

**MINUTES OF THE  
JOHNSON CITY ENERGY AUTHORITY  
D/B/A  
BRIGHTRIDGE**

April 26, 2022

PRESENT: Jenny Brock  
James Haselsteiner  
Ronald Hite  
Kenneth Huffine  
Hal Knight  
James Smith  
Robert Thomas  
Jeffrey R. Dykes, Chief Executive Officer  
Brian Bolling, CPA, Chief Financial Officer and Chief Customer Officer  
Connie Crouch, Human Resources Manager  
Bonnie Donnolly, Chief Development and Market Strategy Officer  
Eric Egan, Chief Data Officer  
Stacy Evans, Chief Broadband and Technology Officer  
Donnie Hall, Safety/Environmental Manager  
Rodney Metcalf, Chief Operations Officer  
Melissa Taylor, Supervisor, General Accounting  
Tiphonie Watson, Customer Support Manager  
Tim Whaley, Director of Public and Governmental Affairs  
Stephen M. Darden, Hunter Smith Davis, LLP

ABSENT: B. J. King  
Gary Mabrey  
Mark Eades, Chief Engineering and Facilities Officer  
Brian Ellis, Service Department Manager  
David Spinnato, Physical Plant/Warehouse Manager

Chairman James Smith called the meeting to order.

Upon motion of Dr. Knight, seconded by Mr. Thomas, the Board voted to add as Item 4 (l.) to the Consent Agenda - Electric - consideration of Bid Tab #7053 - primary cable; correction of Item 4 (j.) to the Consent Agenda - Electric - correction of the total bid amount of stock items from \$52,403.50 to \$52,403.30; and Item 5 (c) to the Consent Agenda - Broadband - consideration of a manufacturer's price increase to P. O. #114970. The motion carried unanimously by voice vote.

Upon motion of Ms. Brock, seconded by Dr. Knight, the monthly power distributor's report submitted to the Tennessee Valley Authority for March 2022 was approved. The motion carried unanimously by roll call vote. Year-to-date income was \$474,241.79 more than last year's year-to-date figure and year-to-date actual net income was \$3,367,899.36 more than the budgeted figure. The general fund balance stands at \$28,421,140.51, the reserve fund balance stands at \$6,811,655.60, the special reserve fund balance stands at \$6,057,906.52, the tax equivalent fund balance stands at \$4,278,050.31, the economic development fund balance stands at \$1,599,958.29, the 2017 bond and interest sinking fund balance stands at \$3,317,252.36, the renewal and replacement fund balance stands at \$6,339,624.37, the 2021 bond proceeds fund balance stands at \$25,840,097.53, and the self-insurance fund balance stands at \$2,011,892.19. BrightRidge is currently serving 81,210 customers, which is an increase of 803 customers since the same time last year, a customer growth rate of approximately 1%.

Mr. Bolling advised that the company had experienced the worst load factor of the year (46.54%) in March; however, the load factor average for the year to date is still good at 60.11%. He also discussed the impact of the pass-through TVA fuel cost adjustment, which has increased 31.97% in the past year.

Upon motion of Mr. Haselsteiner, seconded by Mr. Thomas, the monthly financial statements for March 2022 for the Broadband Division were approved. The motion carried unanimously by roll call vote. Year-to-date income was \$1,063,980.45 more than last year's year-to-date figure and year-to-date actual net income was \$329,659.34 more than the budgeted figure. The cash bank balance stands at \$1,125,124.88, the broadband debt service fund balance stands at \$777,107.42, the reserve fund balance stands at \$1,000,844.07, the broadband checking account balance stands at \$678,256.59, the broadband money market account balance stands at \$25,366.80, the voice service balance stands at \$197,734.36, and the video service balance stands at \$223,767.13. Capital projects closed to plant through March, 2022 totaled \$5,913,957.89 (less construction work in progress since June, 2021 totaling \$1,337,813.31), with a \$1,689,330.42 capital budget remaining at this time. These capital project figures reflect \$500,000.00 in potential grant monies.

Upon motion of Ms. Brock, seconded by Gen. Hite, the Board approved the following items on the Electric Division Consent Agenda:

(a) The minutes of the regularly scheduled Board meeting on March 22, 2022.

(b) The purchase of Tantalus AMI equipment for Fiscal Year 2023 in the amount of \$535,228.50, which includes the purchase of 30 XR-3100 crossband repeaters (\$18,868.50), 30 VC-932 VersaComms gateways (\$69,300.00), 80 RT-3205 sharkfins (\$31,500.00), 240 TC-1216 meter modules (\$17,640.00), 2,400 TC-1220-RD meter modules (\$189,000.00), 240 Itron Centron FM2S CL320 meters (\$19,920.00), and 2,400 Itron Centron FM 252S CL200 RD meters (\$189,000.00).

BrightRidge utilizes single-phase meters manufactured by Itron, which are factory paired with Tantalus AMI modules. This meter/module set is the standard single-phase meter in use on the BrightRidge system.

This purchase is predicated by an expected 7.5% price increase effective April 15, 2022 for deliveries scheduled prior to December 31, 2022. The costs for this purchase will be represented in the FY 2023 capital budget, and the costs will not be incurred until the 2023 budget year.

(c) The purchase of an Altec backyard digger derrick truck for the Construction Department at a cost of \$213,573.00 through the Sourcewell contract buying program for utilities and governmental entities.

(d) The purchase of fleet vehicles for FY 2023 at an estimated cost of \$670,000.00, to include the following:

- (i) A digger derrick truck to replace Vehicle No. 14 (\$260,000.00);
- (ii) A digger derrick truck to replace Vehicle No. 39 (\$260,000.00);
- (iii) An F-150 regular cab pick-up truck to replace Vehicle No. 38 (\$40,000.00);
- (iv) An F-150 extended cab pick-up truck to replace Vehicle No. 54 (\$40,000.00); and
- (v) An F-350 regular cab pick-up truck to replace Vehicle No. 88 (\$70,000.00).

The digger derrick vehicles will be purchased through the Sourcewell contract buying program for utilities and governmental entities. The other vehicles will be purchased through the state contract for utilities and government entities.

(e) The purchase of fleet vehicles for FY 2024 at an estimated cost of \$825,000.00, to include the following:

- (i) An F-550 bucket truck to replace Vehicle No. 23 (\$160,000.00);
- (ii) An F-550 bucket truck to replace Vehicle No. 51 (\$160,000.00);
- (iii) A Freightliner bucket truck to replace Vehicle No. 79 (\$260,000.00);
- (iv) An F-150 extended cab pick-up truck to replace Vehicle No. 13 (\$40,000.00);
- (v) An F-250 on-call truck to replace Vehicle No. 42 (\$60,000.00);
- (vi) A Ford Explorer to replace Vehicle No. 59 (\$45,000.00);

- (vii) An F-350 on-call truck to replace Vehicle No. 94 (\$60,000.00); and
- (viii) An F-150 extended cab pick-up truck to replace Vehicle No. 99 (\$40,000.00).

The bucket trucks will be purchased through the Sourcewell contract buying program for utilities and governmental entities. The other vehicles will be purchased through the state contract for utilities and government entities.

(f) The purchase of fleet vehicles for FY 2025 at an estimated cost of \$670,000.00, to include the following:

- (i) A Freightliner digger derrick truck to replace Vehicle No. 68 (\$300,000.00);
- (ii) A Freightliner bucket truck to replace Vehicle No. 98 (\$270,000.00); and
- (iii) A Freightliner material truck to replace Vehicle No. 8 (\$100,000.00).

The digger derrick vehicle and bucket truck will be purchased through the Sourcewell contract buying program for utilities and governmental entities. The other vehicle will be purchased through the state contract for utilities and government entities.

The ordering of these vehicles at this time is based upon extremely long delivery times for vehicles due to supply chain issues.

(g) The low bid of Stuart C. Irby Company in the amount of \$303,314.00 for 8 75 KVA 120/208 pad-mount transformers (\$111,864.00) and 10 150 KVA 120/208 pad-mount transformers (\$191,450.00).

(h) The low bid of Border States Electric Supply in the amount of \$96,352.33 for 2 70' LD-1 galvanized steel poles (\$9,585.78), 1 75' LD-1 galvanized steel pole (\$5,218.76), 13 60' LD-1 galvanized steel poles (\$50,704.42), 1 75' LD-2 galvanized steel pole (\$5,528.86), 1 80' LD-2 galvanized steel pole (\$6,007.92), 2 85' LD-2 galvanized steel poles (\$13,013.78), and 1 70' H4 galvanized steel pole (\$6,292.81).

(i) The low bid of Williams Electric Supply Company in the amount of \$53,768.00 for 8,800 feet of 3" rigid PVC conduit.

(j) The bid of Border States Electric Supply in the amount of \$52,403.30 for 96,000 ASCR #2 Sparrow 6/1 conductors (\$33,062.40), 30,500 ASCR 1/0 Raven 6/1 conductors (\$12,254.90) and 100,000 GRVE AL/AL LCU16XB parallel connectors (\$7,086.00). The bid on the first item was awarded based upon lead times for that product.

(k) Additional funding in the amount of \$8,946.58 for the enclosure of the PVC shed, previously approved at the March 2022 Board meeting. Two of the general

contractor's subcontractors had labor and materials increases totaling an additional \$8,946.58 for the project.

(l) The low bid of Stuart C. Irby Company in the amount of \$160,750.00 for 25,000 feet of #2AL 15 KV compressed primary cable (\$86,000.00) and 25,000 feet of 1/0AL 15KV compressed primary cable (\$74,750.00).

The motion carried unanimously by roll call vote.

Upon motion of Mr. Thomas, seconded by Ms. Brock, the Board approved the following items on the Broadband Division Consent Agenda:

(a) The purchase of FY 2023 fleet vehicles at an estimated cost of \$110,000.00, as follows:

- (i) An F-150 crew cab pick-up truck to replace Vehicle No. 200 (\$40,000.00);
- (ii) An F-150 extended cab pick-up truck (new vehicle) (\$35,000.00);
- (iii) An F-150 extended cab pick-up truck (new vehicle) (\$35,000.00).

These vehicles will be purchased through the state contract for utilities and government entities. The ordering of these vehicles at this time is based upon extremely long delivery times for vehicles due to supply chain issues.

(b) The purchase from Calix of stock material in the amount of \$112,106.60. Calix is the sole source provider of BrightRidge's fiberoptic network equipment, selected through an RFP process in 2018.

(c) A price increase in the amount of \$80,500.00 on Purchase Order #114970 to Power and Telephone for fiber purchased in January, 2022, resulting from a manufacturer's price increase. The vendor only passed on a portion of the price increase to BrightRidge, and BrightRidge was unable to find another vendor with lower costs or available shipping.

The motion carried unanimously by roll call vote.

Dr. Knight delivered the report of the Finance and Audit Rates and Budget Committee, which met on April 12, 2022 to consider two items.

Upon motion of Dr. Knight on behalf of the Committee, the Board approved the audit proposal from Blackburn, Childers and Steagall, PLC in the total amount of \$76,400.00. The motion carried unanimously by roll call vote.

Upon motion of Dr. Knight, seconded by Gen. Hite, the Board approved the revised aid-to-construction charges attached as Exhibit "A" to these minutes, to become

effective June 1, 2022. Notification of the changes will be posted on the BrightRidge website, and developers in the utility's database will be notified 30 days prior to implementation. The motion carried by majority vote, with Mr. Thomas abstaining.

Upon motion of Mr. Haselsteiner, seconded by Mr. Thomas, the Board approved the following Resolution:

On April 1, 2017, the Johnson City Power Board was renamed Johnson City Energy Authority; on October 3, 2017, Johnson City Energy Authority announced their d/b/a name as BrightRidge.

**WHEREAS**, Angela Corvin was employed by BrightRidge on June 8, 2015, until retiring from BrightRidge on June 3, 2022; and

**WHEREAS**, during her eight years and eleven months with BrightRidge, she served as General Accountant; and

**WHEREAS**, the Board of Directors of BrightRidge wishes to recognize Mrs. Corvin for her outstanding service to the customers and staff of BrightRidge by her years of dedication and loyalty;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of BrightRidge, meeting in regular session on the 26th day of April, 2022 that Angela Corvin be, and hereby is, officially commended for her eight years and eleven months of service to the customers of BrightRidge.

**BE IT FURTHER RESOLVED** that a copy of this Resolution be presented to Mrs. Corvin and be spread in full on the minutes of the proceedings of this meeting.

The motion carried unanimously.

Upon motion of Mr. Thomas, seconded by Ms. Brock, the Board approved the following Resolution:

On April 1, 2017, the Johnson City Power Board was renamed Johnson City Energy Authority; on October 3, 2017, Johnson City Energy Authority announced their d/b/a name as BrightRidge.

**WHEREAS**, Joe Gouge was employed by the Johnson City Power Board on February 14, 1994, until retiring from BrightRidge on Wednesday, June 1, 2022; and

**WHEREAS**, during his twenty-eight years and three months with the Johnson City Power Board, Johnson City Energy Authority, and BrightRidge, he served as a Laborer, Groundman, Groundman Operator, and Tree-Trimming Coordinator; and

**WHEREAS**, the Board of Directors of BrightRidge wishes to recognize Mr. Gouge for his outstanding service to the customers and staff of BrightRidge by his many years of dedication and loyalty;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of BrightRidge, meeting in regular session on the 26th day of April, 2022 that Joe Gouge be, and hereby is, officially commended for his twenty-eight years and three months of service to the customers of BrightRidge.

**BE IT FURTHER RESOLVED** that a copy of this Resolution be presented to Mr. Gouge and be spread in full on the minutes of the proceedings of this meeting.

The motion carried unanimously.

Upon motion of Mr. Haselsteiner, seconded by Dr. Knight, the Board approved the Board Committee appointments of Ronald Hite to the Finance, Audit, Rates and Budget Committee and the Business Development/Planning Committee, and of Kenneth Huffine to the Human Resources/Insurance Committee. The motion carried unanimously by roll call vote.

Rodney Metcalf, Chief Operations Officer, delivered an update on activities in his departments, this month focusing on a project the company did in concert with East Tennessee State University. ETSU was completing a grant project that at the same time afforded BrightRidge the opportunity to build an underground system which would backfeed a portion of the university campus. During the course of the project, BrightRidge installed ten vaults, ran 11,540 feet of copper wiring and installed 12,830 feet of 6" conduit and 3,210 of 2" conduit and fiber. The utility also completed a double-circuit rebuild from the Roy Taylor Substation up Cherokee Road and onto Southwest Avenue, installing 71 poles on Cherokee Road and 24 poles on Southwest Avenue. The project took approximately 6 months, beginning in September 2021 and running through March, 2022. The only uncompleted task is to re-pave certain sections of the campus streets where road cuts were made, and this will be accomplished soon.

Stacy Evans, Chief Broadband and Technology Officer, delivered an update regarding the broadband project. At the time of the Board meeting, the Broadband Division has a total of 7,186 active customers, 9.7% of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	930
Johnson City Fiber:	3,369
Piney Flats Fiber:	8
Telford Fiber:	157
Limestone Fiber:	243
Gray Fiber:	2,161

Kingsport Fiber:	132
Fall Branch Fiber:	25
Fixed Wireless:	161

(534 active fiber customers near grant areas, previously planned to be fixed wireless)

Managed Wi-Fi:	4,599 (71.9% average "take rate")
IPTV Video:	1,307
Telephone VoIP:	966

Linear weekly customer adds are exceeding the budgeted goal of 58.4. As of the time of the Board meeting, the Broadband Division's customers are trending 237 customers above the linear budget line.

Mr. Evans advised the Board that it would likely be in July or August before it would be known if the company's state grant application was approved, but that he felt optimistic about BrightRidge's application.

CEO Jeff Dykes welcomed new Board members Ronald Hite and Kenneth Huffine to the Board.

Mr. Dykes advised the Board that they had been contacted today by e-mail regarding each member's availability for an Electric Division operational budget workshop, and asked Board members to communicate their available dates for this meeting to Ceilya Campbell as soon as possible.

Attorney Steve Darden gave the Board a brief update on the BrightRidge/Red Dog/Washington County litigation. On March 14th a hearing was held, at which time Mr. Darden felt that about half the suit had been resolved through rulings on pre-trial motions. These rulings are currently under review by the Court of Appeals. A three-day trial for any remaining issues has been scheduled for July 11 - 13, 2022. Mr. Darden advised that yesterday, however, BrightRidge filed a Motion to Dismiss in the matter, citing its status as an energy authority.

Chairman Smith again commended BrightRidge team members for their exemplary service to customers and for working diligently to control costs in a time of inflation and supply chain issues.

There being no further business, the meeting was adjourned.