

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

February 18, 2020

PRESENT: Dan Brant
Jenny Brock
Joe Grandy
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 & Market Strategy Officer
Mark Eades, Chief Engineering and Technology Officer
Eric Egan, Chief Data Officer
Brian Ellis, Service Department Manager
Stacy Evans, Chief Broadband Officer
Donnie Hall, Safety/Environmental Manager
David Spinnato, Physical Plant/Warehouse Manager
Tiphonie Watson, Customer Support Manager
Tim Whaley, Director of Public and Governmental Affairs
Stephen M. Darden, Attorney

ABSENT: Hal Knight
Guy Wilson
Rodney Metcalf, Chief Operations Officer
Angela Shrewsbury, Energy Services/Marketing Manager

Chairman B. J. King called the meeting to order, and welcomed Bonnie Donnolly, Chief Development and Market Strategy Officer for BrightRidge, who was attending today's meeting. Ms. Donnolly was recently employed by the company and brings with her an impressive history of management experience, as well as 18 years of service in an energy environment.

Upon motion of Ms. Brock, seconded by Mr. Smith, the Board voted to move the Executive Session shown as Item No. 10 on the meeting agenda to Item No. 2, to add Quotation #6265 and Sealed Bid #5334 to the Electric Division Consent Agenda, and to replace the estimated totals for the items on the Broadband Division Consent Agenda

with firm pricing (bid openings had not been held prior to the issuance of the Board packets). The motion carried unanimously.

The Board then recessed into Executive Session.

When the regular Board meeting was reconvened from the Executive Session, upon motion of Ms. Brock, seconded by Mr. Smith, the Board voted to authorize BrightRidge counsel to file a Complaint for Declaratory Judgment against Century Link in the United States District Court, Eastern District of Tennessee, regarding a dispute involving joint-use utility poles. The motion carried unanimously.

Donnie Hall, Safety/Environmental Manager, presented the BrightRidge Annual Safety Review for 2019. Company employees experienced six lost-time accidents this past year, as well as six no-lost-time accidents. Employees logged 412,232 hours worked in 2019, an increase of 16,552 hours over 2018. Knee injuries topped the 2019 injury list at 33%, followed by hand (25%) and shoulder (25%) injuries.

BrightRidge continues to search for innovative ways to avoid accidents. One example from this past year was the purchase of two aluminum dollies containing two 400-pound magnets each, which are used to lift heavy manhole covers that had previously required prying the cover off with a crowbar.

BrightRidge vehicles were driven a total of 1,053,915 miles in 2019, and experienced eight at-fault accidents and eight no-fault accidents. Most of the no-fault accidents involved mirror swipes. The 360-degree backing program and the placement of cones in the front and in the rear of parked trucks continue to successfully deter backing accidents, as only one backing accident occurred in 2019.

BrightRidge employees completed 4,337 hours of training last year. Mr. Hall stated that the company was researching the possibility of incorporating some online training into its curricula in 2020.

Harrell Group, the company's security provider, has been beneficial in shoring up facilities and grounds security. In 2019, Harrell assisted with Envoy implementation, streamlining of camera access, implementation of sign-in/sign-out procedures for substations, updating of security procedures for the Customer Service area, and incorporation a security icon onto the desktop computer applications for Customer Service personnel. Harrell guards handled two security interventions, as well as a 12-minute lockdown of the Boones Creek Road facility on January 20, 2020, assisted by the Tennessee Highway Patrol, Tennessee Bureau of Investigation, Washington County Sheriff's Office and Johnson City Police Department.

In 2020, installment of additional cameras in blind locations and at substation gates is anticipated, as well as the assignment of an additional security guard to maintain the Envoy system, monitor Gate C at the Boones Creek Road facility, and

patrol various checkpoints in the facilities and on the grounds, including the contractors' area and the fleet area.

Upon motion of Mr. Grandy, seconded by Dr. Knight, the monthly power distributor's report submitted to the Tennessee Valley Authority for November, 2019 was approved. The motion carried unanimously. Brian Bolling stated that November was again a mild month, with nine days having daily high temperatures of over 60 degrees. Year-to-date income was \$76,314.80 less than last year's year-to-date figure. However, year-to-date actual net income was \$605,108.03 more than the budgeted figure. The general fund balance stood at \$27,280,052.49, the reserve fund balance stood at \$6,677,222.83, the special reserve fund balance stood at \$5,939,825.00, the tax equivalent fund balance stood at \$2,363,095.70, the economic development fund balance stood at \$1,811,944.97, the 2017 bond and interest sinking fund balance stood at \$1,597,784.79, the renewal and replacement fund balance stood at \$6,215,559.57, and the self-insurance fund balance stood at \$2,006,576.27. The drop in the general fund balance resulted from replenishment to reserves of loan funding made to the Broadband Division. As of December, 2019, the Electric Division had loaned approximately \$15 million to the Broadband Division. BrightRidge served 79,164 customers in November, which was an increase of 528 customers since the same time last year.

Upon motion of Mr. Thomas, seconded by Ms. Brock, the monthly financial statements for November, 2019 for the Broadband Division were approved. The motion carried unanimously. The cash bank balance stood at \$2,736,392.93 and capital projects closed to plant through November totaled \$2,812,521.43 (plus construction work in progress since June, 2019 totaling \$1,958,192.54), with a \$4,152,180.03 capital budget remaining at this time.

Upon motion of Mr. Thomas, seconded by Mr. Mabrey, the monthly power distributor's report submitted to the Tennessee Valley Authority for December, 2019 was approved. The motion carried unanimously. December was even milder in weather than November, with eleven days having daily high temperatures of over 60 degrees and one day having a high temperature of over 70 degrees. Year-to-date income was \$606,370.26 less than last year's year-to-date figure. Year-to-date actual net income was \$1,683,497.06 more than the budgeted figure. The general fund balance stands at \$29,484,157.63, the reserve fund balance stands at \$6,686,296.54, the special reserve fund balance stands at \$5,947,896.65, the tax equivalent fund balance stands at \$2,829,646.47, the economic development fund balance stands at \$1,826,922.62, the 2017 bond and interest sinking fund balance stands at \$1,919,482.37, the renewal and replacement fund balance stands at \$6,224,005.92, and the self-insurance fund balance stands at \$2,007,944.11. BrightRidge is currently serving 79,379 customers, which is an increase of 644 customers since the same time last year.

Upon motion of Mr. Thomas, seconded by Mr. Mabrey, the monthly financial statements for December, 2019 for the Broadband Division were approved. The motion carried unanimously. The cash bank balance stands at \$1,451,137.64, and capital projects closed to plant through December totaled \$3,041,737.79 (plus construction work

in progress since June, 2019 totaling \$2,539,770.02), with a \$3,341,386.19 capital budget remaining at this time. There are presently 773 total customers in the Broadband Division.

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

(a) The minutes of the December 17, 2019 and January 28, 2020 Board meetings.

(b) The low bid of Irby in the amount of \$67,551.40 for 600 dead end 25 KV insulators (\$5,670.00), 30 F/G 1-PH transformer box pads (\$4,811.40), 100 head RMA 100 W lighting (\$3,820.00), and 25,000 feet of primary 1/0 AL 15 KV compressed cable.

(c) The low bid of Border States in the amount of \$103,706.05 for 55,000 feet of ACSR 954 rail 45/7 conductor (\$82,486.25), 100 feet 1" X 24" double arming bolts, w/nuts (\$4,649.00), 200 high strength A325 3/4" X 14" bolts (\$4,334.00), 30,000 feet of 3/8" high strength 7-strand guy wire (\$8,527.50), and 1,000 feet of vinyl electrical tape (\$3,710.00).

(d) The low bid of Border States in the amount of \$70,486.80 for 60 dead end 8' F/B bray crossarms (\$12,953.40), 60 tangent 8' F/G gray crossarms (\$6,866.20), 30 Evolve 194 W LED lighting fixtures (\$16,423.20), and 300 Linkbreak 100A Type C cutouts (\$34,224.00).

(e) The low bid of Border States in the amount of \$69,438.39 for 1 75' LD-3 steel weathering pole (\$3,425.06), 1 80' LD-3 steel weathering pole (\$4,080.99), 1 95' LD-4 H3 steel weathering pole (\$5,605.47), 1 55' LD-1 steel weathering pole (\$2,774.94), 1 85' LD-3 steel weathering pole (\$4,429.96), 5 70' LD-1 steel weathering poles (\$15,399.85), 2 70' LD-2 H1 steel weathering poles (\$6,539.16), 1 85' LD-1 steel weathering pole (\$3,894.33), 1 85' LD-2, H1 steel weathering pole (\$4,148.24), 2 65' LD-1 steel weathering poles (\$5,586.66), 3 75' LD-1 steel weathering poles (\$10,024.64), and 1 75' LD-2 H1 steel weathering pole (\$3,529.08).

(f) The low bid of Border States in the amount of \$91,462.66 for 2 70' LD-3 steel weathering poles (\$7,424.48), 1 75' LD-3 steel weathering pole (\$4,058.84), 16 70' LD-1 steel weathering poles (\$51,967.84), 5 60' LD-1 steel weathering poles (\$13,343.65), and 5 65' LD-1 steel weathering poles (\$14,667.85).

(g) The low evaluated bid of ERMCO in the amount of \$224,100.00 for 100 15 KVA 1 PH CSP transformers (\$74,200.00), 100 25 KVA 1 PH CSP transformers (\$80,000.00), 30 37.5 KVA 1 PH CSP transformers (\$31,740.00), and 30 50 KVA 1 PH CSP transformers (\$38,160.00).

(h) The low bid of Border States in the amount of 121,876.60 for 70,000 feet of ACSR 954 rail 45/7 conductor (\$104,982.50), 100 A325 3/4" X 14" high strength

bolts (\$2,167.00), 30,000 feet of 3/8" high strength 7-strand guy wire (\$8,527.50), and 20 davit upsweep 4' medium-duty arms (\$6,199.60).

(i) The low evaluated bid of ERMCO in the amount of \$317,799.00 for 9 415Y/240 3000 KVA 3-phase pad mount transformers.

These materials are both stock items and items needed for the block chain service center.

The motion carried unanimously.

Upon motion of Mr. Grandy, seconded by Mr. Mabrey, the Board approved the following items on the Broadband Division Consent Agenda:

(a) The low bid of Anixter in the amount of \$214,350.00 for 200,000 feet of 144 CT singlemode loose tube fiber (\$161,000.00), 200 quazite 12" X 12" enclosure covers (\$12,880.00), and 200 quazite 13" X 24" enclosure covers (\$40,470.00).

(b) The low bid of TTM in the amount of \$184,000.00 for 200,000 feet of 48 CT singlemode loose tube fiber (\$67,000.00) and 200,000 feet of 96 CT singlemode loose tube fiber (\$117,000.00).

(c) The low bid of Graybar in the amount of \$287,670.00 for 200,000 feet of 288 CT singlemode loose tube fiber.

(d) The low bid of ComStar in the amount of \$94,454.10 for 200 quazite 12" X 12" X 12" enclosure boxes (\$10,172.00), 200 quazite 13" X 24" X 18" enclosure boxes (\$16,232.00), 200 quazite 24" X 36" X 24" enclosure boxes (\$33,486.00), 10 quazite 30" X 48" X 24" enclosure boxes (\$3,558.10), and 200 quazite 24" X 36" enclosure covers (\$31,006.00).

These materials will be used in the Phase 2 Underground projects and the Phase 3 Aerial Fiber projects.

The motion carried unanimously.

Eric Egan, Chief Data Officer, presented a year-end review regarding his department. In 2019, 6,532 TALO load control devices were installed, 77,983 work orders were completed, and 230,121 meter intervals were edited by the Billing Department, with an AMI/MDM interval data accuracy rate of 99.9963%. The utility began serving as a pilot participant in a TVA data analytics project in 2019. Mr. Egan and/or his staff were invited to speak or deliver presentations at four national and two Tennessee Valley conferences last year.

Mr. Egan introduced his team members and briefly discussed the employment responsibilities of each, including Matt Heath, AMI Department Manager; Adam Miller, Software Developer/DERMS Administrator; Keith Swink, Investigator;

Regina G'Fellers, Billing and Data Control Supervisor; Lisa Soffiotto, Billing and Data Control Team Lead; and Heather Light, Billing and Business Process Manager.

Mr. Egan discussed how the utilization of the OATI DERMS (Distributed Energy Research Management System) will assist the company in more accurately predicting energy peaks and, as a result, better controlling load.

Heather Light, Billing and Business Process Manager, delivered a brief Business Process Overview, which dissects a process to either create or optimize its utilization and to generate measurable accountability for the process. She further outlined the steps and defined the stakeholders in such an overview analysis.

Stacy Evans, Chief Broadband Officer, delivered an update to the Board regarding the broadband build-out and marketing strategies relating to the promotion of broadband service.

CEO Jeff Dykes delivered a travel update relative to the APPA legislative meeting in Washington, DC next week.

There being no further business, the meeting was adjourned.