

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

October 22, 2019

PRESENT: Dan Brant  
Jenny Brock  
Joe Grandy  
B. J. King  
Hal Knight  
Gary Mabrey  
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  
Stacy Evans, Chief Broadband Officer  
Donnie Hall, Safety/Environmental Manager  
Rodney Metcalf, Chief Operations Officer  
Angela Shrewsbury, Energy Services/Marketing Manager  
David Spinnato, Physical Plant/Warehouse Manager  
Tiphonie Watson, Customer Support Manager  
Tim Whaley, Director of Public and Governmental Affairs  
Stephen M. Darden, Attorney

ABSENT: Brian Ellis, Service Department Manager

Chairman B. J. King called the meeting to order and welcomed Deborah Parker, Account Services Supervisor for BrightRidge, who was attending today's meeting. Ms. Parker was employed by the utility in 2002 as a Customer Support Advocate, later worked as a Cashier, and was promoted to Account Services Supervisor in 2004. She oversees the company's Reception, Cashier, and Collections areas.

Chris Quillen, Customer Service Manager for the Tennessee Valley Authority, introduced Bob Roth, Senior Specialist, Enterprise Forecasting Group, who delivered a presentation regarding TVA's economic and demographic outlook, including economic growth projections, demographic trends, and recession risks.

Economic growth in the Tennessee Valley generally follows the national economy with slightly more volatility due to its manufacturing base. Economic growth has

slowed in 2019 and a trough is expected in 2021 and 2022. Long-term growth of approximately 1.8% is forecasted.

One reason for a slower economic growth rate is due to demographic trends, including a slower population growth and lower crude birth rates. Demographics are also a factor in inflation rates. Mr. Roth stated that inflation likely peaked in 2018. Economic growth continues to lag beyond Federal expectations due to automation, union decline, the GIG economy, and globalization. In the Tennessee Valley, middle Tennessee is growing, while all other areas of the valley are flat or declining. The consumer price index is projected to grow somewhere between 1.9% to 2.3% in the coming forecasted period.

The labor force participation rate in the Tennessee Valley lags the U. S. rate due to the aging population and lower education and skills levels. Demographics will further affect the TVA load outlook as household size continues to decline, the working age population growth slows, and employment growth as a whole is modest. Growth over the next decade is projected at 0.5%, primarily due to three large data centers in the areas served by TVA; however, underlying fundamentals continue to point toward weak future growth. Most employment growth is in the service sector. Manufacturing sector growth declined sharply around the 2009 recession, and has only made a very modest recovery since that time.

Pressures on TVA's economic and demographic outlook include technological advances, evolving consumer behaviors, behind-the-meter solar power, overall economic cycles, and industrial sector risks.

Upon motion of Mr. Grandy, seconded by Mr. Thomas, the monthly power distributor's report submitted to the Tennessee Valley Authority for September, 2019 was approved. The motion carried, with Mr. Mabrey absent at the time of the vote. Year-to-date income was \$202,005.45 less than last year's year-to-date figure. Year-to-date actual net income was \$440,082.48 less than the budgeted figure. The general fund balance stands at \$34,381,183.74, the reserve fund balance stands at \$6,660,496.23, the special reserve fund balance stands at \$5,924,719.52, the tax equivalent fund balance stands at \$1,418,142.58, the economic development fund balance stands at \$1,981,905.22, the 2017 bond and interest sinking fund balance stands at \$1,624,820.86, the renewal and replacement fund balance stands at \$6,199,752.87, and the self-insurance fund balance stands at \$2,004,016.46. BrightRidge is currently serving 79,362 customers, which is an increase of 667 customers since the same time last year.

Upon motion of Mr. Grandy, seconded by Mr. Thomas, the monthly financial statements for September, 2019 for the Broadband Division were approved. The motion carried, with Mr. Mabrey absent at the time of the vote. The cash bank balance stands at \$532,894.89, and capital projects closed to plant through September totaled \$2,572,479.17 (plus construction work in progress since June, 2019 totaling \$555,700.00), with a \$5,794,714.83 capital budget remaining at this time. There are presently 299 fiber customers and 89 fixed wireless customers in the Broadband Division.

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

- (a) The minutes of the September 24, 2019 Board meeting; and
- (b) The low bid of Irby in the amount of \$86,235.00 for nine 70' steel weathering poles, LD-1 (\$63,225.00) and three 80' steel weathering poles, LD-1 (\$23,010.00).

The motion carried, with Mr. Mabrey absent at the time of the vote.

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

- (a) The low bid of Border States in the amount of \$76,197.50 for fifty units (50') of armored fiber jumper cable (\$1,322.50), fifty units (75') armored fiber jumper cable, 400 LG-600 FTTX/24 aerial closures (\$66,000.00), and 400 LL-4808L-R splice trays (\$7,400.00); and
- (b) The evaluated bid of FutureTech for the Cambium PTP-820 microwave system at a cost of up to \$81,894.66 for the initial purchase and one year of Next Business Day technical support. The microwave wireless backhaul will provide network connectivity to the fixed wireless equipment to serve broadband to the communities near Buffalo Ridge and Fall Branch.

The motion carried, with Mr. Mabrey absent at the time of the vote.

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

RESOLUTION TO REQUEST UNCLAIMED BALANCE  
OF ACCOUNTS REMITTED TO STATE TREASURER  
UNDER UNCLAIMED PROPERTY ACT

WHEREAS, ***Tennessee Code Annotated Section 66-29-146(c)*** provides that a municipality or county in Tennessee may request payment for the unclaimed balance of funds reported and remitted by or on behalf of the local government and its agencies if it exceeds \$100, less a proportionate share of the cost of administering the program; and

WHEREAS, the Johnson City Energy Authority, d/b/a BrightRidge, and/or its agencies have remitted unclaimed accounts to the State Treasurer in accordance with the ***Uniform Unclaimed Property Act***, and

WHEREAS, the Johnson City Energy Authority, d/b/a BrightRidge, agrees to meet all of the requirements of **Tennessee Code Annotated Section 66-29-101, et seq.** and to accept liability for future claims against accounts represented in funds paid to it; and

WHEREAS, it is agreed that this local government will retain a sufficient amount to insure prompt payment of allowed claims and that the balance of funds will be deposited in this local government's general fund;

THEREFORE, BE IT RESOLVED, that the Johnson City Energy Authority, d/b/a BrightRidge, requests that the State Treasurer to pay the unclaimed balance of funds to it in accordance with the provisions of **Tennessee Code Annotated Section 66-29-146(c)**. A list of remittances made by or on behalf of the local government and its agencies is attached.

I hereby certify that this is a true and exact copy of the foregoing Resolution which was approved and adopted at a meeting held on the 22nd day of October, 2019, original that is on file in this office. I further certify that the Johnson City Energy Authority, d/b/a BrightRidge, Board of Directors consists of nine members and that eight members present voted in favor of this Resolution.

The motion carried, with Mr. Mabrey absent at the time of the vote.

Dr. King announced Committee appointments for 2019, which are as follows:

Economic Development Council

Jeff Dykes - Representative to NETREP and Networks  
Guy Wilson  
Gary Mabrey  
James Smith

Finance, Audit, Rates and Budget Committee

Joe Grandy, Chairman  
Jenny Brock  
B. J. King  
Hal Knight  
Rob Thomas

Human Resources/Insurance Committee

Rob Thomas, Chairman  
Dan Brant

Hal Knight  
James Smith  
Gary Mabrey

Business Development/Planning Committee

Jenny Brock, Chairman  
Gary Mabrey  
Joe Grandy  
B. J. King  
Guy Wilson

Stacy Evans, Chief Broadband Officer, delivered a short presentation regarding the broadband project. Mr. Evans updated the Board on the progress of the various phases of the fiberoptic construction in Johnson City, Jonesborough and the local business parks, of the fixed wireless construction and towers, and of the Johnson City and Jonesborough public wi-fi projects. There are presently 433 active customers. Two broadband wholesale and bulk customer opportunities are now active, with two more expected to be in operation by December.

Mr. Evans stated that 98% of the video content providers had now approved BrightRidge Broadband's requests for distribution. NBC Universal is expected to be approved by the end of this week. A video marketing launch is expected to begin around November 11th.

Rodney Metcalf, Chief Operations Officer, delivered a short presentation on underground subdivision construction projects now in progress. These include Duncan's Retreat; the Dunbar development; the Villas at the Old Mill, Phase II; Vines Farm; Pickens Bridge Village; Autumn Ridge; the Cottages at Cedar Rock Village, Phase II; North Cherokee Townhouses; Ivy Trace; the Farm at Rangewood; Cliffs on Boone, Phase I; and the Villas at Mockingbird. These developments include 438 home lots and 534 apartment units.

Construction crews are also working on a connecting road project between Highway 11-E and State of Franklin Road in Johnson City near the West Primary Substation.

Mr. Metcalf unveiled photographs of the BrightRidge Broadband marketing vans, two Chevy Volt electric vehicles, and advised that today the utility took delivery of eight new Ford F150 trucks.

CEO Jeff Dykes announced to the Board that Stacey Sheffey and Tiphonie Watson had been named as "Forty Under 40" honorees by the *Business Journal of the Tri-Cities Tennessee/Virginia*, and that Matt Heath had recently been elected President of the Mid-South Electric Metering Association.

Mr. Dykes expressed his appreciation to BrightRidge employees for their recent community volunteer efforts, including packing food boxes for the Hunger to Hope Program at Boones Creek Christian Church, and the Special Olympics Bowling event. He invited Board members to participate in Employee Appreciation Week activities, including a Chili Cook-off on October 23rd and the Employee Awards Luncheon on October 24th.

Mr. Dykes advised Board members that there would be a Business Development Committee meeting on October 30th at 4:30 PM. He also announced changes to the November and December Board of Directors' meeting dates. The November meeting will be held on Tuesday, November 19th, at 4:15 PM, and the December meeting will be held on Tuesday, December 17th, at 1:00 PM.

There being no further business, the meeting was adjourned.