

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

June 23, 2023

PRESENT: Gary Mabrey
Jenny Brock
James Haselsteiner
Ronald Hite
Kenneth Huffine
Kimberly McCorkle
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
Brian Ellis, Service Department Manager
Stacy Evans, Chief Broadband and Technology Officer
Lori Farmer, Supervisor, General Accounting
Donnie Hall, Safety/Environmental Manager
Rodney Metcalf, Chief Operations Officer
Tim Whaley, Director of Public and Governmental Affairs
Stephen Darden, Hunter Smith Davis, LLP

ABSENT: Hal Knight
James Smith
Mark Eades, Chief Engineering and Facilities Officer
David Spinnato, Physical Plant/Warehouse Manager
Tiphonie Watson; Customer Support Manager

Chairman Gary Mabrey called the meeting to order.

Upon motion by Ms. Brock, seconded by Mr. Haselsteiner, a schedule change to today's meeting agenda was approved by roll call vote.

Mr. Haselsteiner delivered the report from the Finance, Audit, Rate & Budget Committee, which met on June 13, 2023, for a budget workshop regarding the FY 2024 Electric Budget. The budget reflects no local rate increase by BrightRidge for the 5th consecutive year. The two changes from information provided at the workshop included in

the budget: (1) 5% wage increase instead of 4%, and (2) \$1,000 Christmas Bonus instead of \$400.

Upon motion of Mr. Huffine, seconded by Mr. Hite, the Board approved the FY 2024 electric division budget by unanimous roll call vote.

The Finance, Audit, Rate & Budget Committee also met on June 8, 2023, to consider the FY 2024 broadband division budget. The two changes from the information provided at the workshop included in the budget: (1) 5% wage increase instead of 4%, and (2) \$1,000 Christmas Bonus instead of \$400. Both of these changes can be covered under the budget as presented at the workshop and did not require any budgetary dollar estimates to be changed. This is consistent with the electric budget.

Upon motion of Mr. Hite, seconded by Ms. Brock, the Board approved the FY 2024 broadband division budget by unanimous roll call vote.

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

(a.) The minutes of the Board meeting on May 30, 2023.

(b.) The purchase of stock material from Border States Electric Supply in the amount of \$55,930.00, as described in Bid Tab #7648.

(c.) The purchase of transformers from Power Electronics in the amount of \$320,656.00, as described in Bid Tab #7631.

The motion carried unanimously by roll call vote.

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

(a.) The purchase of box enclosure from Border States Electric Supply in the amount of \$147,538.58, as described in Bid Tab #7618.

The motion carried unanimously by roll call vote.

Upon motion of Thomas, seconded by Dr. McCorkle, the monthly power distributor's report submitted to the Tennessee Valley Authority for May 2023 was approved. The motion carried unanimously by roll call vote. Year-to-date income was -\$223,508.87 less than last year's year-to-date figure and year-to-date actual net income was \$1,367,565.52 more than the budgeted figure. The general fund balance stands at \$37,853,241.66, the reserve fund balance stands at \$2,906,472.67, the special reserve fund balance stands at \$142,302.10, the tax equivalent fund balance stands at \$20,002.66, the economic development fund balance stands at \$753,008.32, the 2017 bond and interest sinking fund balance stands at \$472,920.72, the renewal and replacement fund balance stands at \$10,503,103.93, the 2021 bond proceeds fund balance stands at

\$6,937,339.45; and the self-insurance fund balance stands at \$505,738.82. BrightRidge is currently serving 82,610 customers, which is an increase of 903 customers since the same time last year, which represents a 1.11% growth rate.

Mr. Bolling added that current assets have increased by \$21.2 million (5.65%). Year-to-date Operating Revenues up \$15.8 million. The year-to-date Operating Expenses, excluding Power Cost, are up \$2,287,813 compared to last year and under budget by 3.6 million (-8.07%). The year-to-date Average Load Factor is 56.36% and the year-to-date Net Income is down \$223,509 over the last year. The FCA is up 4.78% from May 2022 to May 2023.

Upon motion of Thomas, seconded by Dr. McCorkle, the monthly financial statements for May 2023 for the Broadband Division were approved. The year-to-date income was \$2,649,040.35 more than last year's year-to-date figure, and year-to-date actual net income was \$791,453.06 more than the budgeted figure. The cash bank balance stands at \$1,977,705.67, the broadband debt service fund balance stands at \$2,250,898.23, the reserve fund balance stands at \$1,021,517.60, the broadband checking account balance stands at \$1,149,910.99, the broadband money market account balance stands at \$641,614.52, the voice service balance stands at \$84,596.93, and the video service balance stands at \$101,583.23.

RETIREMENT RESOLUTION ON BEHALF OF BRIAN ELLIS

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 Brian Ellis was employed by BrightRidge on January 27, 1986, until retiring from BrightRidge on Friday, June 30, 2023; and

WHEREAS during his thirty-seven years and five months of service with BrightRidge, he served as Meter Reader, Groundman, Apprentice Lineman, Construction Lineman, Service Lineman, Assistant to Service Manager/Service & Construction Coordinator, Service Department Administrator, and Service Department Manager; and

WHEREAS the Board of Directors of BrightRidge wishes to recognize Mr. Ellis 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 27th day of June 2023 that Brian Ellis be, and hereby is, officially commended for his thirty-seven years and five months of service to the customers of BrightRidge.

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

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

RETIREMENT RESOLUTION ON BEHALF OF RODNEY METCALF

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 Rodney Metcalf was employed by BrightRidge on April 16, 1990, until retiring from BrightRidge on Friday, July 14, 2023; and

WHEREAS during his thirty-three years and three months of service with BrightRidge, he served as Construction Lineman, Service Lineman, Assistant to Service Manager/Service & Construction Coordinator, Associate Operations Officer, and Chief Operations Officer; and

WHEREAS the Board of Directors of BrightRidge wishes to recognize Mr. Metcalf 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 27th day of June 2023 that Rodney Metcalf be, and hereby is, officially commended for his thirty-three years and three months of service to the customers of BrightRidge.

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

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

RESOLUTION ON BEHALF OF MS. JENNY BROCK

WHEREAS Ms. Jenny Brock was appointed to the Johnson City Power Board's Board of Directors by the City of Johnson City in July 2009 and served faithfully in that capacity for fourteen years; and

WHEREAS on April 1, 2017, the Johnson City Power Board became the Johnson City Energy Authority; and October 3, 2017, Johnson City Energy Authority announced the d/b/a name of BrightRidge; and

WHEREAS during Ms. Brock's tenure, she served on the HR/Insurance Committee, being instrumental to the CEO Search Committee during that time. She also served on the Finance, Audit, Rates & Budget Committee, and as Chairperson of the Business Development/Planning Committee, assisting through the transition to energy authority and rebranding. During her tenure that BrightRidge Broadband division was launched with Ms. Brock being an unflinching proponent. With an eye toward the future of

renewable energy, she has been a champion for the Telford and Martin Solar Farm in addition to the BrightRidge Solar Lab. Ms. Brock also served as Vice-Chairperson and Chairperson of the Board of Directors, having been the first Chairperson to serve three consecutive years; and

WHEREAS the Board of Directors of BrightRidge wishes to recognize Ms. Brock for her outstanding service to the citizens of Johnson City, the customers, staff, employees, and fellow Board members of BrightRidge by her dedication and loyalty.

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 27th day of June 2023 that Ms. Jenny Brock be, and hereby is, officially honored for her 14 years of service to the citizens of the BrightRidge service area.

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

Upon motion of Mr. Thomas, seconded by Dr. McCorkle, the Board approved the Resolution by unanimous roll call vote.

Mr. Dykes provided the board with an update on his recent meeting with Nationwide Insurance representatives. While this retirement account is no longer available to new employees, it is currently active for approximately 35 BrightRidge employees (both current and retired). The plan reportedly lost 10% in the first quarter.

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 11,699 active customers, 1,094 of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	1,236
Johnson City Fiber:	6,376
Piney Flats Fiber:	11
Telford Fiber:	224
Limestone Fiber:	306
Gray Fiber:	3,062
Kingsport Fiber:	209
Fall Branch Fiber:	117
Fixed Wireless:	158
Managed Wi-Fi:	7,564 (71.9% average "take rate")
IPTV Video:	911
Telephone VoIP:	1,216

Broadband deployment areas are as follows:

Johnson City:	6,377
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Gray/Kingsport:	3,270
Jonesborough:	1,236
Bowmantown:	530

Mr. Evans stated that the Broadband Division continues to surpass the net new customers target of 10,964. As of June 23, 2023, the division is trending 727 customers ahead of the linear budget line. The current trend would be 778 above budget by end of fiscal year 2023, for a total of 11,742 customers. Other than when adding new cabinets, there has been an average of 1.6% growth per month since its launch in June 2019.

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). The Phase 5 underground fiber-optic construction, totaling 3 miles, is currently 30% complete.

The current business plan for FY2023 estimated 23,305 total fiber passings, however, the actual fiber passings is currently 36,563. The FY2024 fiber customer passings will include the remaining two cabinets in Phase 6 (144 passings), Phase 7 & 8 (3,095 passings), South of Jonesborough area (1,124 passings) and the underground areas in Phase 4, 5 & 6 (2,596 passings). FY2025 fiber customer passing will also include the areas of Colonial Heights, Fordtown and Cherokee Road totaling 5,643 passings.

Mr. Evans discussed the statistics of trending Broadband sales sources for new customers obtained in June 2023: which included customer service representative calls (133), website inquiries (44), digital and print advertisements (10), direct mail cards (6), word of mouth (46) and door to door sales (103). The neighbor-to-neighbor referral program has a current 79% success rate. The Customer Service and door-to-door sales have resulted in 1,570 total residential sales (1,012 (64%) by customer service calls; 558 (36%) by door-to-door sales personnel) from August 1st through February 14th.

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.

Following the regular meeting agenda, the Board moved to executive session to discuss ongoing litigation with counsel.

There being no further business, the meeting was adjourned.