

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

July 25, 2023

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

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

Chairman Gary Mabrey called the meeting to order.

Chairman Mabrey welcomed new BrightRidge board member, John Hunter, who currently serves on the Johnson City Commission.

Mark Eades, Chief Engineering and Facilities Officer introduced summer intern, Ethan Haynes. Ethan addressed the board regarding his experience working in the engineering department. Ethan, a resident of Piney Flats, is a junior in the Engineering Department at Tennessee Tech University.

Ethan worked with substation crews and construction crews throughout the summer, learning various devices and assisting with wiring and conduit updates and installations. He helped with inspections at 13 substations and the solar farm at Mitchell. He

was introduced to SCADA software. His most notable project was at ETSU, where he prepared drawings of each device in AutoCAD for a better understanding of their underground systems.

Because of his experience at BrightRidge this summer, Ethan plans to focus more on the power side of engineering. Ethan thanked the board for allowing him to participate in the internship program and for the knowledge he gained in the field of power distribution as a whole. Mr. Dykes commented on Ethan's excellent work. He stated that they were already trying to recruit him for the next year.

No financial reports were delivered at the July board meeting.

Upon motion of Mr. Thomas, seconded by Dr. McCorkle, the Board approved the following items on the Consent Agenda:

(a.) The minutes of the Board meeting on June 27, 2023.

The motion carried unanimously by roll call vote.

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

(a.) The approval of Fiber-optic splicing services renewal contract to Kelly Cable Splicing on a per unit price base. This contract is for the fiber-optic splicing labor for the fiber broadband Phases planned during fiscal year periods 2024-2026 of our network build.

The motion carried unanimously by roll call vote.

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 a projected construction budget of \$6,100,000 for the new facility; and

WHEREAS *Appalachian Producers Cooperative* has been approved for a USDA Food Supply Chain Guaranteed Loan of \$4,100,000 to assist with the construction of the building; and

WHEREAS *Appalachian Producers Cooperative* requires an additional \$2,000,000 to 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 4282; 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

Upon motion of Mr. Huffine, seconded by Mr. Thomas, the Board approved the Resolution by unanimous roll call vote. A copy of this Resolution now appears in full on the minutes of the proceedings of this meeting.

Mr. Bolling addressed the Board regarding recommended changes to the BrightRidge Purchasing Policy based upon the Tennessee legislative session, where the purchasing limits for certain governmental entities, including energy authorities, were increased. Mark Smith with Miller and Martin PLLC has reviewed the related purchasing laws within the Tennessee Code Annotated to provide the Board with recommendations.

The proposed changes included:

- Purchases of up to \$100,000 are exempt from the competitive procurement requirement;
- The general approval limit for the CEO increases from \$50,000 to \$100,000 for contracts for goods, services, or other purchases, absent any other exception or exemption;
- The CEO's approval limit increases from \$100,000 to up to \$500,000 subject to conditions; such as, purchases over \$100,000 to be obtained

through a competitive procurement method unless an exemption applies;

- CEO may enter into contracts of up to \$500,000 provided that the expenditures are within budgeted amounts included in the operating or capital budgets for the year.

Mr. Bolling stated that historically there have not been rate increases as far back as he can recall. He proposed the increases are most likely due to the cost of materials and services that have risen since 2020 causing prior limits to be comparatively low. However, to utilize the new limits, the BrightRidge purchasing policy must be updated.

Upon motion of Mr. Thomas, seconded by Mr. Hite, the Board approved the Purchasing Policy FM-110 update by unanimous roll call vote.

Mr. Dykes addressed the Board regarding the Public Comment Policy. While there have always been processes in place to allow community members who are within our system to address the Board, these policy revisions will now include agenda space for public comment. Mark Smith worked with BrightRidge to prepare a policy and guidelines which were provided to Board Members for review and approval.

Notices will continue to be placed in the *Johnson City Press* and BrightRidge website. Public Notice will be given for all board meetings, specially set meetings and committee meetings where votes may be taken. However, committee workshops will not require public comment. The BrightRidge website now contains a 'Request for Public Comment' link. Individuals will find a form that asks for their name and contact information, the topic of their question (which must be an item identified on that month's agenda in order to be heard at the upcoming meeting). Individuals are asked if they 'support' or 'oppose' the subject of their inquiry. This is to help balance the allotted 15-minute time frame to insure both supportive and opposing opinions are represented.

The board members will be notified as to the individuals seeking time on the public comment agenda and the questions posed. Any request received within 48 hours of the upcoming meeting will not be added to that agenda, but scheduled for a later time so that board members are given sufficient notice.

Upon motion of Mr. Haselsteiner, seconded by Mr. Smith, the Board approved Board Policy BR-108 regarding Public Comments at Board Meetings by unanimous roll call vote.

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 11,989 active customers, 1,115 of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	1,252
Johnson City Fiber:	6,594
Piney Flats Fiber:	16

Telford Fiber:	225
Limestone Fiber:	307
Gray Fiber:	3,099
Kingsport Fiber:	215
Fall Branch Fiber:	124
Fixed Wireless:	157
Managed Wi-Fi:	7,777 (72% average “take rate”)
IPTV Video:	891
Telephone VoIP:	1,237

Mr. Evans stated that the Broadband Division finished 740 above budget by end of FY 2023 with 11,704 total customers (target was 10,964). On July 26, 2023, Broadband reached 12,000 customers.

Mr. Evans stated that the Broadband Division FY 2024 budget includes the addition of 4,542 new customers for a target of 16,249 by June 30, 2024. As of July 21, 2023, the division is trending 34 customers ahead of the linear budget line. In order to meet FY 2024 budget, we must average 87.4 net adds per week.

In regards to the BrightRidge IPTV video service, Mr. Evans relayed that the goal was to retire this service by June 30, 2025. This was determined based on several factors, including the average decline in video subscriptions is 6 per week, the rate is scheduled to increase in January 2024 and the majority of existing video contracts are set to expire on April 15, 2025. Mr. Evans credits this to the Board’s cut cord incentives that went into effect in January 2023.

Mr. Evans provided comparisons of the costs of deploying in high density areas versus low density areas. In addition, Mr. Evans discussed the deployment strategy as laid out in the Broadband business plan; as part of which BrightRidge would utilize a phased development strategy that builds new fiber infrastructure, optimized to generate sufficient cash flows for the enterprise while serving the greatest number of BrightRidge electric customers. This phasing strategy also optimizes BrightRidge’s deployment based on capital constraints to allow BrightRidge to utilize interfund loans rather than seek bond financing for deployment.

Current number of deployed fiber allocations by community areas:

Johnson City	25,105	(65.7%)
Washington County + Jonesborough	11,666	(29.2%)
Sullivan County	1,205	(3%)
Carter County + Elizabethton	756	(1.9%)
Green County	79	(0.2%)

Mr. Evans reminded the board that the fiber build plan for rural areas did not provide for fiber broadband outside of Johnson City limits during the eight phase/years. Efficiencies and TN-ECD grant has allowed us to provide to 13,706 locations (35% of total)

outside Johnson City. Efficiencies and grants with Johnson City (ARPA 2023) and TN-ECD (2020) have allowed accelerated deployment by two years in dense areas and six years in rural areas.

A recommendation was made by Mr. Huffine that BrightRidge should present this data to its customers in some format so they have a better understanding of substantial progress being made, as well as presenting the timeline of future fiber deployments plans.

Board members, Mr. Huffine and Mr. Hite, requested that Mr. Evans prepare materials specifically explaining the substantial effect past grant funds have played in extending fiber services beyond the initial broadband business plan areas; so that they can present this information to the Washington County Commission for further discussion in support of future grant opportunities.

Mr. Evans advised that new grant opportunities (Federal BEAD / TN-ECD) will allow all unserved areas of Tennessee to be funded in mid-2024. Beyond the unserved locations, BrightRidge plans to build fiber to all electric customers over time as financially feasible. BrightRidge is seeking assistance from outside firms to help review applications and proposals to insure we are prepared for grant submission.

Finally, Mr. Evans detailed new and future Broadband products coming soon. Beginning in August, 10Gig customers will now have the option to rent a GigaSpire router for a price of \$19.99 per month, instead of purchasing the necessary router averaging \$500.00. This router utilizes the most advanced Wi-Fi technology (Wi-Fi 6E) and BrightRidge will handle all updates and replacements as needed. We are also preparing to implement SmartBiz managed Wi-Fi services for small business. The customer Wi-Fi access portal will include branded welcome screens, set hours of operations, store client data, provider customer terms of service, session limits and report usage data. We are currently working on final pricing for this product.

Mr. Dykes showed the Board a plaque presented to BrightRidge from DIC Insurance recognizing and appreciating our 25 years of working with their company.

Mr. Dykes reminded the Board of the upcoming BrightRidge golf tournament scheduled for August 19th, as well as the Summer Block Party on August 26th. BrightRidge will have several booths and employees present throughout the event and they are hoping for a great community turnout. Mr. Dykes thanked the employees in advance, for giving up their time and supporting this great event.

Mr. Dykes also made mention that the first fast charging station will be coming to south Johnson City, and will be located in the same parking lot as Southern Craft BBQ, between Spring Street and South Roan.

There being no further business, the meeting was adjourned.