

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

November 23, 2021

PRESENT: Jenny Brock
James Haselsteiner
Hal Knight
B. J. King
Gary Mabrey
James Smith (participated via Zoom conferencing software - non-voting)
Robert Thomas
Jeffrey R. Dykes, Chief Executive Officer (participated via Zoom conferencing software)
Brian Bolling, CPA, Chief Financial Officer and Chief Customer Officer (participated via Zoom conferencing software)
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
Stephen M. Darden, Hunter Smith Davis, LLP

ABSENT: Dan Brant
Joe Grandy
Brian Ellis, Service Department Manager
Donnie Hall, Safety/Environmental Manager
David Spinnato, Physical Plant/Warehouse Manager
Tiphonie Watson, Customer Support Manager
Melissa Taylor, Supervisor, General Accounting

Vice-Chairman Gary Mabrey called the meeting to order.

Upon motion of Mr. Thomas, seconded by Dr. Knight, the following items were amended on today's meeting agenda:

- (a) 7) Other - Item E - Officer Update - Brian Bolling - was deferred.

(b) 7) Other - Item F - Officer Update - Stacy Evans was moved to 7) Other - Item E.

(c) Consideration of the First Amendment to the LPC Power Purchase Agreement with SR Washington I, LLC was added to the meeting agenda as 7) Other - Item F.

(d) Consideration of the Second Amendment to the Parallel Operations/Interconnection Agreement with SR Washington I, LLC was added to the meeting agenda as 7) Other - Item G.

The motion carried by roll call vote, with Mr. Haselsteiner being absent at the time of the vote.

Upon motion of Mr. Thomas, seconded by Ms. Brock, the monthly power distributor's report submitted to the Tennessee Valley Authority for September, 2021 was approved. The motion carried unanimously by roll call vote. Year-to-date income was \$626,935.30 more than last year's year-to-date figure and year-to-date actual net income was \$414,373.80 than the budgeted figure. The general fund balance stood at \$25,777,132.26, the reserve fund balance stood at \$6,797,266.76, the special reserve fund balance stood at \$6,045,879.35, the tax equivalent fund balance stood at \$1,302,689.90, the economic development fund balance stood at \$1,639,853.24, the 2017 and 2021 bond and interest sinking fund balance stood at \$1,783,419.67, the renewal and replacement fund balance stood at \$6,327,037.88, and the self-insurance fund balance stood at \$2,000,935.08.

Upon motion of Mr. Thomas, seconded by Ms. Brock, the monthly financial statements for September, 2021 for the Broadband Division were approved. The motion carried unanimously by roll call vote. The cash bank balance stood at \$3,067,427.79, and capital projects closed to plant through September, 2021 totaled \$3,282,250.88 (less construction work in progress since June, 2021 totaling \$1,559,331.98), with a \$4,542,556.10 capital budget remaining at the end of September.

Upon motion of Mr. Thomas, seconded by Ms. Brock, the monthly power distributor's report submitted to the Tennessee Valley Authority for October, 2021 was approved. The motion carried unanimously by roll call vote. Year-to-date income was \$877,369.39 more than last year's year-to-date figure and year-to-date actual net income was \$945,318.72 more than the budgeted figure. The general fund balance stands at \$24,456,376.42, the reserve fund balance stands at \$6,799,454.92, the special reserve fund balance stands at \$6,047,825.63, the tax equivalent fund balance stands at \$1,777,511.44, the economic development fund balance stands at \$1,592,543.54, the 2017 and 2021 bond and interest sinking fund balance stands at \$1,409,936.00, the renewal and replacement fund balance stands at \$6,329,074.67, and the self-insurance fund balance stands at \$2,001,257.30. BrightRidge is currently serving 80,961 customers, which is an increase of 951 customers since the same time last year.

Upon motion of Mr. Thomas, seconded by Ms. Brock, the monthly financial statements for October, 2021 for the Broadband Division were approved. The motion carried unanimously by roll call vote. The cash bank balance stood at \$1,189,765.42, and capital projects closed to plant through October, 2021 totaled \$3,390,340.21 (less construction work in progress since June, 2021 totaling \$1,174,531.25), with a \$4,049,666.04 capital budget remaining at the end of July.

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

(a) The minutes of the regularly scheduled Board meeting on October 26, 2021.

(b) The low bid of Stuart C. Irby Company in the amount of \$66,500.00 for 25,000 feet of 1/0 AL 15 KV compressed primary cable.

(c) The low bid of Williams Electric Supply Company in the amount of \$82,542.50 for 14,000 feet of Rigid 2" PVC conduit (\$40,460.00) and 9,300 feet of Rigid 1 1/2" PVC conduit (\$42,082.50).

(d) The low bid of Williams Electric Supply Company in the amount of \$111,743.75 for 13,950 feet of Rigid 1 2/1" PVC conduit (\$63,123.75) and 8,800 feet of Rigid 3" PVC conduit (\$48,620.00); and the low bid of Stuart C. Irby Company in the amount of \$64,750.00 for 25,000 feet of 1/0 AL 15 KV compressed primary cable.

(e) The low evaluated bid of Stuart C. Irby Company in the amount of \$434,015.00 for 15 25 kVA 120/240 pad mount transformers (\$55,350.00), 40 50 KVA 120/240 pad mount transformers (\$187,400.00), 15 75 kVA 120/240 pad mount transformers (\$85,440.00) and 15 100 kVA 120/240 pad mount transformers (\$105,825.00).

(f) The low evaluated bid of WESCO in the amount of \$317,833.75 for 40 50 kVA 120/240 pad mount transformers (\$136,540.00), 15 75 kVA 120/240 pad mount transformers (\$72,782.25), and 15 100 kVA 120/240 pad mount transformers (\$108,511.50).

Due to production and delivery issues, the transformers were purchased from two vendors this year in order to receive them in two deliveries at 32 and 57 weeks from date of purchase.

(g) The purchase of one refurbished control house for the Piney Flats substation, including one-year bumper-to-bumper and 10-year limited structural warranties from VFP, Inc. at a cost of \$128,385.00. The control house is priced at \$116,385.00, with freight and offloading charges of \$12,000.00.

The motion carried unanimously by roll call vote.

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

(a) The low bid of Border States Electric Supply in the amount of \$106,416.00 for 400 LG-600 TFFX/24 aerial closures (\$91,520.00) and 800 LL-4808L-R FTTX splice trays (\$14,896.00).

(b) The low bid of Graybar Electric Company, Inc. in the amount of \$176,912.00 for 100,000 feet of 12 CT flat drop dielectric ZWP fiber (\$27,390.00), 400,000 feet of 2 CT flat drop dielectric ZWP fiber (\$65,040.00), 200 D6 dome splice enclosures (\$63,226.00), 400 FOSC-ACC- TRAY-72 splice trays (\$9,296.00), and 800 FOSC 24 count SOLICW trays (\$11,960.00).

(c) The low bid of Border States Electric Supply in the amount of \$293,496.90 for 10 yellow jacket splice trays (\$1,410.90) and 1,080 yellow jacket inline terminal closures (\$292,086.00).

The motion carried unanimously by roll call vote.

Upon motion of Mr. Thomas, seconded by Dr. Knight, the Board approved the proposal of Design Sensory in the amount of approximately \$185,000.00 for a 12-month digital ad partner contract, with the option to extend the contract for an additional year at the same pricing structure. The motion carried unanimously by roll call vote. The vendor was chosen through an RFP process, and the costs of the contract will be split between the Electric and Broadband Division budgets as applicable.

Upon motion of Ms. Brock, seconded by Mr. Thomas, the Board approved expenditures in the amount of \$250,706.00 for grant spending under a Fast Charge TN Network funding match request submitted to the Tennessee Valley Authority and the Tennessee Department of Transportation for the installation of a fast charging station in Johnson City. The motion carried unanimously by roll call vote. The project would provide two charging stations with dual plugs to accommodate four electric vehicles charging at once and would also include a van-accessible EV charging stall. If approved, TVA/TDOT would fund the project at 80%, with the match funding and final net cost to BrightRidge being \$50,141.00. Funding for the project was included in the FY 2021-22 capital budget.

Upon motion of Mr. Haselsteiner, seconded by Dr. King, the Board approved changes to the utility's "Electric Rules and Regulations" and the "Broadband Terms and Conditions" documents to reflect minor changes relating to the utilization of electronic signatures and the credit check portion of these documents. The motion carried unanimously by roll call vote. The specific changes are reflected in Exhibit "A" attached to these minutes and will become effective on January 1, 2022 after approval by the Tennessee Valley Authority.

Upon motion of Dr. King, seconded by Mr. Haselsteiner, the Board approved an additional \$75,000.00 in matching funds for the Heisse Johnson "Hand Up" program, which assists individuals or families who may need financial assistance in paying their energy bills. The motion carried unanimously by roll call vote. TVA will match the \$75,000.00 contributed by BrightRidge, for a total of \$150,000.00 in additional available assistance.

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 5,830 active customers, 9.25% of which are business or commercial entities. In November, 2020, there were 2,418 customers, which included 252 businesses. Thus, the current customer count represents a 2.41-fold or 141% increase in customers over the past 12 months.

The current broadband customer base is as follows:

Jonesborough Fiber:	648
Johnson City Fiber:	2,746
Piney Flats Fiber:	6
Telford Fiber:	141
Limestone Fiber:	223
Gray Fiber:	1,776
Kingsport Fiber:	115
Fixed Wireless:	163
Managed Wi-Fi:	3,720 (71.6% average "take rate")
IPTV Video:	1,214
Telephone VoIP:	800

Linear weekly customer adds remain above the budgeted goal of 58.4. As of the time of the Board meeting, the Broadband Division's customers are trending 50 customers above the linear budget line.

Mr. Evans stated that surveys had been taken to determine how broadband customers learned about BrightRidge's product. Door-to-door sales represented 41.6% of all sales; however, customers also reported that they learned about BrightRidge Broadband through BrightRidge telephone call-outs, word of mouth testimony, digital advertising, and direct mail cards, and to a lesser extent, print advertising, television advertising, the customer referral program, and from installers of the product.

Aerial fiberoptic construction continues to proceed in the Johnson City Section of Phase IV of the broadband deployment project, with about 80% of the work being completed. There is only one construction team currently working, as other teams were deployed to Louisiana to assist with storm damage reconstruction. That issue should be resolved by January or February. 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 41 BrightRidge Broadband households were presently participating in the Emergency Broadband Benefit Program offered through the FCC and Universal Service Administrative Company. The program allows a \$50.00-per-month credit toward broadband costs to eligible households, and will last until six months after the end of the public health emergency or until the funds are expended.

The Broadband and Technology Director advised the Board that there still had been no response regarding the awarding of the USDA Community Connect grants. He stated that if this grant application was denied, he had learned that some state funding would become available in January through March, 2022 through Tennessee Economic and Community Development Emergency Broadband Grants.

Upon motion of Dr. King, seconded by Mr. Thomas, the Board approved the First Amendment to the LPC Power Purchase Agreement between BrightRidge and SR Washington I, LLC. The motion carried unanimously by roll call vote. The amendment essentially increases the capacity of the Martin Solar Farm from 9 MW to 11 MW.

Upon motion of Mr. Thomas, seconded by Dr. Knight, the Board approved the Second Amendment to the Parallel Operations/Interconnection Agreement between BrightRidge and SR Washington I, LLC, amending the capacity from "approximately 9MWac to "approximately 11MWac". The motion carried unanimously by roll call vote.

Both these amendments will be approved by the Tennessee Valley Authority.

CEO Jeff Dykes reminded Board members of the change in the December Board meeting date to December 15th. The employee Christmas luncheon will be held immediately prior to the Board meeting, which will begin at 2:00 PM.

Board member Jenny Brock invited all Board members and staff members and their families to attend a number of Thanksgiving and Christmas season events in Johnson City, including the "Turkey Trot" road race, the lighting of the Christmas trees in Founder's Park, and the Johnson City Christmas parade.

There being no further business, the meeting was adjourned.