

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

December 14, 2022

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

ABSENT: Hal Knight
David Spinnato, Physical Plant/Warehouse Manager
Tiphonie Watson, Customer Support Manager

Chairman Gary Mabrey called the meeting to order.

Upon motion of Mr. Haselsteiner, seconded by Gen. Hite, the following changes were made to today's meeting agenda:

(a) Item No. 7 - Committee Reports - Finance, Audit, Rate and Budget Committee, was moved to Item No. 2.

(b) The following items were added to Item No. 5 - Consent Agenda:

- \$70,997.00 (i) Enclosure of PVC Shed Project - Fire Protectors and Heaters
- \$101,046.00. (ii) Approval for Sunbelt Solomon Transformer Repairs -

The motion carried unanimously by voice vote.

Esther Shelton, Blackburn, Childers and Steagall, CPAs, delivered the BrightRidge audit report and financial statements for the fiscal year 2021-22. She advised the Board that the company again had a "clean" audit opinion in all material respects, and was in a strong net financial position. There were no reportable compliance or internal control issues. She commended BrightRidge accounting managers and staff for their assistance in the preparation of the audit. Upon motion of Dr. King, on behalf of the Committee, the Board voted to approve the FY 2021-22 audit and financial statements as presented. The motion carried unanimously by roll call vote.

Presentation of the November financial reports was deferred until the January, 2023 Board meeting.

Upon motion of Mr. Smith, seconded by Mr. Thomas, the Board approved an FY 2022-23 budget adjustment of \$758,000.00 to compensate for wage and equipment increases for the utility's vegetation contractor, the original contract for which had been approved in August, 2022. The tree-trimming budget would increase from \$3,551,004.00 to \$4,309,004.00. The motion carried unanimously by roll call 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 November 22, 2022.

(b) The low bid of Stuart C. Irby Company in the amount of \$88,500.00 for 3,000 parallel GRVE AL/CU, LC522AXB connectors (\$12,750.00) and 25,000 feet of primary 1/0 AL 15 KV compressed cable (\$75,750.00), and the low bid of Lighthouse Supply Company, Inc. in the amount of \$138,698.00 for 35,000 feet ASCR 954 RAIL 45/7 conductor wire (\$138,698.00).

(c) The low bid of Gresco Supply, Inc. in the amount of \$432,674.00 for two 75 KVA 3 PH padmount 277/480 transformers (\$35,304.00), two 150 KVA 3 PH padmount 277/480 transformers (\$39,384.00), one 225 KVA 3 PH padmount 277/480 transformer (\$24,526.00), three 300 KVA 3 PH padmount 277/480 transformers (\$88,770.00), two 500 KVA 3 PH padmount 277/480 transformers (\$73,104.00), two 750 KVA 3 PH padmount 277/480 transformers (\$91,668.00), two 300 KVA 3 PH padmount 120/208 transformers (\$53,860.00) and one 225 KVA 3 PH padmount 120/208 transformer (\$26,058.00).

(d) Approval of the BrightRidge line mile tree bid to Xylem in the amount of \$1,009,962.84 for Fall Branch (Oak Glen area and Horton Highway area) at \$333,299.72, Piney Flats (Rocky Springs area) at \$561,739.53, Piney Flats (Industrial Park/Tester Hollow areas) at \$91,115.39 and Johnson City (501 East Tenth Avenue) at \$23,808.20.

(e) BrightRidge had budgeted \$600,000.00 in the FY 2022-23 budget to enclose the PVC shed attached to the Warehouse. Due to needing to change the existing sprinkler system from a "dry system" to a "wet system", installation of ceiling heaters needed to be moved up to reduce the possibility of pipes freezing. The Fire Inspector had also required the installation of additional sprinkler heads and the updating of the fire protection system. The costs to make these revisions is \$70,997.00, resulting in an overage of \$25,943.58 from the current budget allocation. However, the FY 2022-23 budget has a sufficient contingency to cover this overage. The additional funding for the project in the amount of \$70,997.00 was approved by the Board.

(f) Approval of the RFQ to Sunbelt Solomon for the repair and refurbishment of 28 transformers in the amount of \$101,046.00. Repair and replacement is predicated by supply chain issues resulting in extremely long lead times for the purchase of new transformers. Three of the transformers to be repaired and refurbished are 1,250 kVA transformers used by large commercial and industrial customers.

The motion carried unanimously by roll call vote.

Upon motion of Ms. Brock, seconded by Mr. Thomas, the Board approved the following 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, Harvey Bawgus was employed by Johnson City Power Board on September 11, 1989, until retiring from BrightRidge on Tuesday, January 17, 2023; and

WHEREAS, during his thirty-three years and three months of service with the Johnson City Power Board, Johnson City Energy Authority, and BrightRidge, he served as a Meter Reader, Groundman, Lineman Apprentice, Construction Lineman, and Service Lineman; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mr. Bawgus 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 14th day of December, 2022 that Harvey

Bawgus 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 to Mr. Bawgus and be spread in full on the minutes of the proceedings of this meeting.

The motion carried unanimously by voice vote.

Upon motion of Mr. Smith, seconded by Mr. Thomas, the Board approved the following 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, Lana Bennett was employed by Johnson City Power Board on March 14, 2005, until retiring from BrightRidge on Thursday, January 5, 2023; and

WHEREAS, during her seventeen years and nine months of service with the Johnson City Power Board, Johnson City Energy Authority, and BrightRidge, she served as a Customer Service Representative; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Ms. Bennett for her outstanding service to the customers and staff of BrightRidge by her many years of dedication and loyalty;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of BrightRidge, meeting in regular session on the 14th day of December, 2022 that Lana Bennett be, and hereby is, officially commended for her seventeen years and nine months of service to the customers of BrightRidge.

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

The motion carried unanimously by voice vote.

Upon motion of Gen. Hite, seconded by Mr. Haselsteiner, the Board approved the following 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, Larry Simerly was employed by Johnson City Power Board on September 19, 1989, until retiring from BrightRidge on Tuesday, January 17, 2023; and

WHEREAS, during his thirty-three years and three months of service with the Johnson City Power Board, Johnson City Energy Authority, and BrightRidge, he served as a Meter Reader, Groundman, Lineman Apprentice, Construction Lineman, and Service Lineman; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mr. Simerly 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 14th day of December, 2022 that Larry Simerly 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 to Mr. Simerly and be spread in full on the minutes of the proceedings of this meeting.

The motion carried unanimously by voice vote.

Upon motion of Ms. Brock, seconded by Dr. King, the Board approved the following 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, Keith Toth was employed by Johnson City Power Board on October 27, 1986, until retiring from BrightRidge on Thursday, January 5, 2023; and

WHEREAS, during his thirty-six years and two months of service with the Johnson City Power Board, Johnson City Energy Authority, and BrightRidge, he served as a Meter Reader and Order Worker; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mr. Toth 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 14th day of December, 2022 that Keith Toth be, and hereby is, officially commended for his thirty-six years and two months of service to the customers of BrightRidge.

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

The motion carried unanimously by voice vote.

Upon motion of Mr. Thomas, seconded by Gen. Hite, the Board approved the following Resolution:

WHEREAS, Ms. Terri Mullenix-Jackson was appointed Recording Secretary for the Johnson City Power Board by its legal counsel in April, 1997, and has served faithfully in that capacity for twenty-five years, eight months; and

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

WHEREAS, Terri has faithfully attended regular monthly and called Board meetings, recording attendance and Board actions, and has always been a steady presence in an ever-changing landscape. Terri has performed her job with the utmost professionalism, integrity, and accuracy, and is to be highly commended; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Terri for her outstanding service to the citizens, staff, and Board members of BrightRidge by her dedication and loyalty,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of BrightRidge, meeting in regular session on the 14th day of December, 2022 that Ms. Terri Mullenix-Jackson be, and hereby is, officially honored for her twenty-five years, eight months of service to the Board of Directors, staff, and legal counsel of BrightRidge.

BE IT FURTHER RESOLVED that a copy of this Resolution be presented to Ms. Mullenix-Jackson and be spread in full on the minutes of the proceedings of this meeting.

The motion carried unanimously by voice vote.

Eric Egan, Chief Data Officer, delivered an officer update to the Board, this month focusing on the work of Investigator/Claims Facilitator Keith Swink. Mr. Swink's Investigator role encompasses meter tampering, power diversion, and unauthorized usage cases, as well as rate investigations, wherein a customer charged a general service rate may need to be converted to a residential rate, such as when a garage is converted to an apartment, or a business office is converted to a residence.

Mr. Swink also works with customers in resolving unsafe conditions relating to their electrical service, such as rusted or unsecure meter bases, exposed wiring, damaged conduit, or access issues.

With respect to his Claims Facilitator role, Mr. Swink works with claims involving broken power poles, vehicle damage claims, and property damage claims. His work in this regard results in approximately \$236,000.00 in recovered funds per year for these damages.

Mr. Egan introduced Mr. Swink, who delivered an informative slide presentation about some of the hazards he had encountered in his investigations and examples of pole and other damage incurred upon BrightRidge property.

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 9,640 active customers, 9.5% of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	1,136
Johnson City Fiber:	4,993
Piney Flats Fiber:	9
Telford Fiber:	205
Limestone Fiber:	295
Gray Fiber:	2,613
Kingsport Fiber:	185
Fall Branch Fiber:	36
Fixed Wireless:	168
Managed Wi-Fi:	6,219 (72% average "take rate")
IPTV Video:	1,229
Telephone VoIP:	1,119

Broadband deployment areas are as follows:

Johnson City:	4,933
Gray/Kingsport:	2,798
Jonesborough:	1,136
Bowmantown:	500

Mr. Evans stated that the Broadband Division was scheduled to add 3,206 net customers for a target of 10,964 by the end of the current fiscal year. An average of 61 net adds per week would be necessary to meet this goal. As of December 9, 2022, the division is trending 373 customers ahead of the linear budget line, with expected customer growth to exceed 10,000 customers by the end of January.

Work continues on the Phase 5 build-out, with 61% of the project completed and 4,364 addresses serviceable at this time. Additional projects scheduled to begin shortly are the Phase 6 aerial fiberoptic construction, and additional builds in an extension of the Bowmantown area which passes 95 residences and two businesses, the New Salem Extension which passes 83 residences and three businesses, the Proffit Lane and Ford Creek Road area which passes 199 residences, and the Walkers Bend Subdivision, Hugh Cox, and Jack Martin Lane which passes 170 residences and is an extension from

the grant to schools project. The Board approved the Fall Branch construction at its October Board meeting, which will build fiber to 387 addresses.

Mr. Evans announced recent results in expected average broadband speed ranges as reported by Ookla's Speedtest.net results (search for "speedtest johnson city tn" at <https://www.speedtest.net/performance/united-states/tennessee/johnson-city>), and BrightRidge Broadband's expected speed ranges surpassed those of its competitors.

Mr. Evans advised the Board that the Broadband Division is now using a new product called Route This Wi-Fi-Certify to assist customers in finding the most optimal location to place their wireless wi-fi routers at their locations. The product utilizes Google Maps to create an outline of the home based upon its address, including dimensions of outside walls. The product can perform a signal strength projection to the home based upon various locations of the wi-fi router and, if applicable, mesh extenders. The tool allows the BrightRidge Broadband installer to educate a customer regarding predicted optimal placement of the wireless router. It also allows the technician to run speed tests and evaluate wi-fi performance in each room of the home and creates a baseline record which can be reviewed in the event troubleshooting is needed later.

CEO Jeff Dykes expressed his appreciation to the BrightRidge employees who had recently assisted at the Johnson City Christmas Parade and the downtown tree-lighting ceremony. He also expressed his appreciation to the Board of Directors for its foresight in investing in the best technologies relating to both electric and broadband products. He advised that the Board's leadership had resulted in \$6.24 million that benefitted BrightRidge customers as a result of the pandemic relief credit, aid to low-income customers, and the \$5.8 million in in-lieu-of tax credits paid by BrightRidge to Johnson City and Washington County.

Mr. Dykes stated that the Bill Gatton School of Pharmacy, which currently operates as a private school, was eligible for \$5 million in state-level funding to reduce tuition for pharmacy school students. The school is seeking letters of support from community leaders and organizations, and he asked whether the Board would approve him sending a letter of support to state elected officials and the Governor on behalf of BrightRidge. He also encouraged Board members to send individual letters of support. Several Board members spoke in favor of such a letter, and Mr. Dykes will draft same on behalf of the organization.

The CEO invited Board members to attend a conference of the Tennessee fiberoptic community in Morristown on Monday, December 19, 2022, beginning at 9:00 AM. Local legislators will be present at the meeting. A similar meeting had previously been held at BrightRidge a short time ago.

There being no further business, the meeting recessed into Executive Session. Following the Executive Session, the meeting was adjourned.