

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

January 15, 2022

PRESENT: Jenny Brock
James Haselsteiner
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
Stacy Evans, Chief Broadband and Technology Officer
Rodney Metcalf, Chief Operations Officer
Tim Whaley, Director of Public and Governmental Affairs

ABSENT: Dan Brant
Joe Grandy
Hal Knight
Brian Ellis, Service Department Manager
Donnie Hall, Safety/Environmental Manager
David Spinnato, Physical Plant/Warehouse Manager
Melissa Taylor, Supervisor, General Accounting
Tiphonie Watson, Customer Support Manager
Stephen M. Darden, Hunter Smith Davis, LLP

Chairman James Smith called the meeting to order.

Upon motion of Ms. Brock, seconded by Mr. Mabrey, the Board voted to add as Item 4 (E.) to the Consent Agenda - Electric - consideration of the purchase of LED lighting and disconnect/loadbreak switches. The motion carried unanimously by voice vote.

Upon motion of Mr. Thomas, seconded by Mr. Haselsteiner, the Board voted to add as Item 5 (B.) - Consent Agenda - Broadband - consideration of a cost increase in fiber-optic material purchased on Purchase Order 114970. The motion carried unanimously by voice vote.

Upon motion of Mr. Haselsteiner, seconded by Mr. Thomas, the monthly power distributor's report submitted to the Tennessee Valley Authority for November 2021 was approved. The motion carried unanimously by roll call vote. Year-to-date income was \$1,015,366.98 more than last year's year-to-date figure and year-to-date actual net income was \$1,158,906.73 more than the budgeted figure. The general fund balance stood at \$21,511,111.30, the reserve fund balance stood at \$6,802,727.06, the special reserve fund balance stood at \$6,049,946.51, the tax equivalent fund balance stood at \$2,252,568.16, the economic development fund balance stood at \$1,540,241.83, the 2017 bond and interest sinking fund balance stood at \$1,791,178.24, the renewal and replacement fund balance stood at \$6,331,294.18, and the self-insurance fund balance stood at \$2,001,608.43. In November, BrightRidge served 81,192 customers, which is an increase of 1,291 customers since the same time last year.

Upon motion of Ms. Brock, seconded by Dr. King, the monthly power distributor's report submitted to the Tennessee Valley Authority for December 2021 was approved. The motion carried unanimously by roll call vote. Year-to-date income was \$649,042.16 more than last year's year-to-date figure and year-to-date actual net income was \$2,384,000.86 more than the budgeted figure. The general fund balance stands at \$22,864,954.47, the reserve fund balance stands at \$6,804,963.57, the special reserve fund balance stands at \$6,051,935.53, the tax equivalent fund balance stands at \$2,723,231.20, the economic development fund balance stands at \$1,552,923.42, the 2017 bond and interest sinking fund balance stands at \$2,172,514.92, the renewal and replacement fund balance stands at \$6,333,375.70, the 2021 bond proceeds fund balance stands at \$27,455,143.80, and the self-insurance fund balance stands at \$2,001,937.73. BrightRidge is currently serving 81,112 customers, which is an increase of 1,068 customers since the same time last year.

Upon motion of Mr. Haselsteiner, seconded by Mr. Thomas, the monthly financial statements for November 2021 for the Broadband Division were approved. The motion carried unanimously by roll call vote. The cash bank balance stood at \$3,294,429.65, and capital projects closed to plant through November 2021 totaled \$3,881,423.89 (less construction work in progress since June, 2021 totaling \$1,318,915.19), with a \$3,702,966.30 capital budget remaining at the end of November.

Upon motion of Ms. Brock, seconded by Dr. King, the monthly financial statements for December 2021 for the Broadband Division were approved. The motion carried unanimously by roll call vote. The cash bank balance stands at \$2,337,914.47, and capital projects closed to plant through December 2021 totaled \$3,997,016.35 (less construction work in progress since June, 2021 totaling \$1,108,005.17), with a \$3,376,463.82 capital budget remaining at this time (including potential grant money in the amount of \$500,000.00).

Upon motion of Mr. Thomas, 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 December 15, 2021.

(b) The bid of Border States Electric Supply in the amount of \$98,441.70 for 52,500 AAC 556.5 Dahlia conductors (\$76,650.00), 20,000 Triplex #2 Clam XLP conductors (\$13,920.00), and 30 Transformer Box Pads, F/G for 1-Ph (\$7,871.70). The bids for the conductors were awarded to Border States based upon lead times, as the conductors are needed as soon as possible.

(c) (i) The low evaluated bid of ERMCO in the amount of \$333,900.00 for 300 15 KVA CSP 120/240 transformers; and

(ii) The low evaluated bid of Gresco Supply Company, Inc. in the amount of \$741,970.00 for 300 25 KVA CSP 120/240 transformers (\$555,450.00) and 80 37.5 KVA CSP 120/240 transformers (\$186,520.00).

(d) The low evaluated bid of Sunbelt-Solomon Solutions in the amount of \$120,865.00 for 25 Reman 15 KVA single-phase pole-mounted transformers (\$45,575.00), 25 Reman 25 KVA single-phase pole-mounted transformers (\$46,475.00), and 15 Reman 37.5 KVA single-phase pole-mounted transformers (\$28,815.00).

(e) The low bid of Border States Electric Supply in the amount of \$71,352.48 for 30 Evolve 194W LED flood lighting fixtures (\$18,886.20), 6 Washington LED GRN lighting fixtures (\$10,731.78), and 150 Loadbreak 900A 25 KV disconnect switches (\$41,734.50).

The motion carried unanimously by voice vote.

Upon motion of Dr. King, seconded by Mr. Haselsteiner, the Board approved the following items on the Broadband Consent Agenda:

(a) The bid of Graybar Electric Company, Inc. in the amount of \$102,000.00 for 500,000 feet of 1/4" EHS galvanized strand.

(b) Changes to Purchase Order 114970, issued on June 8, 2021 for fiber-optic material. The Board voted to:

(i) Maintain the current order for 96-count and 144-count fiber from Power and Tel, with a cost increase to said order in the amount of \$52,354.00.

(ii) Replace the order for 288-count fiber with an alternate bid from NCTC in the amount of \$322,000.00, representing a savings of \$24,182.00 vs. the increased Power and Tel pricing (\$346,182.00).

The net increase resulting from these changes amounts to \$65,254.00.

The motion carried unanimously by voice vote.

Mr. Thomas delivered the report of the HumanResources/Insurance Committee, which had met on January 11, 2022 to consider the 2021 performance evaluation and the 2022 performance objectives and compensation/benefits package for CEO Jeff Dykes. Upon motion of Mr. Thomas on behalf of the Committee, the Board approved these items as presented to the Committee. The motion carried unanimously by roll call vote. Ms. Brock commended Mr. Dykes for his community involvement and stated that the respect he had built in his years as CEO had served BrightRidge well. Chairman Smith also commended Mr. Dykes for his attitude of selfless servitude to the customers of BrightRidge.

Upon motion of Mr. Haselsteiner, seconded by Ms. Brock the Board approved an Intent Agreement with the Tennessee Valley Authority which allows BrightRidge to assume 3.97 miles of the Tusculum-Walters Primary 69kV transmission line from structure 154 - 186A, including the copper conductor, 20 wood poles, and 15 steel structures. The agreement does not include property rights-of way. The motion carried unanimously by roll call vote. A copy of the Agreement is attached hereto as Exhibit "A" to these minutes.

Upon motion of Ms. Brock, seconded by Mr. Thomas, the Board approved the establishment of a proposed Title VI Policy Program in order to comply with Federal Title VI requirements in the event the company accepts Federal grant funding. The policy program establishes an employee training program, a Title VI complaint program, and an advertising program. The motion carried unanimously by roll call vote.

Bonnie Donnolly, Chief Development and Market Strategy Officer, delivered a presentation on the Home Uplift program. BrightRidge has partnered with the Tennessee Valley Authority to assist income-qualified residents in receiving home energy upgrades to improve their homes' energy efficiency and to lower their utility bills as no cost to the residents. Benefits of the program for participants include a reduction in energy costs on an average of 25%, improved home comfort, safety and air quality, and lower home maintenance costs. Benefits of the program to communities include an increase in the availability of affordable housing, the creation of local jobs and economic investment, and a reduction in CO₂ and environmental emissions.

Home Uplift energy upgrades include such items as high-efficiency heat pumps or air conditioners, duct replacement or repairs, attic insulation, heat pump water heaters, high-efficiency lighting, building envelope insulation, Energy Star appliances and Energy Star windows and doors.

To qualify for the Home Uplift program, applicants must meet federal poverty level income eligibility requirements and must be the primary account holder on the BrightRidge electric account. Participation is on a first-come, first-served basis. Once the application is processed, an energy advisor from the TVA EnergyRight Program will call to schedule an energy audit to see if the home qualifies for upgrades under the program. If approved, the applicant is contacted to discuss beginning work on the home,

and a contractor will be assigned to complete the work. Once work is completed, a TVA EnergyRight energy advisor will inspect the work to determine that it was done correctly and to answer any questions the participant may have regarding the upgrades.

In Year 1 of the Home Uplift program, BrightRidge received 106 applications, with 81% approved. Seventy-eight energy evaluations were conducted. Forty-seven homes were served, with an average of \$8,210.69 spent per home (93% was spent on energy efficiency upgrades, while the remaining 7% was spent on home repairs). The program's energy efficiency upgrades resulted in nearly 200,000 kWh saved, with an average kWh savings of over 4,200 kWh per home.

Ms. Donnolly shared a testimonial from a BrightRidge customer who was a participant in the Home Uplift program and who received a new heat pump, water heater, attic insulation, and air sealing/weatherstripping. The customer's power bill in January 2022 following the upgrades was reduced by around 50% from their bill in January, 2021.

Ms. Donnolly extended her appreciation to Tim Whaley, Director of Public and Governmental Affairs, for serving as the daily coordinator for the Home Uplift program.

Information regarding the Home Uplift Program can be obtained on the BrightRidge web site. Ms. Donnolly has also been working with local community groups such as the United Way, Black and White Dialogue, Good Samaritan Ministries, and the Community Action Alliance to make information about the program available to potential participants.

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 6,342 active customers, 9.31% of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	800
Johnson City Fiber:	2,928
Piney Flats Fiber:	6
Telford Fiber:	152
Limestone Fiber:	234
Gray Fiber:	1,916
Kingsport Fiber:	120
Fall Branch Fiber:	20
Fixed Wireless:	166
Managed Wi-Fi:	4,032 (71.3% average "take rate")
IPTV Video:	1,253
Telephone VoIP:	861

Linear weekly customer adds remain in line with the budgeted goal of 58.4. As of the time of the Board meeting, the Broadband Division's customers are trending 44.4 customers above the linear budget line.

Mr. Evans briefly discussed broadband sales channels, which include Customer Service Representative outbound calls and returned calls from messages left, Customer Service Representatives notifying new electric customers about the availability of broadband, inbound calls from customers generated by marketing efforts (direct mail, digital marketing, e-mail campaigns, newspaper, social media, BrightRidge newsletter, billboards, radio/TV ads, events and customer referrals), business sales representatives, and residential door-to-door sales representatives. An online customer self-serve portal is scheduled to go live in mid-February.

Aerial fiberoptic construction continues to proceed in the Johnson City Section of Phase IV of the broadband deployment project. Work on Phase IV fiberoptic construction near the Washington County grant areas will continue once the Johnson City Phase IV construction is completed.

Mr. Evans advised the Board that a number of BrightRidge Broadband households are presently participating in the FCC Affordable Connectivity Program (ACP) (formerly the Emergency Broadband Benefit Program) The program allows a \$30.00-per-month credit toward broadband costs to eligible households.

CEO Jeff Dykes commended BrightRidge managers and staffs for their involvement in efforts to promote programs and products offered by the Electric and Broadband Divisions. He stated that Bonnie Donnolly, Mark Eades and Stacy Evans had all made presentations to community groups or agencies within the past month.

Mr. Mabrey commended BrightRidge employees for being diligent in their efforts to control inflationary price increases and product shortages for needed materials purchased for the operation of both the Electric and Broadband Divisions.

There being no further business, the meeting was adjourned.

INTENT AGREEMENT

Contract No. _____

This Agreement has been prepared in advance of a possible conveyance of TVA real property and/or transmission equipment assets and is between JOHNSON CITY ENERGY AUTHORITY DBA BRIGHTRIDGE ("**Distributor**"), a Tennessee municipal corporation, and the TENNESSEE VALLEY AUTHORITY ("**TVA**"), a corporate agency and instrumentality of the United States of America created and existing under and by virtue of the Tennessee Valley Authority Act of 1933, as amended.

Distributor purchases all of its power requirements from TVA for resale under Contract No. TV-67511A, effective June 30, 1945, as amended ("**Power Contract**").

TVA proposes to convey to Distributor certain assets as described under Section 2 below and the parties want to agree on the terms under which such conveyance will occur.

Therefore, the parties agree as follows:

SECTION 1 - TERM AND TERMINATION OF AGREEMENT

This Agreement remains in effect until the parties fulfill all obligations under this Agreement. Notwithstanding anything to the contrary herein, TVA may terminate this Agreement for any reason by providing 30 days' written notice to Distributor. In the event of such termination by TVA, TVA will not charge Distributor for any transaction costs or any other related administrative costs as set forth in section 2.

SECTION 2 - ASSETS

TVA proposes to convey to Distributor the assets as described under this section 2 ("**Assets**"). The estimated total fair market value of the Assets is \$85,000.00, and TVA's estimated transaction costs for this conveyance are \$49,840.00, for a total conveyance cost of \$134,840.00. The estimated payment price for the conveyance by Distributor is \$0.00.

TVA is prepared to recommend that the TVA Board of Directors, or its designee, authorize conveyance of the Assets to Distributor ("**Conveyance**"), subject to the completion of appropriate environmental, programmatic, and legal review and approvals. TVA intends to absorb the fair market value of the Assets, transaction (administrative) costs, and environmental review costs associated with this Conveyance due to the cost savings and corresponding benefits TVA will receive by conveying the Assets to Distributor, subject to compliance with the terms and provisions of this Agreement. This recommendation will also be made upon Distributor's agreement to acquire the Assets "as is," without any warranties of any kind whatsoever (including any warranty of merchantability), express or implied, from TVA.

TVA proposes to convey to Distributor the following Assets:

Location	Description	TVA Drawings (as they may be revised)	Fair Market Value
Tusculum – Walters Primary 69-kV TL (L3947)	3.97 miles of the Tusculum – Walters Primary 69kV-TL (L3947) from structure 154-186A. Includes copper conductor, 20 wood poles, and 15 steel structures.	LW-2621, sheets 7 and 8	\$85,000.00

SECTION 3 - ENVIRONMENTAL REVIEW

TVA will perform an environmental review to assess impacts such as indications of previous spill contamination, botanical or terrestrial/aquatic zoological issues, and/or cultural/archeological features. Once the environmental review is complete, TVA will notify Distributor and will provide the estimated cost of such reviews.

If environmental resources are identified that may pose potential impacts during the environmental review process, TVA may elect to terminate all or a portion of the Conveyance, and Distributor may elect to terminate the Conveyance by notifying TVA in writing that it does not wish to proceed. Upon receipt of Distributor's election, TVA will perform no further work associated with the Conveyance, and Distributor will pay to TVA only the cost of the initial environmental review and any other transaction costs incurred by TVA up to that point.

Deed restrictions may be required based on the nature of the environmental resources found during the environmental review.

SECTION 4 - TVA APPROVAL

Conveyance of the Assets is subject to approval by the TVA Board of Directors, or its designee.

SECTION 5 - LEGAL PROVISIONS

The Conveyance may require applicable restrictions based on legal, programmatic, and environmental reviews and such appropriate conditions, reservations, and restrictions necessary to protect TVA's statutory obligations and business requirements. Requirements for Commercial General Liability insurance, conditions required by the National Historic Preservation Act, the Endangered Species Act, or other provisions as required by TVA, federal, and state regulations may also be included.

SECTION 6 - INCORPORATION OF ATTACHMENT

The parties agree that the attachment entitled "Billing and Payment Terms" is made a part of this Agreement. In the event of any conflict between the body of this Agreement and the attachment, the former controls.

SECTION 7 - PRIMARY CONTACT

Distributor will direct any questions or comments about the timing or process of the proposed Conveyance to the assigned TVA Customer Service Engineer or Customer Service Manager ("**Primary Contact**"). Upon its execution, Distributor will return the Agreement to the Primary Contact.

All written notices to TVA under this Agreement should be sent via email to contractnotices@tva.gov.

SECTION 8 - OTHER PROVISIONS

8.1 - Standard Clauses

The following conditions and certifications published in Title 18, Code of Federal Regulations, Part 1316 (Federal Register, April 29, 1993, with any subsequent revisions) are hereby incorporated by reference to the extent applicable:

- i. Officials Not to Benefit.
- ii. Affirmative Action and Equal Opportunity.

8.2 - Entire Agreement

This Agreement (including any and all exhibits and attachments hereto) is the entire agreement of the parties and supersedes any prior representations, promises, agreements, or understanding with respect to the subject matter hereof. This Agreement may not be amended or supplemented except by a written instrument executed by all the parties.

8.3 - Binding Agreement and Authority

Each of the parties hereby represents it has full right and authority to enter into this Agreement, and each of the persons signing on behalf of the parties is authorized to do so.

8.4 - Waiver

No waiver or modification of any provision of this Agreement will be effective unless it is in writing and signed by the party hereto against whom it is asserted. Any such written waiver will only be applicable to the specific instance to which it relates and will not be deemed to be continuing or future waiver.

8.5 - Good Faith

The parties shall attempt, in good faith, to resolve informally any dispute, in a timely and cost-effective manner.

8.6 - Electronic Signatures

The parties may each execute this Agreement, and any amendments thereto, through electronic means and electronic signatures. The parties agree that electronic signatures have the same force and effect as handwritten signatures.

The effective date of this Agreement is the date of TVA's signature.

**JOHNSON CITY ENERGY AUTHORITY
DBA BRIGHTRIDGE**

By Jeff Ryker

Title: President & CEO

Date: 1-25-2022

TENNESSEE VALLEY AUTHORITY

By _____

Director
Power Customer Contracts