

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

March 23, 2021

PRESENT: Dan Brant
Jenny Brock
Joe Grandy
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 & Market Strategy Officer
Mark Eades, Chief Engineering and Facilities Officer
Eric Egan, Chief Data Officer
Brian Ellis, Service Department Manager
Stacy Evans, Chief Broadband and Technology Officer
Donnie Hall, Safety/Environmental Manager
Rodney Metcalf, Chief Operations Officer
Melissa Taylor, Supervisor, General Accounting
Tim Whaley, Director of Public and Governmental Affairs

ABSENT: Hal Knight
David Spinnato, Physical Plant/Warehouse Manager
Tiphonie Watson, Customer Support Manager
Stephen M. Darden, Hunter Smith Davis, LLP

Chairman James Smith 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 78**), 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. 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 viability of other potential virtual meeting venues moving forward, with authority to conduct meetings electronically set to expire on April 28, 2021, 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**.

Allen Sheets with Nationwide Life Insurance Company delivered an annual update regarding the Nationwide Fixed Account group annuity contract. Mr. Sheets stated that the fixed account remains stable and continues to pay the guaranteed 3.5% annually. There are 38 employees and retirees currently enrolled in the program. The total value of the plan at this time is \$1.329 million.

Donnie Hall, Safety/Environmental Manager, presented the BrightRidge Annual Safety Review for 2020. Company employees experienced one lost-time accidents this past year, as well as nine no-lost-time accidents. Employees logged 425,692 hours worked in 2020, an increase of 13,460 hours over 2019. Back, hand, leg and foot injuries were the most prevalent injuries during the year.

A Ballard Health nurse is available on site at BrightRidge two days a week; having this resource helps reduce insurance claims and OSHA recordables. During 2020, the on-site nurse tallied 19 employee visits associated with injuries (12 initial visits and 7 follow-ups). Of the 12 initial visits, 3 were referred to an orthopaedist and 9 were resolved on site. The on-site nurse administered 66 flu shots and tallied 447 clinic visits during the year.

BrightRidge vehicles were driven a total of 1,065,945 miles in 2020, and experienced ten at-fault accidents and seven no-fault accidents. BrightRidge incurred 17 accidents out of 120 fleet vehicles, resulting in \$6,483.00 in expenses. The company experienced 5 backing accidents during 2020.

The COVID-19 pandemic significantly changed training activities in 2020. Online web training sessions (ThinkHR) were made available at no cost through BrightRidge's insurance broker, and safety material was delivered by e-mail. OSHA auditors had no concerns with these training sessions and safety meetings.

The company took the following safety measures relative to COVID-19:

- (a) Provided all employees M-95 masks, including FR masks for electric employees.
- (b) Facilities and fleet vehicles were sanitized by BioPure monthly.
- (c) Informed all employees of CDC social distancing guidelines.
- (d) There was a temporary facility closure, at which time safety measures were enacted.
- (e) Installed plexiglass for social distancing between employees and customers.
- (f) Displayed directional signage to minimize interactions, aiding in 6' social distancing guidelines.
- (g) Modified work schedules and arrangements by department.
- (h) Construction crews met at substations.

In 2019, BrightRidge joined the Safety Incentive Program with Distributors Insurance Company (DIC). During its initial audit, 11 violations were identified. In spite of same, DIC stated that BrightRidge had the best first-time audit of any utility program they had encountered. In the 2020 audit, violations were reduced to 4. The first six months of 2020, there were zero lost-time accidents, and each employee received a \$100.00 bonus for achieving this goal.

Security measures taken in 2020-21 were as follows:

- (a) The company began implementation of 14 additional cameras and tag readers to limit blind spots in the facility;
- (b) Adding a second Security Guard was postponed based upon reduced traffic at the facility.
- (c) An evaluation is being conducted regarding improved methods to track and assign employee tools.
- (d) The Safety Department reviewed improvements to the employee crisis notification process.

As far as significant incidents were concerned, one customer came through the drive-thru area to pay a bill in a stolen vehicle.

Security measures taken as a result of the COVID-19 pandemic were as follows:

- (a) There was a temporary lobby closure due to the pandemic.
- (b) The uniform of the Security Guard was changed for weapon visibility.
- (c) Parking lot incidents and in-house customer situations were reduced significantly because of a decrease in the traffic to the facility.

Chairman Smith and Ms. Brock commended the Safety Department and Mr. Hall for dedication in promoting and enabling safety throughout the organization.

Upon motion of Mr. Haselsteiner, seconded by Mr. Mabrey, the monthly power distributor's report submitted to the Tennessee Valley Authority for February 2021 was approved. The motion carried unanimously by roll call vote. Year-to-date income was \$182,829.93 more than last year's year-to-date figure however, year-to-date actual net income was \$97,660.50 less than the budgeted figure. The general fund balance stands at \$25,303,823.40 the reserve fund balance stands at \$6,773,546.32, the special reserve fund balance stands at \$6,025,597.49, the tax equivalent fund balance stands at \$3,707,054.06, the economic development fund balance stands at \$1,689,933.64, the 2017 bond and interest sinking fund balance stands at \$2,628,445.71, the renewal and replacement fund balance stands at \$6,305,313.17, and the self-insurance fund balance stands at \$2,001,157.39. BrightRidge is currently serving 80,263 customers, which is an increase of 809 customers since the same time last year.

Mr. Bolling stated that the BrightRidge Pandemic Relief Credit to customers which was given in February amounted to \$1,303,675.40. He further discussed how this customer credit, the demand cost recovery adjustment, and the fuel cost adjustment have affected customer bills and the utility's revenues and net income.

Upon motion of Mr. Haselsteiner, seconded by Mr. Mabrey, the monthly financial statements for February 2021 for the Broadband Division were approved. The motion carried unanimously by roll call vote. The cash bank balance stands at \$1,539,255.07, and capital projects closed to plant through February 2021 totaled \$3,110,309.51 (plus construction work in progress since June, 2020 totaling \$4,965,633.55), with an \$850,776.94 capital budget remaining at this time.

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

- (a) The low bid of Border States in the amount of \$60,501.20 for 9,300 feet of 2 1/2" rigid PVC conduit (\$21,166.80), 8,800 feet of 3" rigid PVC conduit (\$24,434.40) and 8,000 feet of Triplex 350/350/4/0 cable.

(b) The low bid of Border States in the amount of \$71,374.80 for 1,200 count wildlife deterrent flex barrier (\$63,828.00) and 60 Tangent 8' F/G cross arms (\$7,546.80).

(c) The low evaluated bid of DECO/US in the amount of \$69,100.00 for 100 15 KVA 1-phase CSP transformers, the low evaluated bid of ERMCO in the amount of \$83,900.00 for 100 25 KVA 1-phase CSP transformers, and the low evaluated bid of DECO/US in the amount of \$51,400.00 for 50 37.5 KVA 1-phase CSP transformers.

(d) Approval to order one 69:13 KV power transformer from the evaluated bid of SPX Transformer Solutions for the West Distribution Substation at a cost of \$1,203,926.00, plus \$10,360.00 for spare bushings. This item is in the FY 2021-22 budget, but due to manufacturing time of greater than one year, it is necessary to order same well in advance so that the project may be completed in 2022.

The motion carried unanimously by roll call vote.

Previously, the United States Department of Agriculture (USDA) designated BrightRidge as an eligible participant to borrow funds that promote rural economic development and job creation projects. This allows BrightRidge to be a conduit for loan funds within our electric service territory. Locations for loans must be designated as rural by the USDA, and loans must be secured by an irrevocable standby letter of credit.

With respect to the above, upon motion of Ms. Brock, seconded by Mr. Mabrey, the Board approved the following Resolution:

RESOLUTION AUTHORIZING APPLICATION FOR RURAL ECONOMIC DEVELOPMENT LOAN

WHEREAS, Johnson City Energy Authority, d/b/a BrightRidge, has been actively involved in economic development in order to improve the economic well-being of its service area; and

WHEREAS, Mark Carey and Deborah Carey, the owners of IMC Metal Fabrication and Electropolishing, have proposed to purchase an existing 72,063 square foot building located on 16.56 acres at 3022 Highway 107, Chuckey, Tennessee, 37641; and

WHEREAS, the funds will be used to purchase the building and make needed upgrades; and

WHEREAS, the total project is estimated to be \$1,250,000.00 to fund the project; and

WHEREAS, the Rural Business Cooperative Service has available an economic development program of financial assistance to intermediaries in the form of zero-interest loans to assist in business and community development; and

WHEREAS, the project is in compliance with **7 CFR 4280, Subpart B**, and, specifically, the project is for eligible purposes and is not restricted (**7 CFR 4280.27** and **7 CFR 4280.3**); and resolves to carry out the proposed project with Mark Carey and Deborah Carey according to **7 CFR 4280**; and

WHEREAS, the Board of Directors of Johnson City Energy Authority, d/b/a BrightRidge, has endorsed the proposed rural economic development project as described in the application and **4280.29 Supplemental Financing Required for the Ultimate Recipient** project; and

WHEREAS, the Board of Directors of Johnson City Energy Authority, d/b/a BrightRidge, agrees to the provisions of the regulation **4280-A** and **4280-5** loan agreement;

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of Johnson City Energy Authority, d/b/a BrightRidge, authorizes its Chief Executive Officer to submit an application of \$1,000,000.00 for a Rural Economic Development Loan; and

BE IT FURTHER RESOLVED that the Board of Directors authorizes its Chief Executive Officer to compile, complete, and execute the information and forms necessary to support this application. Furthermore, the Board of Directors authorizes Jeff Dykes, Chief Executive Officer, to requisition the zero-interest loan funds.

I, Ceilya Campbell, Secretary of Johnson City Energy Authority, d/b/a BrightRidge, do hereby certify that the above is a true and correct copy of the Resolution as adopted by the Board of Directors of the Johnson City Energy Authority, d/b/a BrightRidge, at its meeting held on March 23, 2021, at which meeting a quorum was present, and that said Resolution now appears in the records of the Energy Authority's minute book without changes or alterations.

I, Ceilya Campbell, Secretary of Johnson City Energy Authority, d/b/a BrightRidge, do hereby certify that Johnson City Energy Authority, d/b/a BrightRidge, has the legal authority to enter into a loan agreement under this program.

CERTIFICATION OF SECRETARY

/s/ Ceilya Campbell, Secretary

The motion carried unanimously by roll call vote.

Eric Egan, Chief Data Officer, announced to the Board that BrightRidge had once again been designated as a Reliable Public Power Provider (RP3) by the American Public Power Association. RP3 applications are rigorously reviewed by a panel of energy experts for best practices, reliability, safety, and system improvements. Of approximately 2,200 public power utilities in the United States, only 279 utilities have achieved this prestigious designation. The four categories of the RP3 designation are reliability, safety, workforce development, and system improvements. RP3 designation levels are Gold (80 to 89.5 points), Platinum (90 to 99.5 points) and Diamond (100 points). BrightRidge scored the Gold designation in 2011 and 2013, and the Platinum designation in 2015, 2018, and 2021. To achieve the Diamond designation, it is necessary to implement and document annual disaster drills, document a process for contractor safety orientation, and participate in a national research and development program. Chairman Smith congratulated management, staff, and employees for this impressive award, and stated that the achievement was a great demonstration of the employees' talents, skills, and performance.

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 3,612 active customers, 9% of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	467
Johnson City Fiber:	2,170
Piney Flats Fiber:	4
Telford Fiber:	123
Limestone Fiber:	192
Gray Fiber:	482
Kingsport Fiber:	24
Fixed Wireless:	155
Managed Wi-Fi:	2,196 (68% average "take rate")
IPTV Video:	864
Telephone VoIP:	556

Mr. Evans commented about broadband customer support. He stated that over the past year only 11% of support calls required an employee on site, which meant that BrightRidge Broadband support personnel were able to handle 89% of applicable support issues by telephone.

Phase 3 fiberoptic construction continues in the Gray and Boones Creek areas, with 4,131 customer passings ready at this time.

The company has purchased a new customer router, the Calix GigaSpire router, which provides a 30% increase in wireless speeds per device and longer range,

higher efficiency service with less interference. Applications which can be added on provide additional services for parental control and security functions. Future add-ons include energy management, home surveillance, and home automation services and an "Aging in Place" application.

Mr. Evans gave Board members an update on the USDA Community Connect Grant application. He expects to hear approval or denial of the grant in May. This grant, if approved, will be used in the South Central area of Washington County.

Bonnie Donnolly, Chief Development and Market Strategy Officer, delivered an update regarding broadband marketing. Direct marketing is utilized in areas where broadband services are already available. This marketing continues to focus on the superiority of BrightRidge Broadband products, and a "Learn, Work and Live" theme was deployed. An "Available Now" theme began in November in the completed grant areas. That theme will also be used for customers in the area of every newly activated cabinet. Customer call-outs accompany the direct mailings in these areas. The current marketing campaign is the "Make the Switch" campaign, which is solution-driven marketing with humor imagery, and which will run for four months, as response rate has proven higher the longer the marketing campaign runs. The marketing campaigns are coordinated processes, utilizing direct mail, door hangers, call-outs and door-to-door activities.

Marketing has been tracking how customers hear about BrightRidge Broadband. The results over the past three months are as follows:

DECEMBER	JANUARY	FEBRUARY
Direct Mailer: 31%	Call-Outs: 38%	Call-Outs: 38%
Call-Outs: 29%	Word of Mouth: 24%	Word of Mouth: 24%
Word of Mouth: 17%	Direct Mailer: 19%	Direct Mailer: 19%

The Neighbor-to-Neighbor initiative continues to grow, with a current success rate of 83%. Thirty new referrals have come in from this program within the past month.

Chairman Smith advised Ms. Donnolly of a recent testimonial he had received from a BrightRidge Broadband customer and commended her marketing efforts.

CEO Jeff Dykes advised the Board that the Washington County Planning Commission had approved the rezoning of the Martin property to allow the construction of a proposed solar farm. Mr. Dykes thanked Stacy Evans and Bonnie Donnolly and their staffs for their presentation to the adjacent landowners of the solar farm property.

Mr. Dykes announced that a capital budget meeting for the Electric Division had been scheduled for March 31, 2021 at 2:00 PM and invited all interested Board members to attend. A capital budget meeting for the Broadband Division and meetings regarding the operations and maintenance budgets for both divisions will need to be scheduled in early April, and proposed dates and times for those meetings will be sent to Board members for their consideration.

There being no further business, the meeting was adjourned.