

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

May 30, 2023

PRESENT: Gary Mabrey
Jenny Brock
James Haselsteiner
Ronald Hite
Kimberly McCorkle
James Smith
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
Mark Eades, Chief Engineering and Facilities Officer
Eric Egan, Chief Data Officer
Brian Ellis, Service Department Manager
Stacy Evans, Chief Broadband and Technology Officer
Lori Farmer, Supervisor, General Accounting
Rodney Metcalf, Chief Operations Officer
Tiphonie Watson; Customer Support Manager
Tim Whaley, Director of Public and Governmental Affairs
Stephen Darden, Hunter Smith Davis, LLP

ABSENT: Kenneth Huffine
Hal Knight
Robert Thomas
Donnie Hall, Safety/Environmental Manager
David Spinnato, Physical Plant/Warehouse Manager

Chairman Gary Mabrey called the meeting to order.

Ruby Mathai, Senior Manager, EnergyRight For Business Industry at TVA, presented Mr. Dykes and Mr. Mabrey with the TVA EnergyRight Services Award. Ms. Mathai recognized BrightRidge as one of 153 local power companies served by TVA. The Investing in Our Future Award honors a local power company that has demonstrated a strong commitment to TVA EnergyRight programming that serves its local youth, community and businesses. BrightRidge enrolled eleven Washington County Schools into the School Uplift program in 2022, supporting each school with monthly ENERGY STAR® Portfolio Manager updates and providing giveaway items for school family nights and energy workshops. BrightRidge was also acknowledged as a Top Performer in four EnergyRight

program categories in FY22: first place in Business & Industry Energy Upgrade Projects with 18 energy projects, second place in Total Energy Savings from EnergyRight Programs with 3,36 million kWh saved; fourth place in Home Uplift with 305,155 kWh of energy saved from 99 homes uplifted, and fifth place in DIY Home Energy Assessment with 87,203 kWh of energy saved from 97 participants.

Bonnie Donnolly recognized Bank of Tennessee for their new partnership in the Home Uplift program, as the first direct donor to BrightRidge's program and providing funding for an additional five years. Through their donation, the program will be able to provide valuable home energy upgrades improving home energy efficiency and lowering utility bills to one additional home.

Upon motion of Ms. Brock, seconded by Dr. McCorkle, the monthly power distributor's report submitted to the Tennessee Valley Authority for April 2023 was approved. The motion carried unanimously by roll call vote. Year-to-date income was -\$369,566.59 less than last year's year-to-date figure and year-to-date actual net income was -\$375,782.34 less than the budgeted figure. The general fund balance stands at \$36,013,757.27, the reserve fund balance stands at \$2,897,565.63, the special reserve fund balance stands at \$141,866.01, the tax equivalent fund balance stands at \$4,849,610.54, the economic development fund balance stands at \$738,204.17, the 2017 bond and interest sinking fund balance stands at \$144,016.88, the renewal and replacement fund balance stands at \$10,470,916.62, the 2021 bond proceeds fund balance stands at \$8,211,238.01; and the self-insurance fund balance stands at \$504,188.96. BrightRidge is currently serving 82,521 customers, which is an increase of 1,109 customers since the same time last year, which represents a 1.36% growth rate.

Mr. Bolling added that current assets have increased by \$19.2 million (5.11%). Year-to-date Operating Revenues up \$16.1 million. The year-to-date Operating Expenses, excluding Power Cost, are up \$1,900,824 compared to last year and under budget by 3.4 million (-8.46%). The year-to-date Average Load Factor is 55.74% and the year-to-date Net Income is down -2.63% at \$369,567 over the last year. The FGA decreased by -9.51% from April 2022 to April 2023.

Upon motion of Ms. Brock, seconded by Dr. McCorkle, the monthly financial statements for April 2023 for the Broadband Division were approved. The year-to-date income was \$2,403,733.16 more than last year's year-to-date figure, and year-to-date actual net income was \$915,730.56 more than the budgeted figure. The cash bank balance stands at \$1,438,063.12, the broadband debt service fund balance stands at \$745,677.05, the reserve fund balance stands at \$1,018,387.11, the broadband checking account balance stands at \$1,178,712.92, the broadband money market account balance stands at \$136,444.41, the voice service balance stands at \$99,646.91, and the video service balance stands at \$25,258.88.

Upon motion of Mr. Smith, seconded by Mr. Haselsteiner, the Board approved the following items on the Consent Agenda:

- (a.) The minutes of the Board meeting on April 25, 2023.

(b.) The purchase of CAT 12,000 lb. Tier 4 Lift Truck from Baily Company, Inc. in the amount of \$91,391.92.

(c.) The purchase of stock materials (cable and wire) from Stuart C. Irby Company in the amount of \$194,850.00, as described in Bid Tab #7574.

(d.) The purchase of stock materials (insulator, lighting materials) from Stuart C. Irby Company in the amount of \$75,415.00, as described in Bid Tab #7583.

(e.) The purchase of transformers from Hyundai Corp. USA in the amount of \$137,790.00, as described in Bid Tab #7599.

(f.) Ms. Donnolly and Ms. Conzet presented the board with their findings associated with the Request for Proposal seeking a partner to develop a new platform, design and content for BrightRight.com website. They are now requesting board approval, awarding the RFP for Website Redesign to Ntara with a total expenditure of \$325,000.00. After approval and contracting, the project is estimated to take 8-10 months to complete. However, the existing website will continue to be in place until the new site is complete and turned on.

(g.) The Transformer Salvage and Rebuild Contract bid be awarded to Sunbelt Solomon. Contract start date would be August 1, 2023, for three years with a one-year extension option.

The motion carried unanimously by roll call vote.

Upon motion of Dr. McCorkle, seconded by Ms. Brock, the Board approved the following items on the Broadband Consent Agenda:

(a.) The Juniper support quote provided by ITsavvy, LLC in the amount of \$73,500.04.

(b.) The renewal of our Ashburn to JC 100G Windstream circuit through Capcon Network in the amount of \$250,200.00

The motion carried unanimously by roll call vote.

Mr. Smith delivered the report from the Insurance Committee, which met on May 30, 2023 prior to the Board Meeting to consider the renewal of workers compensation insurance for the period covering July 1, 2023 to June 30, 2024. The Committee recommends that the board approve the quote from Distributors Insurance Company (DIC) at a price of \$215,356.00. Included in this quote is a 5% premium credit due to participation in DIC's Safe Power Provider program and a 5% premium credit for participation in the State of Tennessee Drug Free Workplace. Distributors Insurance Company is a wholly owned subsidiary of TVPPA, and they are represented locally by Johnson City Insurance.

Upon motion of Mr. Hite, seconded by Ms. Brock, the Board approved the renewal of workers compensation insurance by unanimous roll call vote.

The Insurance Committee also met to consider the renewal of pollution control insurance for the period covering July 1, 2023 to June 30, 2024. The Committee recommends that the board approve the quote from Distributors Insurance Company at a price of \$5,848 annually. This is an increase of \$163 over the prior year's policy. Distributors Insurance Company is a wholly owned subsidiary of TVPPA, and they are represented locally by Johnson City Insurance.

Upon motion of Mr. Haselsteiner, seconded by Dr. McCorkle, the Board approved the renewal of pollution control insurance by unanimous roll call vote.

BRIGHTRIDGE RESOLUTION – TVA 90TH ANNIVERSARY

WHEREAS in 1993, the Tennessee Valley Authority (TVA) was created through an Act as a public corporation to, in part, design and execute electrification of the Valley and has been serving BrightRidge and its customers since March 2, 1945; and

WHEREAS the Board of Directors of BrightRidge wishes to congratulate the Tennessee Valley Authority on the 90th Anniversary of its inception and recognize the Authority's key role in energy, environmental stewardship, and economic development in the BrightRidge service area; and

WHEREAS BrightRidge commends the Tennessee Valley Authority's commitment to a stable next-generation power grid strengthened by focused clean-energy technology designed to affordably power the Valley economy into the decades ahead while also achieving an aggressive net-zero carbon emission goal by 2050; and

WHEREAS BrightRidge applauds the Tennessee Valley Authority's environmental stewardship role in maintaining a clean air and water supply in the seven states it serves, protecting the 293,000 acres of public land and 11,000 miles of shoreline on behalf of all the people in the Valley; and

WHEREAS BrightRidge continues to promote its ongoing economic development partnership with the Tennessee Valley Authority as TVA works to attract, engage, and serve business and industry in the Valley for continued growth through modern, reliable, and affordable electric supply.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Johnson City Energy Authority d/b/a BrightRidge meeting in regular session on the 30th day of May 2023 that the Tennessee Valley Authority be and is officially honored for its 90 years of service to the citizens of the BrightRidge service area.

BE IT FURTHER RESOLVED that a copy of this Resolution be presented to the Tennessee Valley Authority and be spread in full on the minutes of the proceedings of this meeting.

Upon motion of Mr. Haselsteiner, seconded by Mr. Hite, the Board approved the Resolution by unanimous roll call vote.

RETIREMENT RESOLUTION ON BEHALF OF ANDREW BROCK

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 DBA name as BrightRidge.

WHEREAS Andrew Brock was employed by BrightRidge on March 5, 2007, until retiring from BrightRidge on Friday, May 26, 2023; and

WHEREAS during his sixteen years and two months of service with BrightRidge, he served as Meter Reader, AMI Technician I and AMI Technician II; and

WHEREAS the Board of Directors of BrightRidge wishes to recognize Mr. Brock for his outstanding service to the customers and staff of BrightRidge by his years of dedication and loyalty.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of BrightRidge meeting in regular session on the 30th day of March 2023 that Andrew Brock be, and hereby is, officially commended for his sixteen years and two months of service to the customers of BrightRidge.

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

Upon motion of Ms. Brock, seconded by Mr. Haselsteiner, the Board approved the Resolution by unanimous roll call vote.

RESOLUTION TO REQUEST UNCLAIMED BALANCE OF ACCOUNTS REMITTED TO STATE TREASURER UNDER UNCLAIMED PROPERTY ACT

WHEREAS Tennessee Code Annotated Section 66-29-146(c) provides that a municipality or county in Tennessee may request payment for the unclaimed balance of funds reported and remitted by or on behalf of the local government and its agencies if it exceeds \$100 less a proportionate share of the cost of administering the program; and

WHEREAS the Johnson City Energy Authority d/b/a BrightRidge agrees to meet all of the requirements of Tennessee Code Annotated Section 66-29-101, et seq. and to accept liability for future claims against accounts represented in funds paid to it; and

WHEREAS it is agreed that this local government will retain a sufficient amount to ensure prompt payment of allowed claims and that the balance of funds will be deposited in this local government's general fund.

NOW, THEREFORE, BE IT RESOLVED that the Johnson City Energy Authority d/b/a BrightRidge requests the State of Treasurer to pay the unclaimed balance of funds to it in accordance with the provisions of Tennessee Code Annotated Section 66-29-146(c). A list of remittances made by or on behalf of the local government and its agencies is attached.

It is certified that this is a true and exact copy of the foregoing resolution which was approved and adopted at the meeting held on the 30th day of May, 2023, original on file in office. I further certify that the Johnson City Energy Authority d/b/a BrightRidge Board of Directors consists of nine members and that six members present voted in favor of the resolution

Upon motion of Mr. Hite, seconded by Mr. Smith, the Board approved the Resolution by unanimous roll call vote.

Mr. Bolling addressed the Board regarding the Rural Economic Development Loan proposed for Appalachian Producers Cooperative's pending meat processing facility in Telford, Tennessee. Mr. Bolling discussed the business details provided by Appalachian Producers Cooperative and the budgeted equipment needed in the amount of 2.6 million which would be covered by the proposed loan. This would be the 5th loan by BrightRidge of this nature with very limited risk. Mr. Bolling recommended approval of the Resolution which is a requirement in the loan application process.

RESOLUTION AUTHORIZING APPLICATION FOR RURAL ECONOMIC DEVELOPMENT LOAN

WHEREAS Johnson City Energy Authority d/b/a BrightRidge has been actively involved in economic development in order to improve the economic well-being of its service area; and

WHEREAS Appalachian Producers Cooperative has proposed to build a meat processing facility at 2782 Hwy 11-E, Telford, TN 37690; and

WHEREAS Appalachian Producers Cooperative has secured the funds from the USDA and Washington County to assist with the construction of the building; and

WHEREAS Appalachian Producers Cooperative will purchase equipment at an estimated total cost of \$2,660,000 and is in need \$2,000,000 fund the project; and

WHEREAS the Rural Business-Cooperative Service has available an economic development program of financial assistance to Intermediaries in the form of zero-interest loans to assist in business and community development; and

WHEREAS the project is in compliance with 7 CFR 4280 subpart B and specifically the project is for eligible purposes and is not restricted (7 CFR 4280.27 and 7 CFR 4280.3); and resolves to carry out the proposed project with Appalachian Producers Cooperative according to 7 CFR 4280; and

WHEREAS the Board of Directors of Johnson City Energy Authority d/b/a BrightRidge has endorsed the proposed rural economic development project as described in the application and 4280.29 Supplemental Financing Required for the Ultimate Recipient project; and

WHEREAS the Board of Directors of Johnson City Energy Authority d/b/a BrightRidge agrees to the provisions of the regulation 4280-A and the 4280-5 loan agreement.

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of Johnson City Energy Authority d/b/a BrightRidge authorizes its Chief Executive Officer to submit an application of \$2,000,000 for a Rural Economic Development Loan; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes its Chief Executive Officer to compile, complete, and execute the information and forms necessary to support this application. Furthermore, the Board of Directors authorizes Jeff Dykes, Chief Executive Officer, to requisition the zero-interest loan funds.

This is a true and correct copy of the resolution as adopted by the Board of Directors of the Johnson City Energy Authority d/b/a BrightRidge at its meeting held on May 30, 2023, at which meeting the quorum was present, and that said resolution now appears in the records of the Energy Authority's minutes book without changes or alterations.

Upon motion of Ms. Brock, seconded by Mr. Haselsteiner, the Board approved the Resolution by unanimous roll call vote.

Mr. Eric Egan, Chief Data Officer, provided an update on the current AMI system history and the pending grant application to upgrade to Smart Grid 2.0 system. He advised that the existing AMI system is currently past the midpoint of its lifespan. So while an upgrade is not currently necessary, it appropriate to begin planning for the future.

The Grid Resilience and Innovation Partnerships (GRIP) Smart Grid grants help to improve visibility of the electric system to grid operators and enhance secure communication and data flow between distribution elements, as well as anticipate and mitigate the impacts of extreme weather or natural disaster on grid resiliency. There are \$1.08 billion in awards set aside, which a maximum federal award of \$50 million per project. GRIP anticipates funding for 25-40 projects that will be completed over a five-year period of time.

Mr. Egan provided information on the application process and its anticipated timeline. Mr. Egan submitted the Concept Paper to GRIP before the December 16, 2022 deadline and received an Encouragement Letter from GRIP on February 2, 2023. These letters were sent out to only 157 applicants, out of the 326 that submitted Concept Papers. BrightRidge submitted the full application in March 2023. Mr. Egan is anticipating that

notifications of anticipated awards will be received in the Fall of 2023, with projects beginning as early as the first quarter of 2024.

Mr. Egan identified the projected cost for Smart Grid 2.0 over a period of five years, if BrightRidge is awarded the GRIP grant funds. The system would take 4 years to implement with an additional year for trouble shooting. The system upgrade would cost a total of \$23,931,558 (of which BrightRidge would pay \$11,976,145 and GRIP funds would cover \$11,955,413).

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 11,421 active customers, 1,083 of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	1,229
Johnson City Fiber:	6,160
Piney Flats Fiber:	11
Telford Fiber:	222
Limestone Fiber:	301
Gray Fiber:	3,020
Kingsport Fiber:	208
Fall Branch Fiber:	112
Fixed Wireless:	158
Managed Wi-Fi:	7,368 (71.9% average "take rate")
IPTV Video:	939
Telephone VoIP:	1,209

Broadband deployment areas are as follows:

Johnson City:	6,111
Gray/Kingsport:	3,214
Jonesborough:	1,224
Bowmantown:	521

Mr. Evans stated that the Broadband Division continues to surpass the net new customers target of 10,964. As of May 26, 2023, the division is trending 749 customers ahead of the linear budget line. Current trend would be 816 above budget by end of fiscal year 2023, for a total of 11,780 customers.

Residential fiber product numbers confirm 88% of current residential Broadband customers do not subscribe to our video (with only 7% video take-rate and 7% voice). Phase 5 aerial build-out is 100% completed with 7,294 addresses serviceable at this time. The Phase 5 joint project with Johnson City is 100% complete with aerial fiber and 98% complete with underground. Provides 4,871 actual passings in city limits (419 over the estimated 4,452).

Mr. Dykes requested that the Board continue to keep Charlette Walker's family in our prayers, as well as BrightRidge staff through this time of loss. In addition, he asked that they be on the lookout for upcoming summer activities through Bonnie's department. Mr. Dykes also acknowledged Bonnie and her department for their work on the BrightRidge website upgrades, as well as their helpful assistance to Washington County by sharing their knowledge and research in that area. Finally, the Board was shown several of the upcoming BrightSpots commercial and video clips that will be released to the public.

There being no further business, the meeting was adjourned.