

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

July 28, 2020

PRESENT: Dan Brant
Jenny Brock
Joe Grandy
James Haselsteiner
B. J. King
Hal Knight
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
Stacy Evans, Chief Broadband Officer
Rodney Metcalf, Chief Operations Officer
Tim Whaley, Director of Public and Governmental Affairs
Joe Harvey, Hunter Smith and Davis, LLP
Robert Houk, Johnson City Press

ABSENT: Brian Ellis, Service Department Manager
Donnie Hall, Safety/Environmental Manager
Angela Shrewsbury, Energy Services/Marketing Manager
David Spinnato, Physical Plant/Warehouse Manager
Tiphonie Watson, Customer Support Manager

Chairman B. J. King called the meeting to order.

CEO Jeff Dykes delivered the following statement:

Operating under authority of **Executive Order No. 16**, as extended (now **Executive Order 50**), signed on March 20, 2020 by Tennessee Governor Bill Lee, BrightRidge will be conducting all Board of Directors' meetings electronically, at least through the duration of the Order. BrightRidge, organized as a public political subdivision of the State of Tennessee, will continue to conduct its meetings telephonically pursuant to said Order. As required under **Executive Order No. 16** as extended, a full audio

recording of the meeting will be posted at **BrightRidge.com** under the "Community" section, along with a meeting agenda, within 48 hours of the meeting.

Area media are being offered the opportunity to listen live, but all follow-up questions should be directed to the BrightRidge Public Affairs Office after the meeting is concluded. Members of the public should also direct any questions to the Public Affairs office.

These measures are temporarily adopted by the BrightRidge Board of Directors to protect the health, safety, and welfare of the general public, staff, and Board members in response to the COVID-19 outbreak. BrightRidge is committed to full transparency and will continue to review the liability of other potential virtual meeting venues moving forward, with authority to conduct meetings electronically set to expire on August 29, 2020, unless renewed.

BrightRidge continues to respect the open meetings and open records laws and will work diligently to continue the free flow of information as protected under the **Tennessee Constitution** and the **Tennessee Open Meetings Act**.

Upon motion of Mr. Mabrey, seconded by Mr. Thomas, two changes were made to the meeting agenda:

(a) Item 2D, Board of Directors' Business - Installation of Incoming Chairman, was moved to the final item of the agenda.

(b) Item 6E, Broadband Consent Agenda - VMware Enterprise license upgrades, was removed from that Consent Agenda, as it is necessary to rebid the item.

The motion carried unanimously.

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

WHEREAS, Mr. Guy Wilson was appointed to the Johnson City Power Board's Board of Directors by the City of Johnson City in August 2010 and served faithfully in that capacity for ten years; and

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

WHEREAS, during Mr. Wilson's tenure, he served on the Economic Development Council, Human Resources/Insurance Committee, Underground Committee, and Business Development/Planning Committee, assisting the Board through the transition to energy authority and rebranding and the launching of the Broadband Division. Mr. Wilson also served one term as Vice Chairman; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mr. Wilson for his outstanding service to the citizens, staff, and fellow Board members of BrightRidge by his dedication and loyalty;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Johnson City Energy Authority, d/b/a BrightRidge, meeting in regular session on the 28th day of July, 2020, that Mr. Guy Wilson be, and hereby is, officially honored for his ten years of service to the citizens of the BrightRidge service area.

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

The motion carried unanimously. Chairman King and Ms. Brock commended Mr. Wilson for his service to and leadership on the Board of Directors.

Chairman King introduced and welcomed new Board member James Haselsteiner. Mr. Haselsteiner has served Wilson Pharmacy as its Chief Financial Officer since 1992 and has been involved in the establishment of clinical management concepts after the sale of the retail portion of Wilson Pharmacy. He was promoted to President of Clinical Management Holdings in 2019 and remains heavily involved in the financial aspects of the company. He is interested in management and financial analysis, budgeting, and compliance. He served on the Board of the Crumley House Brain Injury Rehabilitation Center for 18 years in various positions, including Chairman, and has also served on the Dawn of Hope, Inc. Board of Directors for three years. He is actively involved in St. Mary's Catholic Church, serving on its Finance Committee for four years.

Upon motion by acclamation of Mr. Grandy, seconded by Ms. Brock, the Board nominated and elected the following Board officers for 2020 - 2022:

- (a) Chairman: James Smith
- (b) Vice-Chairman: Gary Mabrey
- (c) Secretary: Ceilya Campbell
- (d) Treasurer: Brian Bolling

The motion carried unanimously.

Mackenzie Simpson, Electrical Engineering Intern, delivered a presentation on her BrightRidge summer internship. She is a Senior at Milligan University studying Electrical Engineering and is a member of the women's volleyball team at the college. Mackenzie has served as an intern with BrightRidge for two consecutive summers. Her focus during this summer's internship centered on substation work and tree-trimming. She worked on protective relays and conducted relay testing at various substations, as well as transformer power factor and bushing capacitance testing. Circuit breaker testing was also performed. Ms. Simpson updated the in-house mapping system to assist tree-trimming crews. Ms. Simpson stated that her internship was different this summer due to

the COVID-19 pandemic. She spent more time in the office and less in the field, and there was less customer and employee interaction. Mask wearing and social distancing measures were in place. She stated she had gained a better understanding of the importance of substation testing to the operation of the electrical system and was able to observe and apply concepts learned in the classroom to field experience, including web interfacing.

Mason Milhorn and Brett Lane, Broadband Division Interns, delivered a presentation on their BrightRidge summer internships. Brett Lane is a computing major at East Tennessee State University, who is beginning his Senior year. Mason Milhorn is also a computing student at ETSU who will be graduating in December and intends to pursue network engineering as a career field. Mr. Milhorn discussed the fiber pipelines which run to BrightRidge substations, out to network areas through overhead and underground power lines, and to individual businesses and residential customers through an installation process. Mr. Lane discussed the wireless installation process to customers outside the BrightRidge fiber network. The interns also participated in the structured cabling process. Mr. Milhorn reviewed customer troubleshooting procedures and resolution. Mr. Lane talked about major projects the interns participated in, including internet and streaming television installations at the Monarch Apartment complex. Overall, during the summer the interns learned the basics of the Broadband Division and the services it offers, how internet service is delivered to customers, collaboration with other businesses in completing major projects, and how to work with customers. Technical skills learned included how to set up a network, home and business installations, running of cabling, and increased knowledge of the hardware components of residential and business networks. The interns stated that they benefitted from the technical experience of working with experienced broadband employees and network engineers and observing their professionalism regarding customer service.

There was no presentation of June financial reports at today's meeting, as the company's books were being held open to close out the activities of the previous fiscal year, which ended on June 30th.

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

- (a) The minutes of the June 23, 2020 Board meeting.
- (b) The low bid of Border States in the amount of \$72,314.94 for 2 Hubbell/Turner 1200A 1-way 69KV sidebreak switches (\$13,439.94) and 25,000 feet of 1/0AL primary cable (\$58,875.00).
- (c) The low bid of Irby in the amount of \$59,474.06 for 9,450 feet of #6 CU solid wire (\$2,589.30), 2 Traditionaire 150W lighting fixtures (\$936.20), 12 Blackerican Am 3" 17' lighting poles (\$9,624.96), 16 Arlen 20' black lighting poles (\$39,568.00), 20 12" X 12' X 12" enclosure boxes (\$1,195.60) and 400 Acsr #4-4/0 stirrup clamps (\$5,560.00).

(d) The purchase of Itron electric meters with Tantalus AMI modules in the following quantities and prices:

- (i) 2,400 Itron FM 25 Remote Disconnect (RD) meters at a cost of \$175,200.00; and
- (ii) 2,400 Tantalus modules for RD meters at a cost of \$180,000.00.

The Itron meter/Tantalus module set is the standard single-phase meter in use on the BrightRidge system.

(e) The low evaluated bid of Solomon Corporation for a three-year contract regarding the rebuilding and salvaging of transformers at a cost of \$3,617.30 for each Load 264 transformer, \$2,266.10 for each Load 265 transformer, and \$3,302.35 for each Load 267 transformer. The contract will include the option for a one-year extension, provided that the prices remain the same. The contract will begin on August 1, 2020. Solomon Corporation has been servicing the electrical equipment of BrightRidge for the past 21 years, with no changes in quality of service.

The motion carried, with Dr. Knight being absent at the time of the vote.

The Board asked for an update at the next Board meeting regarding the availability of materials and whether COVID-19 or other factors may have affected same over the past six months or were expected to affect same in the immediate future.

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

(a) The low bid of Border States in the amount of \$75,920.00 for 200,000 feet of 48 CT single-mode loose tube fiber.

(b) The low bid of Border States in the amount of \$93,304.00 for 400 LG-600 FTTX/24 aerial closures (\$82,192.00) and 600 LL-4808L-R FTTX splice trays (\$11,112.00).

(c) The low bid of WESCO in the amount of \$70,990.00 for 200 dome splice (D6) enclosures (\$66,128.00) and 200 FOSC-ACC-D TRAY 72 splice trays (\$4,862.00).

(d) The evaluated bid of Enfopoint in the amount of \$75,515.04 for the annual renewal of the Juniper router and switch equipment and support contract. The contract will provide next-business-day hardware replacement and software updates for two MX100003 routers, three QFX-5200 switches, eleven QFX-5110 switches, and six EX-2300 switches. Enfopoint was the sole bid submission that met the IFB requirement of direct Juniper support.

The motion carried, with Dr. Knight being absent at the time of the vote.

Mr. Grandy delivered the report of the Finance, Audit, Rates and Budget Committee, which met prior to today's Board meeting to discuss updates to Policy No. FM-110 - Purchasing Policy. Upon motion of Mr. Grandy, on behalf of the Committee, the Board adopted said updates, and a copy the revised policy is attached hereto as Exhibit "A" to these minutes. The motion carried, with Dr. Knight being absent at the time of the vote.

Upon motion of Ms. Brock, seconded by Mr. Thomas, the Board approved the following retirement 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, Marietta Gobble was employed by the Johnson City Power Board on July 24, 2006 until retiring from BrightRidge on July 31, 2020; and

WHEREAS, during her fourteen years of service with the Johnson City Power Board, Johnson City Energy Authority, and BrightRidge, she served as Customer Service Representative, Customer Support Specialist, Energy Services Advisor/Inspector, and Energy Services Advisor; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mrs. Gobble 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 28th day of July, 2020 that Marietta Gobble be, and hereby is, officially commended for her fourteen years of service to the customers of BrightRidge.

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

The motion carried, with Dr. Knight being absent at the time of the vote.

Chief Operations Officer Rodney Metcalf delivered a short presentation on recent activities in his departments, this month focusing on the 2019 year-end calendar review of operations in the Service Department. The department set 1,559 electric poles, removed or topped 1,593 poles, completed 103 osmose jobs, from which 491 poles were set, completed 68 fiber make-ready jobs, from which 381 poles were set, and worked 64 traffic accident incidents, from which 64 poles were set. Maintenance jobs for 2019 totaled 272, with 623 poles installed and 641 poles removed or topped. Total operations

jobs completed in 2019 amounted to 914 work orders. Percentages of service types included osmose jobs at 11%, new services at 22.7%, maintenance at 20.3%, and traffic accidents at 9.6%. Three additional contract crews were used in 2019 to help with 69KV line maintenance. Contractor Pike Electric completed 240 jobs with 677 pole installations, and BrightRidge crews completed 674 jobs, with 882 poles installed. Eleven new underground subdivisions or additions to existing underground subdivision projects were completed in 2019. There were 6,600 LED streetlight installations during the calendar year.

Eight hundred four new services, 147 commercial services, and 657 residential services were installed, and there were 313 rewire jobs in 2019. There were 3,220 tree calls, and 1,717 security lights were repaired during the year. Ten thousand six hundred forty trees of a height greater than 6" were removed. There were 238 power outages caused by trees and 283 outages caused by birds or squirrels. There were 46 equipment failure outages, some of which were caused by porcelain cut-outs; the company has since started using epoxy cut-outs. There were 280 acres treated by helicopter herbicide.

Current construction jobs to be worked include 72 maintenance jobs, 48 code violations, 7 LED streetlights, 13 69KV maintenance jobs, 214 osmose jobs and 5 rebuilds, for a total of 359 projects in construction at this time.

Stacy Evans, Chief Broadband Officer, delivered an update regarding the broadband project. There are presently 1,680 customers, with a good growth of customers in Jonesborough and Johnson City (102 fiber residential customers in Jonesborough and 1,240 residential fiber customers in Johnson City). Sixty-two percent of customers inquiring about managed wi-fi service are subscribing for same. IPTV customers are beginning to grow as well, with over 200 active customers. One hundred seventy-five customers will be added during the next couple of weeks when the Monarch site becomes active. There are 232 telephone customer subscriptions, with equal shares of residential and business customers for that service. Mr. Evans stated that Customer Service and the sales group are doing a great job in promoting upper-tier products, resulting in additional growth for same.

Of 28% of customer service telephone "cold call" callouts reached, agents are closing the sale for service on 24.5% of those calls. Percentage figures requesting additional product information are good as well. The national average reach rate for "cold calls" is 13.53%. "Cold calling" as a rule is seasonal, and summer months usually reveal a decline in the ability to reach prospective customers. Tuesdays, Wednesdays, and Thursdays are the prime days to reach those individuals to discuss products with them, and the best times of day to reach prospective customers are between 4:00 PM and 5:00 PM and between 11:00 AM and noon. Nationally, the average is eight call attempts to reach a prospect, and an average of six calls to a prospect in order to sell a product. BrightRidge's numbers in that regard are better than the national average - one in four customer calls, rather than the national average of one in six. Eighty percent of national buyers prefer personalized e-mail as the best form of communication. To date,

BrightRidge has been unable to utilize this marketing method, but work is being done to effectuate this, with the caveat being that there are penalties if wrong methods are used in e-mail marketing. Nationally, 84% of buyers are influenced by recommendations by friends and family. BrightRidge has had a high rate of referral customers.

Mr. Evans stated that the company had recently hired Tim Greer, and he has undergone training on the BrightRidge Broadband products. He began sales work on July 17th. Mr. Greer has 11 years of broadband sales experience, did direct door-to-door sales for seven years, and was a sales supervisor and trainer for four years. His sales group ranked in the top ten nationwide. He has averaged three sales a day since he began working for BrightRidge, and pending landlord approvals, that number would have been an average of five sales a day. Mr. Greer has been equipped with a portable 12" display for demonstration of the company's video product, as he had been told when he worked for a former competitor that the general public was confused about BrightRidge's video offerings. A job posting for a second salesperson was released today.

Phase 3 construction continues in the Gray/Boones Creek/Fordtown area and down Highway 75 toward Sulphur Springs. This phase of construction is twice as large as Phases 1 and 2 together, with at least 9,400 fiber customers passed, and 197 miles of fiber build-out. If the involved equipment arrives in a timely manner, the first customers in this phase should be ready to go online in September. Two new points of presence buildings ("huts") are being installed at the Cedar Creek Substation and at Boones Creek.

The wireless tower at Stockyard was recently launched with a CBRS frequency from the Federal Communications Commission, which doubles the number of customers that can be served. That technology will soon be applied to the Persimmon Ridge and Piney Knob towers. A search is still being made for an optimal tower location in lieu of the original proposed site at Buffalo Ridge. The search should be made easier due to the expansion of the Phase 3 fiber project, which will result in a smaller wireless footprint. Equipment is in place at the South Central tower location and should become active in the near future. Fall Branch still remains pending because of the Tennessee Department of Transportation road expansion project.

The Broadband Division has applied for a grant from the Federal Communications Commission Rural Digital Opportunity Fund. If received, the Bowmantown area fiber project can be expanded to reach an additional 529 customer locations in that area. Underserved regions are also now being identified to prepare for future state or federal grant opportunities.

Ms. Brock commented that she had been receiving very favorable comments from broadband customers about BrightRidge Broadband's customer service, especially with respect to installations and customer support until every new service was working completely correctly. Mr. Grandy asked whether additional support could quickly be provided to underserved areas in the event state or federal funds became available, in view of the remote learning that is required as a result of the COVID-19 pandemic. Mr.

Evans advised that that was the reason they were identifying those areas at this time so that projects could be shovel-ready should additional funds become available. He stated that additional crews could be hired, or existing crews could be moved to accommodate the construction and installation in these underserved areas. Dr. King inquired about COVID-19 measures during installations. Mr. Evans stated that BrightRidge Broadband employees were adhering to masking, hand sanitizing, and social distancing guidelines during all installations.

CEO Jeff Dykes advised the Board that he had been approached by the Boone Lake Association to contribute to the purchase of skimmer and unloading equipment. The Association had been helping with the clean-up of the work the Tennessee Valley Authority had been doing around the lake, and desired to purchase skimmer and unloading equipment to assist with the clean-up of the lake itself. The Tennessee Valley Authority has committed to a \$10,000.00 contribution toward the equipment purchase and the balance remaining is \$12,500.00, which the Association has requested that BrightRidge contribute. Upon motion of Mr. Grandy, seconded by Ms. Brock, the Board voted to contribute \$12,500.00 from the Economic Development Fund to the Boone Lake Association to complete the purchase of the skimmer and unloading equipment. The motion carried, with Mr. Brandt and Dr. Knight absent at the time of the vote.

CEO Dykes commented that the Board had been e-mailed a copy of a proposed Power Purchase Agreement with Silicon Ranch for the purchase of solar power. He complimented Attorney Mark Smith for his legal assistance and the BrightRidge staff for their hard work with respect to the development of the document. The Board asked for an additional week for a more in-depth review of the proposed agreement, and a telephone call will be scheduled to address any questions Board members may have.

Mr. Dykes invited Board members to a Tennessee Valley Corridor Zoom meeting held in several sessions – the next meeting is scheduled for Thursday, July 30th, from 1:00 – 2:30 PM. There will also be a conference on flexibility on Wednesday, June 29th beginning at 10:00 AM. He will provide Board members with the contact information to enable call-ins to those meetings.

Chairman B. J. King installed James Smith as Chairman of the Board and stated that the Board was very much looking forward to his leadership over the next two years. Ms. Brock thanked Dr. King for her time, dedication and commitment to BrightRidge as Chairman of the Board. Mr. Smith thanked Dr. King for her example as Chair and commented that he looked forward to working with the Board, CEO Dykes and the entire BrightRidge team during his term.

There being no further business, the meeting was adjourned.