

REGULAR BOARD OF DIRECTORS

Meeting Notes

May 14, 2018**Safety Report**

Mr. Berger informed the board that BTU was awarded the American Public Power Association's (APPA) Safety Award of Excellence for 2017. BTU compared favorably with peers across the United States, and of the 72 municipally owned utilities in the state of Texas, was one of only three to be presented with this award.

Approve Contract for Leonard Road Substation Preparation Improvements

The board approved a contract with Kelly Burt Dozer, Inc., in the amount of \$262,105.00 for Leonard Road substation site work.

Presentation of the City of Bryan's Strategic Plan

City of Bryan's Deputy City Manager Joey Dunn presented the City's strategic plan to the board, including initiatives and key components. The presentation will provide a foundation for identifying those areas that BTU's planned projects may impact when discussing the FY19 Capital and Operating and Maintenance (O&M) budgets.

Presentation of the 2018 Cost of Service Study and Rate Design

Mr. Joe Mancinelli, Principal with NewGen Strategies, updated the board on the progress of the cost of service study and rate design. Recommendations will be presented to the board at a later date.

Consideration and Discussion of BTU Materials Management Options

Chief Financial Officer Joe Hegwood informed the board that BTU's current seven-year contract for materials procurement and management services will expire in November 2018. Staff is currently in the process of evaluating bid responses for the contract, and will have recommendations at a future board meeting.

Discussion of FY19 Budget and Five Year Capital Improvement Plan

General Manager Gary Miller presented the proposed FY19 Capital Improvement Plan (CIP) for all BTU divisions, as well as the proposed O&M Budget for FY19. The final proposed Capital and O&M budgets will be presented to the Bryan City Council this summer.

Texas Senate Business and Commerce Committee Update

Mr. Miller reported that the Texas Senate Business and Commerce Committee met to discuss the Electric Reliability Council of Texas (ERCOT) summer preparedness, as well as an interim charge regarding the Texas deregulated wholesale market. Local municipal and cooperative representatives addressed the Committee regarding the value that these systems bring to the electric market in Texas.

SOCIAL MEDIA

BryanTexasUtilities



cityofbryan



BTU_BryanTX



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BRYAN TEXAS 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.

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Mr. Flynn Adcock, Vice Chairman
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Ms. Rosemarie Selman
Mr. Paul Turney
Mr. Buppy Simank, Ex-Officio
Mr. Jason Bienski, Ex-Officio

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David Werley

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Bill Bullock
Shawndra Curry
Ken Lindberg
Clay Lindstrom
David McIntyre
Kristi Nash
Vicki Reim
Scott Smith

Doug Lyles, Chief Risk Officer
Wes Williams, Regulatory Compliance Officer

CITY OF BRYAN

Kean Register, City Manager
Joe Hegwood, Chief Financial Officer
Bernie Acre, Chief Information Officer

IMPORTANT NUMBERS

Billing/Collections/Connects
(979) 821-5700

Electrical Outage/Lines Down
(979) 822-3777

Distribution/Line Design
(979) 821-5770

RELAY FOR LIFE

BRYAN TEXAS UTILITIES RAISES OVER \$2,000



Everyone has been impacted by cancer in some way. Whether it is a personal battle, a family member, a co-worker, or a friend, there isn't a life untouched by the effects of this disease.

In 2018, over 1.7 million new cases of cancer will be diagnosed, and more than 609,000 lives will be lost. For this reason, the staff of BTU make it a personal mission to help raise money to further research for a cure.

Team "Answer to Cancer" spent Saturday, May 5 at the Brazos County Expo walking

the track at Relay for Life with other supporters and survivors. They also successfully raised over \$2,000 to donate to the American Cancer Society through profit shares and a silent auction at our annual employee Chili Cook-Off. Over the last four years, we have donated more than \$8,700 on behalf of our team.

We appreciate all of the friends and family that joined us this year, and look forward to another Relay in 2019!

A Q&A ABOUT THE QSE



BTU's QSE is more than just a cool acronym, and it directly affects your electric rates.

By Kenneth W. Smith Jr.

What does QSE stand for?

QSE stands for Qualified Scheduling Entity. Okay, so what does that actually mean?

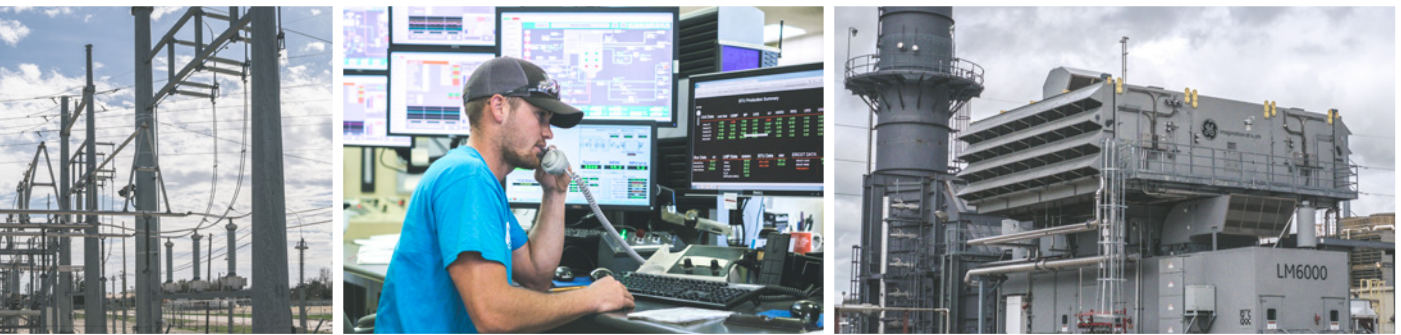
Bryan Texas Utilities (BTU) maintains and operates an energy trading operation. It's similar to a stock exchange or a commodities exchange. BTU can purchase and sell energy on the ERCOT wholesale market to optimize opportunities and create the best value for its customers. BTU customers benefit by having well trained employees who continuously monitor the market and make informed decisions on when to generate power and when to purchase power; these activities provide the most advantageous energy costs.

How Does It Work?

The QSE looks at different factors to determine when to buy energy, and when to sell energy that BTU generates.

In the QSE, Energy Schedulers develop day-ahead and real-time forecasts using historical load data and weather condition information. They use these forecasts to make decisions on how much to use BTU's own power generation capabilities in light of opportunities to purchase and sell energy on the wholesale market. In addition to the day-ahead and real-time forecasts, BTU's power marketing personnel constantly look at longer term opportunities that would benefit rates to BTU customers.

Optimizing BTU's own power generation with purchases and sales on the wholesale market allows BTU to provide reliable, competitively-priced electricity to its customers.



Are There Rules and Regulations? Of Course.

An Electric Reliability Council of Texas (ERCOT) certified QSE is required to submit energy and ancillary service schedules. BTU's QSE maintains a 24-hour, seven days per week operation with qualified personnel for communicating with ERCOT for scheduling purposes and deployment of energy and ancillary services on a real-time basis.

QSE personnel also submit generation plans indicating unit availability and operating status and provide bids for ancillary services. The QSE is financially responsible to ERCOT for its defined share of energy and ancillary services. In addition to providing QSE services for BTU, BTU's QSE offers these services to other ERCOT market participants.

How Much Energy is the Right Amount?

The QSE staff works continuously with staff at BTU's power plants to provide direction on individual generating unit operation. The QSE has the crucial responsibility of determining how to best utilize the generating units for greatest economic advantage and for relaying that information to the power plant staff to ensure that the generating units are available and dispatched at the appropriate times.

Who Keeps Track of All the Finances?

The QSE also depends upon BTU's Settlement staff, which is part of BTU's Fiscal Services area, and is responsible for the financial accounting of all transactions created between the QSE, ERCOT, and other parties involved in wholesale energy transactions for BTU and BTU's QSE clients.

That means that the Settlement staff have to go through all of the sales and receipts information for BTU's QSE transactions and make sure that all the numbers add up.

Buying and selling power on the market at opportune times, knowing when to schedule and deploy energy along with the need for laser-accurate transaction settlements are extremely important to BTU. The QSE professionals are trained to do these jobs and they do them well; this in turn allows BTU to focus on our job of maintaining the highest possible level of system reliability while providing exceptional customer service and competitively-priced electricity to all BTU customers.

DOWNTOWN BRYAN:

It's Official. It's GRRRREAT!

By Kala McCain and Kenneth W. Smith Jr.

Downtown Bryan is recognized as "Great Place in Texas" as one of its iconic landmarks -- the Queen Theatre -- is restored to its former glory.

Well, it's official. Downtown Bryan is great! So great, in fact, that it has been recognized as a "Great Place in Texas" by the Texas Chapter of the American Planning Association.

This recognition is awarded to neighborhoods, streets, or public spaces that have utilized city planning to create stronger and healthier communities. Only cities with populations ranging from 2,000 to 150,000 are eligible.

The selected Great Places in Texas are considered to be places that illustrate most effectively what it means to be "great" including design, functionality, sustainability, character, quality, and community participation.

"Only a handful of locations are chosen each year, making it a great honor to be selected," said City of Bryan Planning Manager Martin Zimmermann.

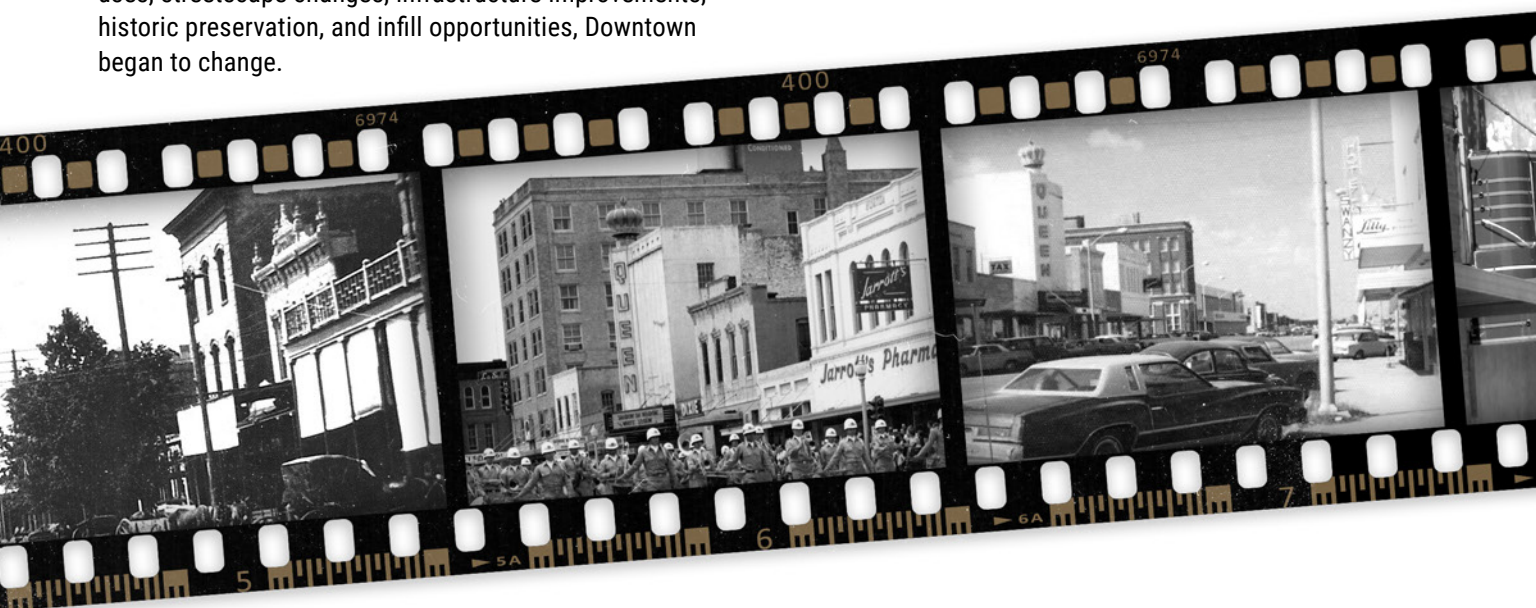
The neighborhood of Downtown Bryan was nominated because of the years of hard work that have transformed a once struggling area to a vibrant destination for visitors and locals alike. In 2001, an award-winning Downtown Master Plan was adopted to fight the decay that was previously seen in Downtown Bryan. With recommendations for land uses, streetscape changes, infrastructure improvements, historic preservation, and infill opportunities, Downtown began to change.

Today, the 30-block Downtown Bryan neighborhood is a 24-hour community with over 100 loft and townhome units. That number is expected to triple by the end of 2019. Downtown's design connects with people on a human scale with pedestrian-friendly access to a weekly farmer's market, a pharmacy, and neighborhood retail services such as daycares, barbershops, and salons. Local and regional residents enjoy the rich cultural hub the neighborhood provides.

"This recognition really validates the hard work of our city staff and citizen groups to revitalize our Downtown," says Bryan Mayor Andrew Nelson.

In the midst of this achievement, another remarkable transformation has taken place in Downtown Bryan. The Queen Theatre, one of Downtown's iconic landmarks, reopened to the public after an eight-year restoration effort that erased decades of neglect and deterioration.

The theater was originally built in the late 1800's as a hotel in the heart of Downtown Bryan. The hotel began showing silent films on the ground level in the early 1900's.





The name “Queen Theatre” was officially given to the building in 1914 and then in 1939 the hotel was converted into a fully operational movie theatre. “5th Avenue Girl” starring Ginger Rogers was the first movie shown in the Queen in 1939. The Queen operated as a movie theatre from 1939 to the mid-1970’s.

The Downtown Bryan Association purchased the Queen in 2010 and began to revive the iconic building. On May 4, 2018, the venue officially reopened as a single screen film house and performance venue that also houses the Downtown Bryan Association offices, and a Downtown Bryan visitor’s center in the lobby.

Downtown Bryan is a fun destination for public celebrations and local events. In 2017, the Downtown Bryan Association hosted over 38 public events including First Fridays, that have downtown streets bustling, as well as the annual Texas Reds Steak and Grape Festival, which attracts more than 25,000 visitors from around the world. Cultural celebrations, art walks, delicious food, and boutique shopping highlight Downtown Bryan’s success as a regional go-to neighborhood destination.





CULTURE OF SAFETY

At BTU, everything we do centers around safety. From our office staff to our field crews, every employee of our organization has committed themselves to promoting a culture of safety excellence.

This commitment began in the spring of 2015 with support from the BTU Board of Directors and the help of Caterpillar Safety Services, and has resulted in an employee led Safety Steering Team (SST) and four Continuous Improvement Teams (CIT), which address different areas of safety such as inspections, safety meeting, safe vehicle operation, and incident reporting.

BTU is now a two time recipient of the American Public Power Association's (APPA) Safety Award of Excellence for having one of the lowest safety incident rates in the nation. Of the 72 municipally owned utilities in the state of Texas, BTU was one of only three to win the award for 2017.

"Through the hard work and dedication of our employees, BTU has continued to foster a culture of safety excellence," said BTU General Manager Gary Miller. "We had a historically low incident rate in 2017, and I could not be more proud of our employees for their commitment to keeping our work environment safe."

DEAD OUTLET?

Check it out before calling an electrician.

When you plug a lamp or an appliance into a socket, you expect to be able to turn it on. Sometimes, though, you'll find that the outlet is "dead."



Before you call an electrician, check a few things out:

1. Plug something else into the same outlet. It could be that the problem is with the device and not the outlet. If this one turns on, that's the case.
2. If more than one device is plugged into the same outlet—or if a full power strip is plugged in there—check to see if everything else is working. If not, try this: Unplug one device at a time until something turns on. It could be that you've overloaded the outlet.
3. If nothing is turning on at that outlet, check your circuit breaker. Open the door and notice if a single switch is turned off; if so, turn it back on. If you can't locate the circuit that belongs to that outlet, turn off all of the breakers then turn them back on one at a time.
4. If you plug the lamp or appliance back into the outlet and the circuit trips again, it's time to call an electrician.
5. And if your dead outlet has a ground-fault circuit interrupter, you might be able to solve the problem simply by pressing the reset button on the face of the outlet.

POWER TIP:

Except for fans that are designed for continuous operation, turn off kitchen, bath and other exhaust fans within 20 minutes of cooking or bathing.

