

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

September 28, 2021

PRESENT: Dan Brant  
Jenny Brock  
Joe Grandy  
James Haselsteiner  
B. J. King  
Gary Mabrey  
James Smith  
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 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: Hal Knight  
Robert Thomas  
Bonnie Donnolly, Chief Development and Market Strategy 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. Haselsteiner, the Board voted to add consideration of the settlement of the lawsuit ***BrightRidge v. CenturyLink, U. S. District Court, Civil Action No. 2:20-cv-00030*** to the meeting agenda. The motion carried unanimously.

Upon motion of Mr. Grandy, seconded by Ms. Brock, the Board voted to add consideration of a contribution to RegionAHEAD to assist the needs of healthcare and

other front line essential workers resulting from the COVID-19 pandemic. The motion carried unanimously.

Upon motion of Dr. King, seconded by Mr. Grandy, the Board voted to add recessing into Executive Session at the end of the Board meeting to discuss pending or threatened litigation, and to reconvene the Board meeting following that Executive Session if vote(s) were necessary. The motion carried unanimously.

Frances Lamberts, a local ratepayer and climate activist, appeared before the Board to express her appreciation to the Board for its work in the development of solar farms in its service area, and to encourage the Board to continue its work to develop climate-friendly renewable generation capacities and to strongly promote such programs as Green Power Switch and Generation Partners. She presented the Board with a letter signed by herself and twenty additional ratepayers outlining the items she mentioned in her presentation. Board member Jenny Brock thanked Ms. Lamberts for her advocacy, and Board member Joe Grandy advised her that BrightRidge takes pride in having the highest solar megawatt capacity in the Tennessee Valley, and that potential sites for a third and fourth solar farm are presently being investigated. BrightRidge currently has three electric vehicles in its fleet and is exploring the expansion of electric vehicle infrastructure in its service area.

Upon motion of Mr. Haselsteiner, seconded by Ms. Brock, the monthly power distributor's report submitted to the Tennessee Valley Authority for July, 2021 was approved. The motion carried unanimously by roll call vote. Year-to-date income was \$319,589.02 less than last year's year-to-date figure and year-to-date actual net income was \$198,719.07 less than the budgeted figure. The general fund balance stood at \$24,456,376.42, the reserve fund balance stood at \$6,790,981.10, the special reserve fund balance stood at \$6,040,234.97, the tax equivalent fund balance stood at \$353,157.68, the economic development fund balance stood at \$1,654,277.14, the 2017 bond and interest sinking fund balance stood at \$1,020,727.13, the renewal and replacement fund balance stood at \$6,321,136.00, and the self-insurance fund balance stood at \$2,003,751.99.

Upon motion of Ms. Brock, seconded by Dr. King, the monthly power distributor's report submitted to the Tennessee Valley Authority for August, 2021 was approved. The motion carried unanimously by roll call vote. Year-to-date income was \$1,766,078.40 more than last year's year-to-date figure and year-to-date actual net income was \$953,007.71 more than the budgeted figure. The general fund balance stands at \$27,516,990.86, the reserve fund balance stands at \$6,794,255.66, the special reserve fund (pole attachment fees) balance stands at \$6,043,147.52, the tax equivalent fund balance stands at \$827,817.86, the economic development fund balance stands at \$1,677,085.58, the 2017 bond and interest sinking fund balance stands at \$1,401,998.45, the renewal and replacement fund balance stands at \$6,324,184.00, and the self-insurance fund balance stands at \$2,000,482.81. BrightRidge is currently serving 81,011 customers, which is an increase of 938 customers since the same time last year.

Upon motion of Dr. King, seconded by Mr. Haselsteiner, the monthly financial statements for July, 2021 for the Broadband Division were approved. The motion carried unanimously by roll call vote. The cash bank balance stood at \$1,773,578.53, and capital projects closed to plant through July, 2021 totaled \$1,970,519.18 (less construction work in progress since June, 2021 totaling \$1,579,728.71), with a \$5,874,684.53 capital budget remaining at the end of July.

Upon motion of Dr. King, seconded by Mr. Haselsteiner, the monthly financial statements for August, 2021 for the Broadband Division were approved. The motion carried unanimously by roll call vote. The cash bank balance stands at \$814,536.03, and capital projects closed to plant through August, 2021 totaled \$3,183,771.37 (less construction work in progress since June, 2021 totaling \$2,035,611.81), with a \$5,117,315.44 capital budget remaining at this time.

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

(a) The minutes of the regularly scheduled Board meeting on August 24, 2021.

(b) The low bid of Border States in the amount of \$52,150.07 for two 55' LD-1 steel weathering poles (\$8,205.76), seven 65' LD-1 steel weathering poles (\$34,270.39), and two 60' LD-2-H1 steel weathering poles (\$9,673.92).

(c) The proposal of Allen and Hoshall, Inc. in the amount of \$290,000.00 for the Northeast Substation rebuild.

(d) The following evaluated bids for transformers:

Item No.	Quantity	Unit Price	Description	Delivery (Weeks)	Distributor
1	4	8,148.00	75 KVA 3 PH Padmount 120/208	8-10	IRBY
2	4	10,573.00	150 KVA 3 PH Padmount 120/208	8-10	IRBY
3	15	2,958.00	25 KVA 1 PH Padmount 120/240	26-28	IRBY
3	15	2,476.35	25 KVA 1 PH Padmount 120/240	38-40	WESCO
4	30	4,059.00	50 KVA 1 PH Padmount 120/240	26-28	IRBY
4	30	3,153.76	50 KVA 1 PH Padmount 120/240	38-40	WESCO

5	20	4,929.00	75 KVA 1 PH Padmount 120/240	26-28	IRBY
5	20	3,596.00	75 KVA 1 PH Padmount 120/240	38-40	WESCO
6	100	905.00	15 KVA CSP Pole-Mounted	4-6	DECO
7	50	1,110.00	25 KVA CSP Pole-Mounted	6-8	DECO
8	40	1,288.00	37.5 KVA CSP Pole- Mounted	Stock	DECO

Purchase Price: \$740,817.45

Mark Eades advised that three vendors would not bid single-phase pad-mounted transformers at this time because of difficulty in meeting the demands of their existing orders. Because of the dramatic increase in demand due to the housing boom and loss of production due to COVID, it was the staff recommendation that Item Nos. 3, 4, and 5 be purchased from both Irby and WESCO. By purchasing both, transformers would be delivered in 26-28 weeks with the second delivery in 38-40 weeks, which would be faster than restarting the bidding process.

(e) The proposal of Calix in the amount of \$133,585.00 for a three-year subscription to its Marketing Cloud services to identify up-sell opportunities based upon broadband customers' internet usage and to enhance marketing strategies to those customers. The service also provides a Customer Success service, with a dedicated marketing expert who would meet with BrightRidge personnel on a periodic basis to provide marketing strategies and recommendations which have been successful for other broadband providers. This subscription would be taken from the Broadband advertising budget.

The motion carried unanimously.

Upon motion of Mr. Grandy, seconded by Mr. Mabrey, the Board approved the following item on the Broadband Consent Agenda:

(a) The proposal of Calix in the amount of \$196,000.00 for a three-year subscription to Calix Support Cloud services. Support Cloud allows BrightRidge to remotely manage and provide technical support for managed wi-fi customers. Support Cloud is also the foundation platform for such add-on products as SmartHome, ExperienceIQ, ProtectIQ and Arlo Smart.

The motion carried unanimously.

Chairman Smith delivered the report of the Human Resources/Insurance Committee, which had met on September 23, 2021 to consider the renewal of several liability insurance coverages for the period October 1, 2021 - September 30, 2022. Upon motion of Mr. Smith for the Committee, the Board approved the following coverages:

(a) The proposal of Watauga Insurance on behalf of Cincinnati Insurance for commercial property insurance in the amount of \$28,841.00, with 100% of the premium to be paid by the Electric Division. (The Broadband Division pays a lease rate for use of facilities that includes insurance.)

(b) The proposal of Watauga Insurance on behalf of Cincinnati Insurance for commercial automobile insurance in the amount of \$81,219.00, with the Electric Division and the Broadband Division each paying 50% of the premium amount.

(c) The proposal of Johnson City Insurance Agency, Inc. on behalf of Distributors Insurance Company and Chubb for general liability insurance coverage in the amount of \$123,619.00, with the Electric Division and the Broadband Division each paying 50% of the premium amount.

(d) The proposal of Johnson City Insurance Agency, Inc. on behalf of Distributors Insurance Company and Navigators for excess (umbrella) liability insurance coverage in the amount of \$18,218.00, with 100% of the premium to be paid by the Broadband Division. (The Electric Division is covered under the **Tennessee Governmental Tort Liability Act.**)

(e) The proposal of Johnson City Insurance Agency, Inc. on behalf of Distributors Insurance Company and Chubb for pollution liability insurance coverage in the amount of \$5,612.00, with the Electric Division and the Broadband Division each paying 50% of the premium amount. The coverage period for the pollution liability insurance is June 30, 2021-2022.

(f) The proposal of Johnson City/Wofford Brothers Insurance on behalf of Distributors Insurance Company and Chubb for management liability insurance coverage in the amount of \$12,291.00. Management liability coverage includes public officials and employees' liability, employment practices and third-party discrimination liability, and fiduciary liability exposures.

(g) The proposal of Johnson City/Wofford Brothers Insurance on behalf of Distributors Insurance Company and Lloyd's/Beazley for cyber/breach response with technology-based services coverage in the amount of \$85,000.00. This coverage includes cyber liability and cyber/privacy protection exposures. The premium significantly increased this year, apparently predicated by the current turmoil in the cyber liability marketplace due to the explosion in ransomware incidents.

Total for All Coverages: \$354,800.00

The motion carried unanimously by roll call vote.

The Human Resources/Insurance Committee at its September 23rd meeting further considered the award of a proposal for a vendor to provide employee clothing under the company's uniform program. Upon motion of Mr. Smith, on behalf of

the Committee, the Board approved the renewal of the existing contract with the low bidder, Perfect Fit, for two years with an option to extend the contract for one additional year. The motion carried unanimously by roll call vote.

Mr. Grandy delivered the report of the Finance, Audit, Rates and Budget Committee, which had met on September 23, 2021 to consider two items. Upon motion of Mr. Grandy for the Committee, the Board approved a one-time pandemic relief bill credit for residential and small commercial power customers during the February, 2022 billing period. The proposed credit is estimated to save customers \$1.325 million on their electric bills, with typical customers in those rate classes expecting to save 8% to 10% on their February bill. The motion carried unanimously by roll call vote.

Upon motion of Mr. Grandy for the Committee, the Board further approved a TVA Connected Communities Smart Lighting pilot grant of \$334,899.54 and a contract with Illuminating Concepts of Farmington Hills, Michigan for that same amount for Smart City technology in the Founders Park and King Commons Children's Play Area in Johnson City. The motion carried unanimously by roll call vote. Board member Jenny Brock expressed her appreciation to Mark Eades and all staff members who worked on obtaining this grant.

Upon motion of Ms. Brock, seconded by Mr. Haselsteiner, the Board approved the reallocation of capital funds in the amount of \$72,100.00 from the Marketing Strategic Development capital budget to the Electric Substation capital budget for the purchase of a control/broadband house at Taylor Substation. The motion carried unanimously by roll call vote.

Upon motion of Mr. Grandy, seconded by Mr. Mabrey, 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, Gary Frye was employed by the Johnson City Power Board on June 30, 1997, until retiring from BrightRidge on October 29, 2021; and

WHEREAS, during his twenty-four years and four months of service with the Johnson City Power Board, Johnson City Energy Authority, and BrightRidge, he served as Substation SCADA Electrician and Power Equipment Technician; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mr. Frye 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 28th day of September, 2021 that Gary

Frye be, and hereby is, officially commended for his twenty-four years and four months of service to the customers of BrightRidge.

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

The motion carried unanimously.

CEO Jeff Dykes delivered a brief update relative to sound issues at the Red Dog Technologies site leased from BrightRidge. Mr. Dykes had the night before attended a Washington County Commission meeting wherein representatives from Red Dog Technologies had outlined for the Commission their sound mitigation incentives to date, including the installation of sound baffling louvers on all server pods and the erection of a 15' sound absorbing wall around their facilities. However, BrightRidge has this day received a letter from Angela Charles, Planning Director for Washington County, outlining certain purported zoning violations on the property.

Upon motion of Ms. Brock, seconded by Mr. Mabrey, the Board approved a settlement of the legal action ***BrightRidge v. CenturyLink, United States District Court, Eastern District of Tennessee, Civil Action No. 2:20-cv-00030***, the terms for which were established at a mediation proceeding held on September 16, 2021. The motion carried unanimously by roll call vote.

Upon motion of Mr. Mabrey, seconded by Ms. Brock, the Board voted to make a \$10,000.00 contribution to RegionAHEAD to assist with the needs of healthcare and other front line essential workers resulting from the COVID-19 pandemic. The motion carried unanimously by roll call vote.

Mark Eades, Chief Engineering and Facilities Officer, in his officer update elaborated upon the Johnson City Smart Technology pilot project. The project is the only undertaking of its kind in the Tennessee Valley service area and is being developed by the City of Johnson City, the Tennessee Valley Authority, the Electric Power Research Institute, and BrightRidge. EPRI will be monitoring different aspects of the project to be better prepared to assist other communities with this technology. Following extensive work in finding a suitable vendor to supply and install the involved equipment, Illuminating Concepts, Inc., was chosen as the company best suited to meet the project's objectives. Illuminating Concepts has provided similar technology for Mooresville, North Carolina, and BrightRidge representatives visited Mooresville for an impressive tour of the downtown area where the Intellistreets products are deployed.

BrightRidge will purchase the products from Illuminating Concepts. Installation costs will be incorporated into the City of Johnson City's investment fund, and TVA will award the grant funds to BrightRidge to offset product costs. Once the installation is completed, the Intellistreets equipment and software will be turned over and managed by the City of Johnson City.

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 5,415 active customers, 8.7% of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	607
Johnson City Fiber:	2,620
Piney Flats Fiber:	5
Telford Fiber:	140
Limestone Fiber:	216
Gray Fiber:	1,571
Kingsport Fiber:	96
Fixed Wireless:	160
Managed Wi-Fi:	3,472 (71.5% average "take rate")
IPTV Video:	1,159
Telephone VoIP:	727

Since July's report there was a 30% increase in 1 Gb customers, a 24.5% increase in 500 Mb customers, a 16.2% increase in 200 Mb customers, and a 33.3% increase in 10G customers. 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 110 above the linear budget line.

Mr. Evans next discussed residential and business technical support statistics, including the average speed of answer, abandonment rate of calls, and average talk times on technical support calls. These statistics were favorable, and work continues in areas which may be improved.

Aerial fiberoptic construction is under way in 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.

Mr. Evans advised the Board that 33 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.

Mr. Evans spoke briefly about the United States Treasury guidelines for broadband projects in the Coronavirus Capital Project Funds programs under the American Rescue Plan. There is also an available TVA grant which may benefit citizens in the Oak Glen area of Washington County.



Following the broadband presentation, the Board recessed the Board meeting and convened into Executive Session.

After the Executive Session, the Board reconvened the regular Board meeting. Upon motion of Mr. Mabrey, seconded by Mr. Haselsteiner, the Board authorized CEO Jeff Dykes to respond by letter to the correspondence received from Angela Charles, Planning Director for Washington County, regarding purported zoning violations at the Red Dog Technologies site leased from BrightRidge. The motion carried unanimously by roll call vote, with Mr. Grandy being absent at the time of the vote, and Mr. Mabrey voting for Ms. Brock by proxy.

CEO Jeff Dykes distributed a hand-out to Board members regarding the progress with the Martin Solar Farm project.

Mr. Dykes commended Connie Crouch and Stacey Sheffey for their dedication and hard work in planning seminars and assisting BrightRidge employees with their retirement options through the Tennessee Consolidated Retirement System and the Trust Company.

There being no further business, the meeting was adjourned.