

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

August 23, 2022

PRESENT: Jenny Brock  
James Haselsteiner  
Ronald Hite  
B. J. King  
Gary Mabrey  
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  
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: Kenneth Huffine  
Hal Knight  
James Smith  
Robert Thomas  
Donnie Hall, Safety/Environmental Manager  
David Spinnato, Physical Plant/Warehouse Manager

Chairman Gary Mabrey called the meeting to order.

Upon motion of Mr. Haselsteiner, seconded by Ms. Brock, the Board voted to add to Agenda Item 4 - Consent Agenda the following items: Item 4 c. - consideration of the purchase of weathering steel poles; Item 4d. consideration of the purchase of fiber cable; and Item 4e. consideration of the bid for the control house for the Piney Flats Substation. The motion also included the movement of Item 7a. modifications to the Wolf Tree, Inc. contract to Item 4f. on the Consent Agenda. The motion carried unanimously by voice vote.

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

(a) The minutes of the regularly scheduled Board meeting on July 26, 2022.

(b) The low bid of Stuart C. Irby Company in the amount of \$78,124.20 for 3-year lineman glove testing.

(c) The low bid of Stuart C. Irby Company in the amount of \$73,895.00 for 9 70' ID-1 weathering steel poles (\$41,778.00), 3 80' LD-1 weathering steel poles (\$16,431.00), 1 60' LD-2 H1 weathering steel pole (\$4,052.00), and 2 80' LD-2 H1 weathering steel poles (\$11,634.00).

(d) The purchase of 60,000 feet of 288-count loose tube double jacket cable from NCTC at a cost of \$150,000.00 to extend the electric fiberoptic backbone for the Intellirupter network. Recently a bid was extended for fiberoptic cable and no vendors responded. The NCTC price is competitive, and this price is only a 10% price increase compared to the company's last fiberoptic cable purchase.

(e) The low bid of VFP, Inc. in the amount of \$145,047.00 for a 12' X 28' concrete shelter to be used as the control house for the Piney Flats Substation. Costs for this purchase will be shared by the Electric and Broadband Divisions.

(f) An Amendatory Agreement between BrightRidge and Wolf Tree, Inc., necessitated by unforeseen labor and fuel cost increases. A copy of the Amendatory Agreement is attached hereto as Exhibit "A" to these minutes.

The motion carried unanimously by roll call vote.

Upon motion of Ms. Brock, seconded by Gen. Hite, the Board approved the following item on the Broadband Consent Agenda:

(a) The low bid of Comstar Supply, Inc. in the amount of \$101,840.00 for 400 LG-600FTTX/24 aerial closures.

The motion carried unanimously by roll call vote.

Brian Bolling, Chief Financial Officer and Chief Customer Officer, delivered the June financial report for the Electric Division. Year-to-date income was \$2,789,621.42 more than last year's year-to-date figure and year-to-date actual net income was \$8,994,967.78 more than the budgeted figure. The general fund balance stands at \$27,327,459.42, the reserve fund balance stands at \$6,818,492.65, the special reserve fund (pole attachment fees) balance stands at \$6,064,016.26, the tax equivalent fund balance stands at \$2,972.75, the economic development fund balance stands at \$1,639,096.33, the 2017 bond and interest sinking fund balance stands at \$814,334.47,

the renewal and replacement fund balance stands at \$6,346,018.25, the 2021 bond proceeds fund balance stands at \$22,506,109.62, and the self-insurance fund balance stands at \$2,013,921.29. BrightRidge is currently serving 81,747 customers, which is an increase of 828 customers since the same time last year, which is a 1% growth rate over the previous year. Mr. Bolling discussed various financial impacts on Electric Division revenues (additions and losses of large industrial customers; Broadband Division's impact upon the Electric Division) and the impact of the fuel cost adjustment pass-through increase to customers. He stated in summary that the Electric Division had experienced a very good fiscal year.

Mr. Bolling also delivered the June financial report for the Broadband Division. The division added 3,231 customers in Fiscal Year 2021-22, a 218-customer increase over the amount of budgeted customers for the year. The Broadband Division increased its recurring revenue by 50% in FY 2021-22. The division is ahead of its infrastructure construction schedule at this time.

Broadband year-to-date income was \$361,488.69 more than last year's year-to-date figure and year-to-date actual net income was \$78,176.04 more than the budgeted figure. The cash bank balance stands at \$385,798.34, the broadband debt service fund balance stands at \$1,528,370.43, the reserve fund balance stands at \$501,837.04, the broadband checking account balance stands at \$204,644.20, the broadband money market account balance stands at \$25,666.54, the voice service balance stands at \$75,746.59, and the video service balance stands at \$79,741.01. Capital projects closed to plant through June, 2022 totaled \$8,090,584.60 (less construction work in progress since June, 2021 totaling \$1,723,551.41), with a \$-101,558.19 capital budget remaining at this time.

Approval of the June Electric Division and Broadband Division financial reports was deferred until the September 27, 2022 Board meeting due to lack of a quorum at the time of the proposed vote.

The Human Resources/Insurance Committee report was deferred until the September 27, 2022 Board meeting.

Rodney Metcalf, Chief Operations Officer, delivered a presentation to the Board regarding recent activities in his departments, focusing this month on work performed by the Electric Construction and Electric Service Departments in 2020, 2021, and in 2022 (to date). He discussed the number of maintenance poles installed by Construction, the number of fiber make-ready poles installed, and poles which were replaced as a result of Osmost pole inspections.

With respect to the Electric Service Department, Mr. Metcalf spoke about the number of new services installed, rewires, street light repairs, and calls involving interruptions to electric service as a result of tree issues, traffic accidents, and animals. There continued to be problems with equipment failure of porcelain cut-outs, but replacement of the porcelain items with polymer cut-outs continued in 2021 and does

seem to alleviate this concern. The company continues with its Interruption installations, which assist with isolation of outages.

The Electric Service Department removed 11,574 trees over 6" in diameter in 2020, 10,828 trees in 2021, and is on track to meet or exceed those figures in 2022, having removed 6,652 trees thus far this year.

The presentation of Stacy Evans, Chief Broadband and Technology Officer, relating to the broadband project was deferred until the September 27, 2022 Board meeting.

There being no further business, the meeting was adjourned.

**AMENDATORY AGREEMENT  
Between  
BrightRidge and Wolf Tree, Inc.**

**Amendment Date: August 23, 2022**

**Term of the Amendment: September 1, 2022 through December 31, 2022**

THIS AGREEMENT made and entered into by and between Wolf Tree, Inc. (Wolf); and BrightRidge, an energy authority created and existing under and by virtue of the laws of the State of Tennessee.

**W I T N E S S E T H:**

WHEREAS, Wolf has an agreement with BrightRidge signed October 26, 2018 for the period of January 1, 2019 through December 31, 2023, and

WHEREAS, Wolf provides both tree trimming and vegetation management services to BrightRidge under the terms of the agreement, and

WHEREAS, BrightRidge and Wolf desire to amend the labor and equipment rates within this agreement for the period of September 1, 2022 through December 31, 2023, and

NOW, THEREFORE, the parties agree as follows:

**SECTION 1 - TERM OF AGREEMENT**

This amendatory agreement shall become effective as September 1, 2022 and continue for sixteen months through December 31, 2023.

**SECTION 2 - Terms, Conditions and Pricing**

Wolf and BrightRidge agree to the terms and conditions as set forth in the original agreement signed October 26, 2018 and the amended labor and equipment rates as reflected in Exhibit A.

**SECTION 3 - RATIFICATION OF AMENDMENT**

The amendment of the agreement signed October 26, 2018, is ratified, and confirmed by Wolf and BrightRidge.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representatives as of the day and year as shown at the beginning of the agreement.

**Wolf Tree, Inc.**

By \_\_\_\_\_

Title: \_\_\_\_\_

**BrightRidge**

By \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit A

**Wolf Tree Inc. Proposed Rates**

8/10/2022

**For the period of September 2022 through December 2023**

<b>Proposed Labor Rates to BrightRidge</b>				Current 2022
	Wage	ST	OT	Wage
Supervisor	\$ 25.00	\$ 42.50	\$ 63.45	N/A
Crew Leader (Working) no CDL	\$ 21.16	\$ 39.21	\$ 58.82	\$ 17.16
Crew Leader (Working) CDL	\$ 22.51	\$ 39.35	\$ 59.03	\$ 18.51
Trimmer no CDL	\$ 18.00	\$ 34.35	\$ 51.52	\$ 14.60
Trimmer CDL	\$ 19.50	\$ 36.12	\$ 54.18	\$ 15.49
Ground person/Flag Person no CDL	\$ 15.00	\$ 27.82	\$ 41.47	\$ 12.55
Ground person/Flag Person CDL	\$ 15.62	\$ 27.59	\$ 41.39	\$ 13.62
Herbicide Applicator no CDL	\$ 18.00	\$ 34.35	\$ 51.52	\$ 14.60
Herbicide Applicator CDL	\$ 19.50	\$ 36.12	\$ 54.18	\$ 15.49

<b>Proposed Equipment Equipment</b>				Current 2022
				Price
Pickup Truck 1/2 ton 4x4		\$ 13.18		\$ 9.58
Pickup Truck 3/4 ton 4x4		\$ 13.18		\$ 9.58
Stake Truck 1 Ton		\$ 13.78		\$ 9.58
Aerial Bucket Truck 52' or greater		\$ 19.58		\$ 16.70
Chip Truck		\$ 11.62		\$ 9.58
Small 45' Bucket Truck		\$ 18.38		\$ 15.38
Bush Hog		\$ 32.50		\$ 25.30
17"-24" Chip Grinder with winch (200' rope)		\$ 11.66		\$ 9.26
Aerial Lift 4x4		\$ 26.46		\$ 22.86
Aerial Lift 75'		\$ 28.04		\$ 25.16
Knuckle Boom Log Truck		\$ 36.23		\$ 24.23
Side Arm Bush Hog		\$ 35.54		\$ 28.34
Chip Truck 4x4		\$ 17.78		\$ 15.28
Herbicide Spray Truck		\$ 19.20		\$ 15.60
Mini Track Bucket		\$ 25.04		\$ 22.04
Bush Hog with Herbicide Sprayer		\$ 26.74		\$ 19.54
Fecon Mower		\$ 48.35		\$ 38.75
Fiberglass Aerial Lift saw (Jarraff)		\$ 61.60		\$ 52.00
Stump Grinder		\$ 35.00		\$ 35.00
D-6 Dozer (or larger)		RENTAL + 15%		
Chipper 12-14 with winch		\$ 8.39		\$ 6.40
Large Chipper w/winch		\$ 15.26		\$ 12.26

Current Pricing