

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

June 25, 2019

PRESENT: Dan Brant  
Jenny Brock  
Bob Cantler  
Joe Grandy  
B. J. King  
James Smith  
Robert Thomas  
Guy Wilson  
Jeffrey R. Dykes, Chief Executive Officer  
Brian Bolling, CPA, Chief Financial Officer and Chief Customer Officer  
Connie Crouch, Human Resources Manager  
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  
Rodney Metcalf, Chief Operations Officer  
Tiphonie Watson, Customer Support Manager  
Tim Whaley, Director of Public and Governmental Affairs  
Stephen M. Darden, Attorney

ABSENT: Hal Knight  
Angela Shrewsbury, Energy Services/Marketing Manager  
David Spinnato, Physical Plant/Warehouse Manager

Chairman B. J. King called the meeting to order and welcomed Patrick Phipps, Senior Energy Services Representative for BrightRidge, who was attending today's meeting. Mr. Phipps has worked for the Energy Services/Marketing Department during his 19-year tenure with the company. His primary responsibilities concern serving as a Key Accounts Representative to manufacturing/commercial customers, but he also assists with various TVA residential services programs administered by BrightRidge.

Upon motion of Mr. Thomas, seconded by Mr. Grandy, the monthly power distributor's report submitted to the Tennessee Valley Authority for May, 2019 was approved. The motion carried unanimously. Year-to-date income was \$2,663,033.51 more than last year's year-to-date figure. Year-to-date actual net income was \$5,537,871.60 more than the budgeted figure. The general fund balance stands at \$40,837,076.91 the reserve fund balance stands at \$636,795.03, the special reserve fund

balance stands at \$5,893,873.80, the tax equivalent fund balance stands at \$5,185,341.30, the economic development fund balance stands at \$1,921,700.73, the 2017 bond and interest sinking fund balance stands at \$342,735.13, the renewal and replacement fund balance stands at \$4,173,700.13, and the self-insurance fund balance stands at \$2,040,059.59. BrightRidge is currently serving 78,980 customers, which is an increase of 258 customers since the same time last year.

Upon motion of Mr. Grandy, seconded by Mr. Smith, the monthly financial statements for May, 2019 for the Broadband Division were approved. The motion carried unanimously. The cash bank balance stands at \$982,483.05, and capital projects closed to plant through May totaled \$1,100,336.76 (plus construction work in progress since July, 2018 totaling \$2,117,049.34), with a \$4,144,805.90 capital budget remaining at this time.

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

(a) The minutes of the May 28, 2019 Board meeting; and

(b) The purchase of pre-approved proprietary vegetation control treatment chemicals from Helena Chemical/Agri Enterprises at a price of \$99,815.00 (in order to avoid pricing increases for this product which will occur in July, 2019). The purchase should provide approximately 1 1/2 years of vegetation control.

The motion carried unanimously.

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

(a) The low bid of Border States in the amount of \$72,976.00 for 400 LG-600 FTTZ/24 aerial closures (\$65,640.00) and 400 II-4808L-R FTTX splice trays (\$7,336.00);

(b) The low bid of Border States in the amount of \$67,500.00 for 500,000 feet of 1/4" EHS galvanized strand; and

(c) The low bid of Power and Tel in the amount of \$288,293.00 for 100,000 feet of 48CT singlemode loose tube fiber (\$30,479.00); 100,000 feet of 96CT singlemode loose tube fiber (\$53,086.00); 100,000 feet of 144CT singlemode loose tube fiber, and 100,000 feet of 288CT singlemode loose tube fiber (\$129,419.00).

The motion carried unanimously.

Robert Thomas delivered the report of the Human Resources/Insurance Committee which had recently met to consider the evaluation, goals and objectives, remuneration, and employment contract for CEO Jeff Dykes. Upon motion of Mr. Thomas on behalf of the Committee, the Board approved all items recommended by the

Committee. The motion carried unanimously. Ms. Brock recognized Mr. Dykes for his dedication and hard work, and cited the many accomplishments the company had achieved under the first few years of his leadership, including the transition of the utility to an energy authority, the initiation of a solar farm, and the establishment of the broadband division of the business, in addition to the daily responsibilities of leading a public utility. Mr. Dykes likewise expressed his appreciation to his management staff and to every employee for their incalculable contributions to the success of BrightRidge.

Mr. Grandy delivered the report of the Finance, Audit, Rates and Budget Committee, which had recently met to review the Fiscal Year 2019-20 electric operating and capital budgets. A projected 1.5% TVA retail rate increase and a .35% TVA grid access charge are projected to take effect in October, 2019, which are recommended as pass-through increases to retail customers averaging approximately \$2.70 per month per customer. However, BrightRidge is not recommending a local rate increase in this budget. Upon motion of Mr. Grandy, on behalf of the Committee, the Board approved the Fiscal Year 2019-20 electric operating and capital budgets as submitted. The motion carried unanimously.

Upon motion of Mr. Thomas, seconded by Ms. Brock, the Board approved the following Consent Agenda items to be paid from the Fiscal Year 2019-20 budget:

(a) The quote of Altec in the amount of \$124,320.00 for an Altec AT37G aerial device (bucket truck) to replace Truck No. 10, to be purchased through the National Joint Powers Alliance (NJPA) purchasing coalition.

(b) The quote of Boro Nissan in the amount of \$33,900.00 for a 2019 Nissan Leaf SV Plus electric vehicle to replace Vehicle No. 83. The vehicle is being purchased through the State of Tennessee vehicle contract.

(c) The quote of Mountain View Chevrolet in the amount of \$35,776.00 for a 2019 Chevrolet Bolt LT electric vehicle to replace Vehicle No. 55. This vehicle is also being purchased through the State of Tennessee vehicle contract.

Payment for these purchases will not be made until delivery; however, due to the lead time in the manufacture and delivery of the products, it is necessary to order same at this time so that delivery will occur before the end of the FY 2019-20 budget year. The motion carried unanimously.

Item 7B was deferred from today's agenda pending further clarification with the City of Johnson City.

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

WHEREAS, Mr. Bob Cantler was appointed to the BrightRidge Board of Directors by the City of Johnson City in January, 2017 and served faithfully in that capacity for two years, five months; and

WHEREAS, during Mr. Cantler's tenure he served on the Business Development and Planning Committee, tirelessly promoting potential broadband business opportunities. Upon his appointment to the Board, he vowed to attend many various committee meetings in order to further his understanding of the utility industry. Mr. Cantler also served as Vice-Chairman of the Board of Directors; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mr. Cantler 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 25th day of June, 2019, that Mr. Bob Cantler be, and hereby is, officially honored for his two years and five months of service to the citizens of the BrightRidge service area.

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

The motion carried, with Mr. Cantler abstaining from the vote.

Stacy Evans, Chief Broadband Officer, delivered an update to the Board concerning the status of the broadband project. There are 33 active customers in the Jonesborough area, and splicing is 85% complete on the fiberoptic portion of the Johnson City Phase I area. Microtrenching is taking place in the Med-Tech Park and construction is projected to be completed on July 5th. Construction is complete on the Princeton Road/Silverdale and Westside areas, with splicing pending. Work also continues on the remaining Phase I Johnson City areas such as Buffalo Street and the Downtown Johnson City underground locations.

With respect to fixed wireless service, the Jonesborough/Persimmon Ridge site is up and running. Work continues on the Piney Knob/Nofattie Road and Buffalo Ridge sites. Engineers are analyzing LiDar review data in an effort to determine the best tower location for the Fall Branch site. Public wi-fi in downtown Johnson City in the Founders' Park/Farmers Market areas is online, and the remainder of that project is expected to be completed by August.

A marketing "soft launch" began in the Johnson City areas on June 3rd, with direct calling and placement of door hangers to potential customers. A formal marketing campaign will begin once video issues are resolved. Installations for as many as four customers a day are occurring, and the first bills for service will go out on June 27th. One hundred eighteen customers are projected by July 1st, divided about equally between

fiberoptic and wireless users. Tier 1 customer support is now operational and field service installations are occurring with BrightRidge Broadband's contractual partners.

NCTC membership was approved on June 13th, with the video service launch pending secondary approvals from content owners. These approvals are in process.

Chief Operations Officer Rodney Metcalf delivered a short presentation on recent activities in his departments, this month focusing on a recent trial of industrial helicopter vegetation control around high lines and in regions of rough terrain which could not easily be reached by vehicle or on foot. The recent season of rain combined with heat has boosted the growth of trees and ground vegetation. The trial areas included 45 acres from Patrick Henry to Boone Dam, 10 acres from Boone Dam to Boones Creek, 20 acres from Northeast to Piney Flats, and approximately 15 miles of high line. Mr. Metcalf showed the Board pictures and video of the operation of the helicopter and the results achieved by the treatment chemicals. He stated that it would have taken two to three months for workers to treat these areas at a cost of approximately \$250,000.00. The helicopter covered the same areas in three hours at a cost of approximately \$30,000.00.

CEO Jeff Dykes reminded Board members of a Budget Workshop on Thursday, June 27th for the Broadband Division FY 2019-20 operating and capital budgets.

Mr. Dykes advised that a marketing event would take place at the Gray fossil site in two to three weeks, at which time charging stations for electric vehicles would become operative and would be demonstrated.

There being no further business, the meeting was adjourned.