

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

October 26, 2021

PRESENT: Dan Brant
Jenny Brock
James Haselsteiner
B. J. King
Gary Mabrey
James Smith
Robert Thomas
Jeffrey R. Dykes, Chief Executive Officer
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
Tiphonie Watson, Customer Support Manager
Tim Whaley, Director of Public and Governmental Affairs
Stephen M. Darden, Hunter Smith Davis, LLP

ABSENT: Joe Grandy
Hal Knight
Brian Bolling, CPA, Chief Financial Officer and Chief Customer Officer
Brian Ellis, Service Department Manager
Donnie Hall, Safety/Environmental Manager
David Spinnato, Physical Plant/Warehouse Manager
Melissa Taylor, Supervisor, General Accounting

Chairman James Smith called the meeting to order.

Upon motion of Ms. Brock, seconded by Mr. Mabrey, the Board voted to add as Item 5 (C.) to the Consent Agenda - Broadband - consideration of the Prysmian Optical Cable Price Increase Announcement to the meeting agenda. The motion carried unanimously.

Upon motion of Ms. Brock, seconded by Mr. Mabrey, the Board voted to add as Item 7 (E.) - consideration of a \$15,000.00 contribution to RegionAHEAD to assist

the needs of police, fire, and EMS personnel resulting from the COVID-19 pandemic. The motion carried unanimously.

Jeff Lyash, CEO of the Tennessee Valley Authority, delivered remarks to the Board about the agency and its past, present and future. The Tennessee Valley Authority was founded 88 years ago and presently serves over 10 million customers in seven states. Its unique mission is delivering affordable, reliable energy to its distributors; facilitating flood control and river management; providing recreational opportunities on its lakes and rivers; assisting in economic development endeavors; and balancing these elements with environmental interests.

In the past decade, TVA has invested \$15 billion in modernization of its systems, which has resulted in a \$1 billion per year savings in operating costs and a \$2 billion per year savings in fuel costs. The "all in" rate to distributors has been flat for the past decade. The retail rate for TVA retail customers is lower than 80% of the utilities in the United States and the retail rate for its industrial customers is lower than 90% of the utilities in the U. S.

In the past decade, TVA has reduced its greenhouse gas production by 65%, and 60% of the electricity produced by TVA now produces 0% carbon and has 0% volatility in fuel costs. The primary reason for the stabilization in terms of fuel costs is the diversity of TVA's generation portfolio. One of TVA's primary concerns was a reduction in its debt, and in the past decade it has reduced its debt by \$9 billion.

When Mr. Lyash became CEO of the Tennessee Valley Authority, he visited distributors in the Valley to determine how TVA could best assist them. He heard three basic items over and over during these visits: the distributors wanted stable rates, flexibility in generation, and collaboration in asset planning. A 20-year long-term partnership agreement with distributors has been developed to enable alliances to meet these goals.

With respect to the future, TVA's goals are to continue to lower greenhouse gas emissions to 70% by 2030 and to 80% by 2035. Coal plants, which represent only 18% of the current generation capacity, are expected to be fully retired by 2035. TVA plans to continue the development of nuclear facilities, which represent the second lowest generation costs after hydro. TVA also plans to develop its solar capacity, with a 10,000 MW solar facility currently in the works.

Other future goals include (1) economy-wide electrification, beginning with the transportation industry; (2) development of low-carbon fuels such as hydrogen; (3) development of carbon capture technologies; (4) expansion of storage capacities; and (5) continued advancement of new nuclear facilities. Partnerships with local utilities will include community solar projects, "connected communities" data collection, storage projects, and such programs as Valley Vision 2035 and Green Investment.

Financial reports were deferred until the November Board meeting.

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

(a) The minutes of the regularly scheduled Board meeting on September 28, 2021.

(b) The low bid of ABB/Ruffin in the amount of \$101,072.00 for 4 13 Kv breakers.

(c) The low bid of Irby in the amount of \$74,632.00 for 25,000 feet of 1/0 AL 15 Kv compressed primary cable (\$64,750.00), and 12 American 17'6" BLK lighting poles (\$9,882.00).

(d) The low bid of Williams in the amount of \$94,941.00 for 14,000 feet of rigid 2" conduit (\$39,060.00), 9,300 feet of rigid 2 1/2" conduit (\$40,641.00), and 6,000 WP 1/0 CU SD 7-strand XLP conductor wire (\$15,240.00) and the low bid of Border States in the amount of \$95,382.70 for 52,900 feet of AAC 556.5 dahlia conductor wire (\$66,495.30), 30 Evolve 194W LED lighting fixtures (\$19,444.20), 250 6-hole pedestal connectors (\$1,832.50), and 30 F/G for 1-PH transformer box pads (\$7,610.70).

(e) Approval of the second one-year extension of the contract with Osmose Utility Services, Inc. for distribution pole inspections at a projected cost of \$119,375.10, representing a 3.1% increase based upon the Consumer Price Index.

The motion carried unanimously.

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

(a) Approval of a 36-month contract with Iris Networks for a protected 100Gb ethernet transport circuit to Atlanta for the monthly amount of \$7,350.00 and a one-time \$5,000.00 installation fee. Due to Iris Networks leasing fiber from BrightRidge to deliver its services in Johnson City, the net monthly payment would be \$1,340.65 for the upgrade.

(b) The proposal of Calix in the amount of \$852,700.00 for 5,000 customer premise optical network terminals (\$425,000.00), 3,500 wi-fi routers (\$343,000.00), 625 mesh extenders (\$49,875.00), and 250 u6 routers (\$34,825.00). The purchase is predicated by expected long lead times for electronics due to limits on silicon materials. This purchase would come from the 2023 Broadband budget, and delivery and invoice payments would be scheduled throughout that budget year. Calix was previously selected as the sole source provider of fiberoptic network equipment through an RFP process in 2018.

(c) A price increase in the amount of \$214,580.00 from Prysmian Group for group fiber purchased and scheduled to ship after January 1, 2022. The price increase results from critical raw material and transportation cost increases.

The motion carried unanimously.

Mr. Thomas delivered the report of the Human Resources/Insurance Committee, which met on October 20, 2021 to consider 2022 medical/dental/vision insurance renewals. Upon motion of Mr. Thomas on behalf of the Committee, the Board approved the renewal of the following coverages for the coverage period January 1, 2022 - December 31, 2022:

(a) Medical coverage with Blue Cross Blue Shield of Tennessee at an 11% increase with the following plan design changes: (i) Emergency Room charges being subject to deductible and co-insurance; and (ii) current drug co-pay card of \$10/\$30/\$45/\$200 - specialty drugs would move to \$10/\$25/\$45/\$75/\$200. The brand deductible of \$100.00 would remain in place.

(b) Dental coverage with Blue Cross Blue Shield of Tennessee at a 5% increase and no plan design changes. The employee bi-weekly payroll deduction would also increase by 5%.

(c) Vision coverage with Blue Cross Blue Shield of Tennessee with no cost increases or plan changes.

(d) Renewal of the flex spending account with the current vendor, Health Equity, with no price increase.

The motion carried unanimously by roll call vote.

Eric Egan, Chief Data Officer, and Heather Light, Billing and Business Process Manager, delivered a presentation regarding the project charter process. The steps in the process include documentation of the background and description of the project, definition of its high-level requirements, documentation of the deliverables and "buy in" of the stakeholders in the affected business processes, documentation of specific exclusions from the scope of the project, definition of the high-level timeline, and approval and authority to proceed forward with the plan.

The benefits of the project charter process include clear definition of the project purpose, benefit and ownership; the identification of the required resources to accomplish the process; "buy in" from the affected stakeholders and the CEO for the project, and development of accountability measures to determine the project's success.

Current projects in the project charter process include substation business process optimization and capacity utilization, non-standard service metering, remote disconnect automation, and billing operations business process optimization. Upcoming

projects include substation administrative and support staff business process optimization, mapping, introduction to RCA (interdepartmental training), and performance review enhancements to reflect accountability measures.

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 5,628 active customers, 8.8% of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	626
Johnson City Fiber:	2,690
Piney Flats Fiber:	5
Telford Fiber:	139
Limestone Fiber:	217
Gray Fiber:	1,685
Kingsport Fiber:	105
Fixed Wireless:	161
Managed Wi-Fi:	3,599 (71.4% average "take rate")
IPTV Video:	1,199
Telephone VoIP:	769

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 88.6 above the linear budget line.

Aerial fiberoptic construction continues to proceed in the Johnson City Section of Phase IV of the broadband deployment project, with 74.51 miles of fiber to be constructed and 3,900-plus customers who will be passed. Work on three of the fiber cabinets in this section is 100% complete and a fourth is 95% complete at this time. Work on Phase IV fiberoptic construction near the Washington County grant areas is also progressing.

Mr. Evans advised the Board that 38 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 Officer also spoke about non-payment disconnects and a plan to allow customers to restore service through the utilization of Smart Hub. He advised the Board that the BrightRidge SmartHome product would soon be available to broadband customers. Lastly, he discussed broadband advertisements that are available through the Calix Marketing Cloud services the Board approved at its September meeting, and he aired a sample ad for the Board.

Upon motion of Mr. Thomas, seconded by Dr. King 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 \$100.00, 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 Disposition of 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 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 26th of October, 2021, 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 seven members present voted in favor of the Resolution.

The motion carried unanimously by roll call vote.

Upon motion of Dr. King, seconded by Ms. Brock, 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, Richard Blackmon was employed by the Johnson City Power Board on August 15, 1994 until retiring from BrightRidge on Friday, October 15, 2021; and

WHEREAS, during his twenty-seven years and two months of service with the Johnson City Power Board, Johnson City Energy Authority, and BrightRidge, he served as Lineman and Lead Lineman; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mr. Blackmon 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 26th day of October, 2021 that Richard Blackmon be, and hereby is, officially commended for his twenty-seven years and two months of service to the customers of BrightRidge.

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

The motion carried unanimously.

Upon motion of Mr. Mabrey, seconded by Dr. King, the Board voted to make a \$15,000.00 contribution to RegionAHEAD to assist with the needs of police, fire and EMS essential workers resulting from the COVID-19 pandemic. The motion carried unanimously by roll call vote.

CEO Jeff Dykes announced that the 9 MW solar farm was near completion and that an activation ceremony would be held in December. Board members will receive more information regarding the event as the activation date nears.

Mr. Dykes advised the Board that a response in the form of a letter had been made on September 30th to the Washington County Zoning Director's September 28th letter to BrightRidge. An e-mail has now been received from the Washington County Attorney regarding a possible meeting with BrightRidge counsel, which has been referred to Mr. Darden.

The CEO expressed his appreciation to Connie Crouch and Stacey Sheffey for their work in planning and coordinating the recent Employee Appreciation Week activities. Mr. Mabrey commented that there were a number of employees who attended the activities who had more than 35 years of service each, and he stated that the utility was fortunate indeed to have such a dedicated and long-serving work force.

Ms. Brock advised that the City of Johnson City would be receiving funds from the federal American Relief Plan program, and mentioned possible coordination with BrightRidge relating to funding for broadband in unserved/underserved areas in the city.

There being no further business, the meeting was adjourned.