So I got back involved in that era and I felt really boxed in. I didn't know how to grow the company."

He says that in the early 1990s, Miller dramatically changed its ideology for the model distributor, and came up with plans to help distributors consolidate and expand their geographic footprints with basically no debt burdens.

"That is how I was able, from Bellville, Texas, to come here in 1998," he says. "And so the industry started massive consolidations. I must have consolidated as many as 25 distributors. We go all the way from the courthouse in Katy to San Saba. We go from Mexia to Orchard. Thirty counties."

Now that the industry trend has somewhat reversed, with a craft brewery opening every 12 hours in the United States, there are even more opportunities for distributors

to grow. Though MillerCoors and its owned brands make up the largest part of Kristen's portfolio, he says officials at MillerCoors are supportive of seeking out new brands to distribute.

"MillerCoors, as long as we give the due effort, they don't care how many brands – in fact they encourage it. Why do they encourage it? Because Anheuser-Busch has a larger market share," Kristen says. "So MillerCoors has encouraged us to go out and get the right brands but get the right brands in an appropriate way and spend appropriately on the investment."

BUILDING FOR THE FUTURE

Currently, Kristen Distributing represents 130 manufacturers, all independently chosen. That's a lot of beer and other beverages, which requires a lot of storage space. Enter the company's new facility at Texas Triangle Park.

The new campus will be state of the art once all of the remodeling and additional construction are completed. Currently, the warehouse is more than one acre of climate-controlled space.

"Most people when they build a new building, they have a growth factor figured...we've had to do a complete revamp on it," Kristen says. "In this facility, for the beer operation we are maxed out already. So we're hoping that sales are strong enough in the next 12 months that we can begin bottling in Building 2."

All of the buildings on the campus use LED lighting as well as "smart" motion-sensor lighting that automatically shuts off to conserve electricity. Another energy saver is the completely new keg cooler – insulated with spray foam by Brazos Valley Spray Foam – that keeps the



temperature at a constant 38 degrees.

"We spent about \$350,000 on 'smart' amenities here," Kristen says, as he strolls through the warehouse. And the company is not through with its conservation and alternative energy practices. "We intend to use natural gas for all of our mid-sized vehicles within five years."

These improvements underscore the importance of technology and efficiency in today's marketplace. New ways of organizing shipments help ensure that every retailer gets what it wants. And more efficient ways of transporting shipments help prevent breakages.

"In moving all the beverages from the old facility to this one, we only broke three bottles," Kristen says with a grin. And of course, fewer breaks means less out-of-pocket expense. That certainly doesn't hurt when you

have ideas for new ventures.

"We've got ambitious expansion plans with Boots, primarily in the near term," Kristen says, noting that as CEO, he still does oversight and planning, but he stopped managing the day-to-day operations this past January. "My younger son John is now the president as of January 1. And then my older son Jacob is going to run the fountain drink division. So we're very, very, very serious about Boots."

As the torch begins to pass on to the next generation, Kristen reflects on his legacy.

"Well, I'm an entrepreneur. I've shined shoes, I picked dewberries when I was five, sold them on the side of the road – you'll see my story on the side of the Dewberry bottle. ... Yeah, I'd like to be..."

Kristen pauses for a second.

"My grandfather, he was a pioneer, he worked it, he knew the system, and he loved his work. My father had a really good palate, and he knew how to make soda and so he did his own line. And he was also a big beer guy – people loved him. I really never heard anybody say anything bad about him. And so what I'd like to be known as is the guy who consolidated and innovated ideas." ■





PAPERLESS BILLING

BTU's paperless billing option is a win-win for both you and the environment. Going paperless allows you to receive your bill faster, along with electronic versions of the bill inserts for the month. It's a great compliment to the online bill pay option that BTU offers, which allows you to make payments online, view your payment history, and learn more about your energy usage via a personalized consumption graph. Once your online account is set up, just select the "Go Paperless" option and you will be making a big impact.

Just how big, you ask? According to PayItGreen.org, if **ONE HOUSEHOLD** switched to electronic bills for **ONE YEAR**, we would:

SAVE
6 POUNDS
OF PAPER

PREVENT
29 POUNDS
OF GREENHOUSE GAS

REDUCE OUR USE
OF WOOD BY
23 POUNDS

To put that in perspective, that's like not using 2 gallons of gas, driving 30 fewer miles, and planting one tree seedling and letting it grow for 25 years!

**Imagine if all 52,000 BTU customers
opted for paperless billing!**

**Visit btutilities.com and sign up for your online account today
to opt into paperless billing.**

CODE ENFORCEMENT

Keeping the City of Bryan tidy does more than just make everything look good. It cuts down on health risks, too.

STORY BY KENNETH W. SMITH, JR.

How well do you know your City codes? If you're like most of us, it's probably not that well. You may know that you have to mow your

lawn, and that having "heaps of rubbish" in your driveway is a no-no.

But most of us don't really know the requirements for keeping our lawns mowed. Or what the City considers a "dilapidated structure." Or what is considered "unimproved parking."

Luckily for us, the members of the City of Bryan's Code Enforcement Department do know know all of these regulations, and they strive to make Bryan neat and orderly. You can help, by knowing your codes, keeping your property tidy, and reporting violations to Code Enforcement.



Maintaining your property is especially important now that winter has ended and the mosquitoes are back in full force. With news reports about the Zika Virus increasing, and West Nile Virus always a threat in Texas, it's important that you do what you can to prevent mosquito breeding grounds.

Preventing standing water on your property is the best way to do this. Old tires, flowerpots and clogged rain gutters are perfect mosquito breeding sites. Making sure that you clean up those types of items will help manage mosquitoes, and will reduce risks to your health.

The City of Bryan also has a Mosquito Abatement Program where the City will provide free dunks and plunks to individual residents or neighborhood associations to help keep the mosquito populations down.

Some other ways to reduce your risks of mosquito-borne diseases are:

- Use insect repellents containing DEET
- Avoid going outdoors at dusk and dawn
- Wear appropriate clothing when outdoors, such as long sleeves and pants

To learn about code enforcement and violations, mosquito-borne diseases, or the City's dunks and plunks program, visit bryantx.gov.

