

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

April 28, 2020

PRESENT: Dan Brant
Jenny Brock
Joe Grandy
B. J. King
Hal Knight
Gary Mabrey
James Smith
Robert Thomas
Guy Wilson
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 & Market Strategy Officer
Mark Eades, Chief Engineering and Technology Officer
Eric Egan, Chief Data Officer
Stacy Evans, Chief Broadband Officer
Rodney Metcalf, Chief Operations Officer
Tim Whaley, Director of Public and Governmental Affairs
Joe Harvey, Hunter Smith and Davis, LLP
Robert Houk, Johnson City Press

ABSENT: Brian Ellis, Service Department Manager
Donnie Hall, Safety/Environmental Manager
Angela Shrewsbury, Energy Services/Marketing Manager
David Spinnato, Physical Plant/Warehouse Manager
Tiphonie Watson, Customer Support Manager

Chairman B. J. King called the meeting to order.

CEO Jeff Dykes delivered the following statement:

Operating under authority of **Executive Order No. 16** signed on March 20, 2020 by Tennessee Governor Bill Lee, BrightRidge will be conducting all Board of Directors' meetings electronically, at least through the duration of the Order. BrightRidge, organized as a public political subdivision of the State of Tennessee, will conduct its meetings telephonically beginning Tuesday, March 24, 2020 at 4:15 PM. As required under **Executive Order No. 16**, a full audio recording of the meeting will posted at

BrightRidge.com under the "Community" section, along with a meeting agenda, within 48 hours of the meeting.

Area media are being offered the opportunity to listen live, but all follow-up questions should be directed to the BrightRidge Public Affairs Office after the meeting is concluded. Members of the public should also direct any questions to the Public Affairs office.

These measures are temporarily adopted by the BrightRidge Board of Directors to protect the health, safety, and welfare of the general public, staff, and Board members in response to the COVID-19 outbreak. BrightRidge is committed to full transparency and will continue to review the liability of other potential virtual meeting venues moving forward, with authority to conduct meetings electronically set to expire on May 18, 2020, unless renewed.

BrightRidge continues to respect the open meetings and open records laws and will work diligently to continue the free flow of information as protected under the **Tennessee Constitution** and the **Tennessee Open Meetings Act**.

Upon motion of Mr. Smith, seconded by Dr. Knight, the Board voted to add the following items to the meeting agenda:

(a) Consideration of a contribution to the Local Business Recovery Fund under the auspices of RegionAHEAD to assist the needs of local small businesses resulting from the COVID-19 pandemic; and

(b) Consideration of entering into an Letter of Intent with Silicon Ranch for the development of a 9 megawatt solar farm in the BrightRidge service territory.

The motion carried unanimously by roll call vote.

Upon motion of Mr. Thomas, seconded by Mr. Grandy, the monthly power distributor's report submitted to the Tennessee Valley Authority for March, 2020 was approved. The motion carried unanimously by roll call vote. The mild weather trend continued in March with nine days of 60-degree temperatures and seven days of 70-degree and 80 degree temperatures. Peak demand occurred on March 1st. Year-to-date income was \$2,367,946.08 more than last year's year-to-date figure. Year-to-date actual net income was \$3,513,685.41 more than the budgeted figure. The general fund balance stands at \$28,971,114.26, the reserve fund balance stands at \$6,712,098.23, the special reserve fund balance stands at \$5,970,848.92, the tax equivalent fund balance stands at \$4,232,307.25, the economic development fund balance stands at \$1,640,935.67, the 2017 bond and interest sinking fund balance stands at \$2,886,656.57, the renewal and replacement fund balance stands at \$6,248,023.68, and the self-insurance fund balance stands at \$2,036,879.80. BrightRidge is currently serving 79,420 customers, which is an increase of 476 customers since the same time last year.

Mr. Bolling advised the Board of a significant increase in accounts 1 - 30 days past due (\$706,861.00 in 2020 as opposed to \$343,212.00 at the same time in 2019). He attributed this to the present moratorium regarding non-payment disconnects due to the COVID-19 pandemic. He stated that the Accounting Department was closely monitoring the situation.

Upon motion of Mr. Mabrey, seconded by Mr. Smith, the monthly financial statements for March, 2020 for the Broadband Division were approved. The motion carried unanimously by roll call vote. Brian Bolling advised the Board that the recurring monthly revenue for the Broadband Division is now over \$100,000.00 per month. The cash bank balance stands at \$2,892,474.15, and capital projects closed to plant through March totaled \$3,208,875.96 (plus construction work in progress since June, 2019 totaling \$3,703,262.08), with a \$2,010,755.96 capital budget remaining at this time. There were 982 total customers in the Broadband Division at the end of March.

Mr. Thomas suggested a workshop regarding the status of business development for the Broadband Division, and Mr. Dykes proposed that this be done in conjunction with the upcoming budget workshop for the division. He will circulate available dates for that workshop for consideration by the Board.

Stacy Evans, Chief Broadband Officer, delivered an update regarding the broadband project. At the time of the Board meeting, the Broadband Division has a total of 1,165 customers.

The current Broadband Division customer base is as follows:

Jonesborough Fiber:	60
Johnson City Fiber:	985
Piney Flats Fiber:	4
Fixed Wireless:	91
Ubiquity Wireless:	26
Managed WiFi	542
IPTV Video	103
Telephone VoIP	146

The current most popular product packages are as follows:

Residential Fiber, 200 Mbps	505
Residential Fiber, 500 Mbps	348
Residential Fiber, 1 Gbps	98

Marketing and "take" rates are presently 19.7% for residential fiber install. Twelve percent of residential customers have taken telephone service, and 18.6% of residential customers have taken video service. Fifty percent of business customers are taking telephone service.

"Triple Play" marketing opportunities presently include 7,815 residential and 1,100 business fiber addresses. Marketing and sale opportunities include direct mailers to those additional address locations, direct customer calling, digital marketing/social media/geofencing campaigns, customer door knockers, yard signs for new customers, television ads with two local channels airing around news hours, and a customer referral credit program, with the referring customer and the new customer each receiving a \$25.00 credit on their bills. Door-to-door sales, advertisements filmed or photographed at local businesses, and homeowners' administration meetings will resume once pandemic social distancing conditions are lifted.

Phase 1 wireless coverage areas (Persimmon Ridge and Piney Knob) are currently being marketed through door hangers, mailers, and call-outs, and street-level wireless site surveys are being performed to determine more detailed availability of coverage. Engineering design continues in the Phase 2 wireless coverage areas (Bowmantown and South Central). Phase 3 wireless coverage areas (Buffalo Ridge and Fall Branch) remain pending. It was determined that the tower attachment costs were not viable at the Buffalo Ridge site, and the Tennessee Department of Transportation is performing road-widening in Fall Branch at this time.

Upon motion of Mr. Thomas, seconded by Dr. Knight, the following items were approved on the Electric Division Consent Agenda:

- (a) The minutes of the March 24, 2020 Board meeting.
- (b) The low bid of Irby in the amount of \$55,798.00 for 100 RMA 100W lighting heads (\$4,048.00) and 25,000 feet of 1/0 AL 15 kV compressed primary cable (\$51,750.00).
- (c) The low bid of Siemens Energy for the purchase of 6 Siemens Energy 15.5kV 1200 amp breakers at a cost of \$130,326.00. The Siemens breakers, which have been used on the BrightRidge system for many years, are of high quality and require less routine maintenance, and protect the largest assets of the system (substations, transformers, and distribution lines) ensuring system reliability, service and safety.
- (d) The low bid of Fuller Paving in the amount of \$91,275.00 to repair the "C" Building parking lot and pave same to road standards due to the truck traffic thereon, to reseal the long driveway from Boones Creek Road to the Building "C" area, and to pave the driveway between the pole yard and the back fence on the Boones Creek Road facility property.
- (e) The low bid of GRC Construction in the amount of \$283,882.00 for exterior renovations to the Administration Building at the Boones Creek Road facility. The project was originally budgeted at \$400,000.00. Upon notification that they were the low bidder, GRC Construction was asked to modify their original bid in the amount of \$250,500.00 to address some structural issues overlooked in the original bid and to

replace the landscape wall with concrete as opposed to stone. GRC proposed an additional \$33,982.00 to perform this work, making their total price \$283,882.00, which was still less in cost than the second original bid received, and was within the amount originally budgeted for the project.

(f) The low bid of PuLP in the amount of \$202,451.40 for an 18-month contract for full-service printing, production, and delivery of marketing materials in order to ensure consistent, timely and high-quality print production and for mail services for certain items.

(g) The purchase of one Altec AT37G aerial device (small bucket truck) in the amount of \$130,010.00, to replace Truck No. 74. This purchase will be made through Sourcewell (formerly the National Joint Powers Alliance), a state contract for utilities and governmental entities.

(h) The purchase of two Altec AA 55' bucket trucks at a cost of \$456,274.00 (\$228,137.00 each). This purchase will likewise be made through Sourcewell (formerly the National Joint Powers Alliance), a state contract for utilities and governmental entities.

The motion carried unanimously by roll call vote.

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

(a) The low bid of Power and Tel in the amount of \$339,892.00 for 17 864 fiber distribution cabinets (\$215,118.00), eight 576/864 fiber distribution cabinets (\$59,424.00) and 50 1X64 splitters (\$65,350.00).

(b) Calix access network additions totaling \$69,518.50.

The motion carried unanimously by roll call vote.

Upon motion of Ms. Brock, seconded by Mr. Thomas, the Board approved the payment of a \$100,000.00 economic development incentive taken from the company's Economic Development Fund towards the construction of a GRIID Blockchain Data Center under the Tennessee Valley Authority VIP and the TVA IP5 Interruptible Programs. The motion carried unanimously by roll call vote. It is anticipated that the center would operate 24 hours per day/7 days per week. The GRIID contract would be for a 25,001 kw demand, and would be contain an initial start-up phase of up to six-months, followed by a five-year contract period that becomes renewable after the first five years.

Upon motion of Mr. Grandy, seconded by Mr. Mabrey, the Board voted to contribute an economic development investment of \$50,000.00 taken from the company's Economic Development Fund to the Local Business Recovery Fund. The motion carried

by roll call vote, with Mr. Thomas being absent at the time of the vote. The fund will support local businesses severely impacted by the COVID-19 crisis under the auspices of RegionAHEAD, comprised of regional economic development and chamber of commerce organizations, local government leaders, regional media companies, local small businesses, and interested individuals across Northeast Tennessee and Southwest Virginia. An Allocation Committee, made up of education, healthcare, economic development, banking, and CPA organizations, will review funding applications and grants will be issued based upon the immediacy of need. Grant funding amounts will be based upon funds raised, with issuance of same beginning in May.

Upon motion of Mr. Grandy, seconded by Mr. Mabrey, the Board voted to make a one-time donation in the amount of \$30,000.00 to the Heisse Johnson Hand Up Program. The motion carried unanimously by roll call vote. The Tennessee Valley Authority is currently offering a dollar-for-dollar match donation with local distributors to programs assisting customers with the payment of their electric bills, and with the \$70,000.00 customer match already committed annually by BrightRidge, there is a potential \$200,000.00 funding opportunity for the Hand Up Program resulting from the TVA match.

Upon motion of Mr. Thomas, seconded by Mr. Grandy, the Board authorized the CEO to enter into a Letter of Intent with Silicon Ranch with respect to the development of a 9 MWac solar energy facility to be located in the BrightRidge service territory. The motion carried unanimously by roll call vote. BrightRidge would be responsible for: (a) purchasing the full output of energy, as well as all environmental attributes, including renewable energy credits, generated by the facility pursuant to mutually agreed contract term and rate options; (b) identifying project interconnection in accordance with TVA program rules and guidelines; and (c) negotiating and executing a Power Purchase Agreement and an Interconnection Agreement with Silicon Ranch or its applicable affiliate in connection with the facility.

Upon motion of Ms. Brock, seconded by Mr. Thomas, the Board approved the following retirement 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, Benjamin Bowman was employed by the Johnson City Power Board on October 27, 1986 until retiring from BrightRidge on May 9, 2020; and

WHEREAS, during his thirty-three years and six months of service with the Johnson City Power Board, Johnson City Energy Authority and BrightRidge, he served as Meter Reader, Apprentice Meter Tester/Repairman, and 3-Phase Meter Tester/Repairman; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mr. Bowman 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 28th day of April, 2020 that Benjamin Bowman be, and hereby is, officially commended for his thirty-three years and six months of service to the customers of BrightRidge.

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

The motion carried unanimously by roll call vote.

Upon motion of Mr. Thomas, seconded by Mr. Mabrey, the Board approved the following retirement 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, Jerry Davis was employed by the Johnson City Power Board on July 7, 1958 until retiring from BrightRidge on April 8, 2020; and

WHEREAS, during his sixty-one years and nine months of service with the Johnson City Power Board, Johnson City Energy Authority, and BrightRidge, he served as Engineering Helper, Groundman, Groundman Operator, Underground Cable Splicer, Lead Underground Cable Splicer, and Underground Distribution Supervisor; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mr. Davis 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 28th day of April, 2020, that Jerry Davis be, and hereby is, officially commended for his sixty-one years and nine months of service to the customers of BrightRidge.

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

The motion carried unanimously by roll call vote.

CEO Jeff Dykes advised the Board that he had received positive feedback from customers concerning services rendered by BrightRidge employees during the COVID-19 pandemic. He advised that the utility was not intending to open for customer

business during the month of May, and that service to customers would continue through the drive-thru areas. Modifications to the customer service areas were being studied to determine whether limited access could be allowed by June and to accommodate future events of this nature.

Mr. Dykes advised the Board that the company would be working with consultant Chris Mitchell to determine the financial impact of the COVID-19 pandemic to BrightRidge, and a presentation will be made at a later date concerning this topic. He expressed his appreciation to the Board for its approval of the funding initiatives designed to help residential customers and small businesses during this difficult time, and for approval of the Letter of Intent with Silicon Ranch, which may benefit the city and county school systems as well as East Tennessee State University in the near future.

There being no further business, the meeting was adjourned.