

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

November 24, 2020

PRESENT: 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
Stacy Evans, Chief Technology and Broadband Officer
Rodney Metcalf, Chief Operations Officer
Joe Harvey, Hunter Smith Davis, LLP

ABSENT: Dan Brant
Hal Knight
Brian Ellis, Service Department Manager
Donnie Hall, Safety/Environmental Manager
David Spinnato, Physical Plant/Warehouse Manager
Tiphonie Watson, Customer Support Manager
Tim Whaley, Director of Public and Governmental Affairs

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 65**), 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 December 28, 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 Dr. King, seconded by Mr. Thomas, the monthly power distributor's report submitted to the Tennessee Valley Authority for October 2020 was approved. The motion carried unanimously by roll call vote.

Year-to-date income was \$164,511.83 less than last year's year-to-date figure. Year-to-date actual net income was \$419,916.87 less than the budgeted figure. The general fund balance stands at \$21,992,531.13, the reserve fund balance stands at \$6,755,884.63, the special reserve fund balance stands at \$6,009,824.16, the tax equivalent fund balance stands at \$1,848,236.70, the economic development fund balance stands at \$1,619,951.40, the 2017 bond and interest sinking fund balance stands at \$1,347,999.24, the renewal and replacement fund balance stands at \$6,288,808.21, and the self-insurance fund balance stands at \$2,050,175.73. BrightRidge is currently serving 80,010 customers, which is an increase of 804 customers since the same time last year. It should be noted that by the end of October, the Electric Division had made \$31 million in inter-company loans of the projected \$35 million with respect to the broadband project.

Brian Bolling discussed the impact of the company's "Home Uplift" Program contribution, the TVA Partnership Credit, and the TVA Pandemic Relief Credit upon the utility's financial statement. He further noted the impact of the month's degree days, load factor and TVA's fuel cost adjustment to the report.

Upon motion of Dr. King, seconded by Mr. Thomas, the monthly financial statements for October 2020 for the Broadband Division were approved. The motion carried unanimously by roll call vote. There were 145 net fiber customers and 7 net fixed wireless customers added in October. The cash bank balance stands at \$3,080,818.57, and capital projects closed to plant through October totaled \$2,185,672.71 (plus construction work in progress since June 2020 totaling \$2,490,360.95), with a \$4,250,686.34 capital budget remaining at this time.

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

- (a) The minutes of the October 27, 2020 Board meeting.
- (b) The proprietary/sole sourced bid of Power Connections, Inc., d/b/a with Schweitzer Engineering, in the amount of \$51,967.50 for 6 back-up overcurrent relays (\$24,277.50) and 3 differential relays (\$27,690.00).
- (c) The low evaluated bid of ERMCO in the amount of \$54,785.00 for 2 75 KVA transformers (\$10,752.00), 2 150 KVA transformers (\$13,080.00), 2 225 KVA transformers (\$14,966.00), and 1 750 KVA transformer (\$15,987.00).

The motion carried unanimously by roll call vote.

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

- (a) The purchase of 950 GigaSpire residential customer premise Wi-Fi routers, mesh units, and associated licenses from Calix, Inc. at a cost of \$114,205.00. Calix was selected through a Request for Proposal process as BrightRidge Broadband's sole source provider of residential customer premise Wi-Fi routers.
- (b) The low bid of Power and Tel in the amount of \$670,620.00 for 200,000 feet of 288 CT singlemode loose tube fiber (\$297,240.00), 200,000 feet of 144 CT singlemode loose tube fiber (\$178,600.00), 200,000 feet of 96 CT singlemode loose tube fiber (\$124,030.00), and 200,000 feet of 48 CT singlemode loose tube fiber (\$70,750.00).

Upon motion of Ms. Brock, seconded by Mr. Thomas, the Board approved the following 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, Rick Kaylor was employed by the Johnson City Power Board on December 9, 1996 until retiring from BrightRidge on January 6, 2021; and

WHEREAS, during his twenty-four years of service with the Johnson City Power Board, Johnson City Energy Authority, and BrightRidge, he served as Engineering Information Specialist, Engineering Information Systems Analyst, and Engineering Information Systems Supervisor; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mr. Kaylor 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 24th day of November, 2020 that Rick Kaylor be, and hereby is, officially commended for his twenty-four years of service to the customers of BrightRidge.

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

The officer update of Rodney Metcalf was deferred until the next Board meeting.

Stacy Evans, Chief Broadband Officer delivered an update regarding the broadband project. At the time of the Board meeting, the Broadband Division has a total of 2,470 active customers, over 10% of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	327
Johnson City Fiber:	1,894
Piney Flats Fiber:	4
Telford Fiber:	4
Limestone Fiber:	80
Fixed Wireless:	147
Managed Wi-Fi:	1,343 (63.5% average "take rate")
IPTV Video:	576
Telephone VoIP:	356

The current most popular product packages are as follows:

Residential Fiber, 200 Mbps:	1,021
Residential Fiber, 500 Mbps:	1,077
Residential Fiber, 1Gbps:	269
Residential Fiber, 10Gbps:	1

The 10 Gbps residential customer is a professional gamer who moved into the area from Toronto, Canada. Mr. Evans opined that he was probably one of the few 10 Gbps residential customers and possibly the only one who was receiving this service for \$149.99 per month.

The Board approved earlier in the meeting the purchase of a new version of home routers, the GigaSpire router, with Wi-Fi 6, with a 30% increase in bandwidth, longer range coverage and higher efficiency and less interference with other neighboring

routers. The routers also make available Command IQ service so that customers may load an application on their telephone to control and monitor their usage, perform automatic speed tests, and to allow the customer to take advantage of new products as they become available. Protect IQ will allow customers to enable home security for a firewall and anti-virus protection. Experience IQ allows for parental controls for various devices used by children, including content and social media, time-of-day limitations, and the timing of activities such as gaming. Calix, the router vendor, is working with Samsung to integrate other applications into the product, such as home automation, energy management, home surveillance, and an "aging in place" option which allows for the monitoring of loved ones.

Mr. Evans briefly discussed product technical support. BrightRidge technical support is a combination of in-house support and outside vendor services. Since January, the residential "speed of answer" rate is 6.2 seconds. The industry standard is typically between 30 and 60 seconds from time of answer to speaking with a customer representative. In October, the BrightRidge rate was approximately one minute. The call "abandonment rate" in October was 9.6%. The industry standard is between 8% and 14%. Average talk time between technical support and the customer is presently 10.98 minutes. The industry standard is around 6 minutes, but as BrightRidge products are quite technical, this would account for a longer talk time. Technical Support averages 300 calls per month, which is low for a customer base of almost 2,500.

Materials were diverted from the Phase III buildout to the grant area projects. However, Cabinets 6, 7, 9, 10, 17, and 19 are now completed in the area and will become active during the second week of December. Phase III construction will proceed forward after the grant deadline.

Phases I and II currently have a 24% "take rate" which is ahead of that rate as shown in the Business Plan for this point in time.

With respect to the grant areas, the Bowmantown, Ducktown, Glendale and Big Sandy construction is complete. Two hundred eighty-three of 559 fiber drops have been completed. (Contractor staffing has become somewhat of an issue due to COVID). Eighty customers have been activated for broadband services, and customer feedback has been very positive.

Drops have been installed in 91 homes in the Pleasant Valley area with 35 customer activations for fiber services. Forty-seven customers may also be served outside this grant area in the vicinity of Hairetown Road.

Signage is in development for the Washington County schools. Public wi-fi will be available at all schools by the first week in December.

All that remains to be completed for the Sullivan County schools is some fiber splicing, at which time all three schools will be activated. This is expected to be completed by the first week in December as well.

Two of the parking lots at Science Hill High School are activated. The third lot will be activated at the beginning of next week. Fiber drops will also be made at Indian Trail and South Side next week as well.

Public wi-fi is currently available at Telford and Bowmantown Ruritan buildings. Limestone, Leesburg, and Oak Glen, and Appalachian Fairgrounds are in process.

The wireless deployment in the South Central Community has been placed on hold, pending application for a USDA grant opportunity for an up to 85% matching grant. Approximately 850 homes could be reached in this area. The grant application is due by December 23rd, and grants will be awarded in February or March 2021.

Mr. Grandy expressed his appreciation for the work done at the former Boones Creek Elementary School. The facility is presently being utilized for a learning center/day care facility for essential workers through a joint partnership of East Tennessee State University, the City of Johnson City, Washington County, and the Washington County School System, powered by BrightRidge.

CEO Jeff Dykes thanked those Board members who were able to attend the recent event marking the unveiling of the new front entrance area at the Boones Creek Road BrightRidge facility. He expressed his appreciation to Mark Eades and his group for their hard work in bringing this project to fruition.

Mr. Dykes shared with the Board a plaque for an award the utility had received from the Tennessee Valley Authority commemorating 75 years of partnership, outstanding contributions in service, and commitment to excellence to the people of the Tennessee Valley.

Preliminary site work will begin on November 30, 2020 for the 9 MW Silicon Ranch installation. Documents will be brought to the Board soon relating to an additional 14 MW facility, and possible sites are being reviewed at this time for that project.

Mr. Mabrey expressed his appreciation to BrightRidge managers, staff, and employees for the front entrance area event.

Ms. Brock announced that BrightRidge Broadband would be powering the "Christmas in the Park" event, wherein 63 Christmas trees will be placed and decorated by local businesses in Founder's Park in Johnson City, and thanked the managers, staff, and employees who will be working to make this event a success.

There being no further business, the meeting was adjourned.