

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

February 22, 2022

PRESENT: Dan Brant
Jenny Brock
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
Bonnie Donnolly, Chief Development and Market Strategy Officer
Mark Eades, Chief Engineering and Facilities Officer
Eric Egan, Chief Data Officer
Stacy Evans, Chief Broadband and Technology Officer
Donnie Hall, Safety/Environmental Manager
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: Joe Grandy
James Haselsteiner
Hal Knight
Connie Crouch, Human Resources Manager
Brian Ellis, Service Department Manager
David Spinnato, Physical Plant/Warehouse Manager

Chairman James Smith called the meeting to order.

Safety/Environmental Manager Donnie Hall delivered the 2021 Safety/Security Update to the Board of Directors. In 2021, BrightRidge employees worked 355,469 hours with nine accidents. Only two of those nine accidents were "lost time" accidents. The majority of the past year's accidents were leg or knee injuries.

BrightRidge employees drove 1,086,213 miles with only 18 vehicle accidents last year. Eight of the accidents were considered "at fault" accidents and 10 of

the accidents were "not at fault" accidents. Most of the "at fault" accidents were mirror swipes involving larger BrightRidge trucks.

Mr. Hall discussed the benefits of available onsite nursing in keeping OSHA recordables and insurance claims down.

With respect to security, Mr. Hall advised that 14 new security cameras had been installed at BrightRidge facilities, and a second security guard had been added. Additional outdoor lighting has also been placed. Contractors are now required to show a photo ID upon entering BrightRidge sites, and improved methods are being developed to track company tools.

Because of COVID, most training this year continued to be held online or by e-mail.

Several of the Board members commended Mr. Hall for his training efforts and for promoting a culture of safety within BrightRidge.

Upon motion of Mr. Thomas, seconded by Ms. Brock, the monthly power distributor's report submitted to the Tennessee Valley Authority for January, 2022 was approved. The motion carried unanimously by roll call vote. Year-to-date income was \$2,382,929.91 more than last year's year-to-date figure and year-to-date actual net income was \$4,597,021.41 more than the budgeted figure. The general fund balance stands at \$27,267,224.71, the reserve fund balance stands at \$6,807,349.97, the special reserve fund balance stands at \$6,054,057.85, the tax equivalent fund balance stands at \$3,194,098.37, the economic development fund balance stands at \$1,565,621.02, the 2017 bond and interest sinking fund balance stands at \$2,554,016.26, the renewal and replacement fund balance stands at \$6,335,596.72, the 2021 bond proceeds fund balance stands at \$27,213,117.04, and the self-insurance fund balance stands at \$2,002,289.09. BrightRidge is currently serving 81,130 customers, which is an increase of 1,021 customers since the same time last year.

Upon motion of Mr. Thomas, seconded by Ms. Brock, the monthly financial statements for January, 2022 for the Broadband Division were approved. The motion carried unanimously by roll call vote. Year-to-date income was \$857,927.27 more than last year's year-to-date figure and year-to-date actual net income was \$437,891.44 more than the budgeted figure. The cash bank balance stands at \$1,428,534.47, the broadband debt service fund balance stands at \$276,687.38, the reserve fund balance stands at \$1,000,208.22, the broadband checking account balance stands at \$1,173,041.62, the broadband money market account balance stands at \$23,350.68, the voice service balance stands at \$140,976.84, and the video service balance stands at \$89,165.33. Capital projects closed to plant through January, 2022 totaled \$4,263,156.04 (less construction work in progress since June, 2021 totaling \$886,109.67), with a \$2,888,428.63 capital budget remaining at this time.

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

(a) The minutes of the regularly scheduled Board meeting on January 25, 2022.

(b) The low bid of Williams Electric Supply Company in the amount of \$84,107.50 for 4,650 feet of rigid 2" PVC conduit (\$13,345.50), 11,200 feet of rigid 2 1/2" PVC conduit (\$50,344.00), 6,000 feet of continuous 2.5" HDPE SDR 13.5 conduit (\$8,562.00) and 12,000 feet of continuous 2" HDPE SDR 13.5 conduit (\$11,856.00).

(c) The purchase of 24,000 feet of primary 500CU 15 kV cable from Stuart C. Irby Company in the amount of \$654,120.00.

(d) The bid of NCTC in the amount of \$207,680.00 for 44,000 feet of 288-count loose tube double jacketed cable (\$57,200.00) and 66,000 feet of 144-count loose tube double jacketed cable (\$150,480.00). NCTC could ship this fiber in a more timely manner than other suppliers due to supply chain issues.

(e) The purchase of 25 15 KVA CSP transformers (\$41,725.00), 10 25 KVA CSP transformers (\$18,980.00), and 9 100 KVA 277/480 conventional transformers (\$31,599.00) from Solomon Corporation at a total cost of \$92,304.00.

The motion carried unanimously by voice vote.

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

(a) The purchase of a used Altec bucket truck from Global Rental Company, Inc. at a cost of \$104,000.00. The purchase of the vehicle will allow BrightRidge Broadband field techs to make fiber drops instead of using a contractor for same, which would save approximately \$120,000.00 per year in contractor services, thus covering the cost of the truck during its first year of operation.

(b) The purchase of the following fiber jumpers from Core Telecom at a total cost of \$346,812.00:

(i)	1,800 50' jumpers:	\$60,012.00
(ii)	1,800 100' jumpers:	\$80,046.00
(iii)	1,800 75' jumpers:	\$74,178.00
(iv)	1,200 200' jumpers:	\$69,036.00
(v)	900 300' jumpers:	\$63,540.00

Core Telecom has purchased the rights to all manufactured Belden Fiber jumpers through the end of June, 2022 and are the sole source provider for these items until that time.

The quantities ordered are for a six months' supply and need to be ordered as soon as possible due to extended lead times for the products.

(c) The purchase of fiber materials for the proposed Washington County grant build from Border States Electric Supply in the amount of \$622,154.00, as follows:

(i)	200,000 feet of 48-count fiber:	\$117,204.00
(ii)	200,000 feet of 96-count fiber:	\$193,118.00
(iii)	200,000 feet of 144-count fiber:	\$251,398.00
(iv)	200,000 feet of 4-count drop fiber:	\$ 60,434.00

The purchase of these materials at this time is predicated by the tremendous increase in demand for fiberoptic materials due to the Broadband Equity, Access and Deployment program under the Infrastructure and Jobs Act of 2021 passed by the United States Congress. Further, Border States has sufficient stock currently on hand to cover this purchase. In the event that the Washington County grant application is not approved, the fiber can be utilized for future opportunities or sold to another entity. The funds for the purchase will come from the FY 2022 Broadband budget.

The motion carried unanimously by voice vote.

Upon motion of Ms. Brock, seconded by Mr. Mabrey, the Board approved the following Resolution:

On April 21, 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, Tony Gouge was employed by the Johnson City Power Board on May 27, 1997 until retiring from BrightRidge on Tuesday, March 15, 2022; and

WHEREAS, during his twenty-four years and nine months of service with the Johnson City Power Board, Johnson City Energy Authority, and BrightRidge, he served as Engineering Assistant, Engineering Controller, Assistant Systems Network Administrator, and Network Server Analyst; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mr. Gouge 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 22nd day of February, 2022, that Tony Gouge be, and hereby officially is, commended for his twenty-four 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. Gouge 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 a presentation to the Board regarding recent activities in his department, focusing this month on the development of software and information systems to better manage and analyze company data. Mr. Egan stated that there was a wealth of available collected company data, but that there were no efficient or comprehensive ways to analyze same. In 2013, Adam Miller, who had served as a software developer and consultant for several other utilities, was hired as a Systems Analyst to work on these issues. Some of the projects he has developed during his tenure with BrightRidge include a badge reading system for safety training; go-between software linking information from various data collection computer programs used by the utility; "Emily", the billing robot; Mobi TV middleware for the Broadband Division; and various management consoles for the Billing, Construction, Accounting, and AMI Departments. Beginning in November, 2019, Mr. Miller became the DERMS Administrator, dealing with demand response initiatives management, and will soon also be serving as AMI Network Administrator.

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 6,606 active customers, 9.38% of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	844
Johnson City Fiber:	3,067
Piney Flats Fiber:	6
Telford Fiber:	152
Limestone Fiber:	234
Gray Fiber:	1,985
Kingsport Fiber:	127
Fall Branch Fiber:	22
Fixed Wireless:	169
Managed Wi-Fi:	4,208 (71.4% average "take rate")
IPTV Video:	1,285
Telephone VoIP:	894

Linear weekly customer adds are exceeding the budgeted goal of 58.4. As of the time of the Board meeting, the Broadband Division's customers are trending 152 customers above the linear budget line.

Mr. Evans stated that Phase IV of the broadband construction project should be completed by the end of March.

On-site trouble calls over the past three months were briefly discussed, with most on-site calls dealing either with the addition of equipment or in assisting customers with issues arising from customer-owned equipment. Overall, the number of required on-site calls was minor.

BrightRidge Broadband representatives provided Johnson City's City Manager with a detailed broadband expansion proposal on February 13, 2022. The city will review various requests for ARPA funds projects in the near future.

BrightRidge Broadband representatives have delivered presentations to the ARPA, CIA, and Budget Committees of the Washington County Commission relative to expansion opportunities under the Tennessee ECD - Emergency Broadband grant program. A resolution will be considered by the full Commission at a meeting on February 24, 2022, and BrightRidge Broadband will make a presentation before the Commission at that time. BrightRidge has conducted surveys about broadband service in Washington County, and more than 300 families have responded to same. Most families completing the survey complained of lack of access to any form of internet service or of having extremely low-speed service. Those who had access to low-speed DSL-based internet had also encountered frequent outages of their service. Survey respondents consistently cited a severe disadvantage regarding remote work, remote education, home businesses, and utilization of telehealth initiatives.

CEO Jeff Dykes advised the Board that he would be e-mailing members soon regarding bid openings for capital projects. He stated that work on the 2022-2023 capital budgets was also under way and that workshops would be scheduled soon regarding those budgets.

Mr. Dykes thanked Mr. Thomas and Ms. Brock for attending the recent meetings with area legislators in Nashville. He stated that he felt that those meetings went very well.

Mr. Dykes reiterated that BrightRidge Broadband representatives would be attending the Washington County Commission meeting on Thursday, February 24th, in an effort to obtain \$2,646,912.00 in matching funds under the American Rescue Plan funding for broadband expansion in the county. The Board briefly discussed three elements of the proposed County Resolution relating to the funding.

Steve Darden delivered a brief update to the Board regarding a hearing held today concerning the Red Dog/BrightRidge/Washington County litigation. Red Dog's counterclaim against Washington County was dismissed and a hearing regarding Washington County's request for a partial summary judgment will be held on March 14, 2022, and if granted, the jury trial on the matter will begin on March 15th.

There being no further business, the meeting was adjourned.