

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

March 26, 2024

PRESENT: Gary Mabrey
James Haselsteiner
Ronald Hite
Kenneth Huffine
John Hunter
Kimberly McCorkle
James Smith
Robert Thomas
Jeffrey R. Dykes, Chief Executive Officer
Brian Bolling, CPA, Chief Financial Officer and Supply Chain Officer
Connie Crouch, Chief Employee Relations Officer
Bonnie Donnolly, Chief Development and Market Strategy Officer
Mark Eades, Chief Engineering and Facilities Officer
Stacy Evans, Chief Broadband Officer
Lori Farmer, Supervisor, General Accounting
Tiphonie Watson; Chief Customer Officer
Joseph Harvey, Hunter Smith Davis, LLP

ABSENT: Hal Knight
Eric Egan, Chief Data Officer
Donnie Hall, Safety/Environmental Manager
David Spinnato, Physical Plant/Warehouse Manager
Tim Whaley, Director of Public and Governmental Affairs

Chairman Gary Mabrey called the meeting to order.

Mr. Dykes began the meeting by introducing the board to our new Chief Operations Officer, Rob Arnold, who will be starting on April 8th. Mr. Arnold comes to us from AEP and has a background in engineering and project management. His wife of twenty-nine years is the CFO at YMCA in Kingsport.

Upon motion of Mr. Haselsteiner, seconded by Dr. McCorkle, the monthly power distributor's report submitted to the Tennessee Valley Authority for January 2024 was approved. The motion carried unanimously by roll call. Year-to-date income was -\$3,062,566.77 less than last year's year-to-date figure and year-to-date actual net income was -\$1,184,056.71 less than the budgeted figure. The general fund balance stands at

\$19,178,395.10, the reserve fund balance stands at \$9,132,006.93, the special reserve fund balance stands at \$13,637,542.18, the tax equivalent fund balance stands at \$3,270,890.26, the economic development fund balance stands at \$1,823,261.80, the 2017 and 2021 bond and interest sinking fund balance stands at \$2,552,377.98, the renewal and replacement fund balance stands at \$8,265,798.50, the 2021 bond proceeds fund balance stands at \$2,515.64; and the self-insurance fund balance stands at \$2,018,387.93. BrightRidge is currently serving 83,206 customers, which is an increase of 1,112 customers since the same time last year, which represents a 1.35% growth rate.

Upon motion of Mr. Haselsteiner, seconded by Dr. McCorkle, the monthly financial statements for January 2024 for the Broadband Division were approved. The year-to-date income was \$1,498,019.38 more than last year's year-to-date figure, and year-to-date actual net income was \$1,957,233.57 more than the budgeted figure. The cash bank balance stands at \$4,032,107.36, the broadband debt service fund balance stands at \$724,642.21, the reserve fund balance stands at, \$1,047,066.93, the broadband checking account balance stands at \$1,331,936.12, the broadband money market account balance stands at \$2,580,589.03, the voice service balance stands at \$53,961.61, and the video service balance stands at \$65,620.60.

Upon motion of Mr. Haselsteiner, seconded by Dr. McCorkle, the monthly power distributor's report submitted to the Tennessee Valley Authority for February 2024 was approved. The motion carried unanimously by roll call. Year-to-date income was -\$3,569,468.69 less than last year's year-to-date figure and year-to-date actual net income was \$674,200.40 more than the budgeted figure. The general fund balance stands at \$18,716,806.66, the reserve fund balance stands at \$12,373,150.12, the special reserve fund balance stands at \$13,662,583.30, the tax equivalent fund balance stands at \$3,693,305.18, the economic development fund balance stands at \$1,838,499.27, the 2017 and 2021 bond and interest sinking fund balance stands at \$2,919,394.75, the renewal and replacement fund balance stands at \$8,293,172.70, the miscellaneous proceeds stands at \$2,523.89; and the self-insurance fund balance stands at \$2,020,087.56. BrightRidge is currently serving 83,369 customers, which is an increase of 1,156 customers since the same time last year, which represents a 1.41% growth rate.

Upon motion of Mr. Haselsteiner, seconded by Dr. McCorkle, the monthly financial statements for February 2024 for the Broadband Division were approved. The year-to-date income was \$905,721.75 more than last year's year-to-date figure, and year-to-date actual net income was \$2,186,386.80 more than the budgeted figure. The cash bank balance stands at \$2,065,259.10, the broadband debt service fund balance stands at \$1,203,444.35, the reserve fund balance stands at, \$1,050,499.94, the broadband checking account balance stands at \$874,301.69, the broadband money market account balance stands at \$1,088,722.12, the voice service balance stands at \$52,569.46, and the video service balance stands at \$49,665.84.

Mr. Bolling concluded his report by adding that current assets are \$9,925,454, an increase of 2.45%. The year-to-date Operating Revenues are down \$9 million. The year-to-date Operating Expenses, excluding Power Cost, are up \$2,032,660 compared to last year and under budget by 4.70%. The year-to-date Average Load Factor is 56.73% and the year-

to-date Net Income is \$3,569,469. The FCA is down 39.18% from February 2023 to February 2024.

Upon motion of Mr. Hunter, seconded by Mr. Thomas, the Board approved the following items on the Consent Agenda:

- (a.) The minutes of the Board meeting on February 20, 2024.
- (b.) The purchase of conduit for the Ridges from GOLFTENN, LLC.

The motion carried unanimously by roll call vote.

Upon motion of Mr. Huffine, seconded by Mr. Hunter, the Board approved the following items on the Broadband Consent Agenda:

- (a.) The approval of a contract for procurement of customer activation and maintenance services for the Broadband business for a term of three years.

The motion carried unanimously by roll call vote.

The Business Development and Planning Committee met today to hear a presentation by Mayor Joe Grandy as part of the Appalachian Producers Cooperative (APC). Upon motion of the Business Development and Planning Committee, the Board voted to provide \$100,000.00 to the Appalachian Producers Cooperative. The Board approved the funds by unanimous roll call vote.

RETIREMENT RESOLUTION ON BEHALF OF DR. HAL KNIGHT

WHEREAS Dr. Hal Knight was appointed to the Johnson City Power Board's Board of Directors by the Town of Jonesborough in June 2015 and served faithfully in that capacity for eight years, three months; and

WHEREAS on April 1, 2017, the Johnson City Power Board became the Johnson City Energy Authority; and October 3, 2017, the Johnson City Energy Authority announced the d/b/a name of BrightRidge; and

WHEREAS during Dr. Knight's tenure, he served on the Finance & Audit Rates & Budget Committee, the HR/Insurance Committee, and assisted the board through the transition to energy authority and rebranding. Dr. Knight also supported the launch of the broadband division and renewable solar energy; and

WHEREAS the Board of Directors of BrightRidge wishes to recognize Dr. Knight for his outstanding service to the citizens, staff, and fellow Board members of BrightRidge by his dedication and loyalty.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Johnson City Energy Authority d/b/a BrightRidge meeting in regular session on the 26th day of March 2024 that Dr. Hall Knight be, and hereby is, officially honored for his eight years and three months of service to the citizens of the BrightRidge service area.

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

Upon motion of Mr. Thomas, seconded by Dr. McCorkle, the Board approved the Resolution by unanimous roll call vote. A copy of this Resolution now appears in full on the minutes of the proceedings of this meeting.

RETIREMENT RESOLUTION ON BEHALF OF JOHN KINCER

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 DBA name as BrightRidge.

WHEREAS John Kincer was employed by BrightRidge on November 3, 2008, until retiring from BrightRidge on Friday, June 7, 2024; and

WHEREAS during his fifteen years and seven months of service with BrightRidge, he served as Construction Lineman, Lead Lineman and Service Lineman; and

WHEREAS the Board of Directors of BrightRidge wishes to recognize Mr. Kincer for his outstanding service to the customers and staff of BrightRidge by his 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 March 2024 that John Kincer be, and hereby is, officially commended for his fifteen years and seven months of service to the customers of BrightRidge.

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

Upon motion of Mr. Smith, seconded by Mr. Hunter, the Board approved the Resolution by unanimous roll call vote. A copy of this Resolution now appears in full on the minutes of the proceedings of this meeting.

RETIREMENT RESOLUTION ON BEHALF OF JEFF BROYLES

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 DBA name as BrightRidge.

WHEREAS Jeff Broyles was employed by BrightRidge on August 23, 2010, until retiring from BrightRidge on Thursday, June 27, 2024; and

WHEREAS during his thirteen years and ten months of service with BrightRidge, he served as Meter Tester-Repairman 3 Phase, Meter Tester Repairman Class A, and Meter Technician III; and

WHEREAS the Board of Directors of BrightRidge wishes to recognize Mr. Broyles for his outstanding service to the customers and staff of BrightRidge by his 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 March 2024 that Jeff Broyles be, and hereby is, officially commended for his thirteen years and ten months of service to the customers of BrightRidge.

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

Upon motion of Mr. Hite, seconded by Mr. Hunter, the Board approved the Resolution by unanimous roll call vote. A copy of this Resolution now appears in full on the minutes of the proceedings of this meeting.

RETIREMENT RESOLUTION ON BEHALF OF JOHN TOWNSEND

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 DBA name as BrightRidge.

WHEREAS John Townsend was employed by BrightRidge on May 2, 1994, until retiring from BrightRidge on Friday, June 28, 2024; and

WHEREAS during his thirty years and two months of service with BrightRidge, he served as Meter Reader, Groundman, Lineman Apprentice, Construction Lineman and Service Lineman; and

WHEREAS the Board of Directors of BrightRidge wishes to recognize Mr. Townsend for his outstanding service to the customers and staff of BrightRidge by his 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 March 2024 that John Townsend be, and hereby is, officially commended for his thirty 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. Townsend and be spread in full on the minutes of the proceedings of this meeting.

Upon motion of Mr. Smith, seconded by Mr. Haselsteiner, the Board approved the Resolution by unanimous roll call vote. A copy of this Resolution now appears in full on the minutes of the proceedings of this meeting.

Stacy Evans, Chief Broadband and Technology Officer, delivered an update regarding the broadband project. Mr. Evans announced that at the time of the Board meeting, the Broadband Division has a total of 14,973 active customers, 1,304 of which are business or commercial entities. In FY24, broadband installations have reached 4,729 with 1,384 reported disconnections, resulting in 3,345 net adds (70.7% of installs).

The current broadband customer base is as follows:

Jonesborough Fiber:	1,488
Johnson City Fiber:	7,926
Piney Flats Fiber:	346
Telford Fiber:	162
Limestone Fiber:	393
Gray Fiber:	3,700
Kingsport Fiber:	772
Fall Branch Fiber:	161
Fixed Wireless:	153
Chuckey:	3
Managed Wi-Fi:	8,851 (65% average "take rate")
IPTV Video:	755 (533 residential)
Telephone VoIP:	1,374

Mr. Evans stated that the Broadband Division was scheduled to add 4,542 net customers for a target of 16,249 on June 30, 2024. An average of 87.4 net adds per week would be necessary to meet this goal. As of March 22nd, the division is trending 24 customers above the linear budget line. Out of the planned 12,206 expected fiber passings to be added in FY24, we have already completed 5,987 (47.5%).

Mr. Evans also updated the board on the status of the ACP Program. With the program scheduled to end by April 2024, BrightRidge customers were notified of the possible end of the ACP in January 25, 2024. The second notice will be sent after the FCC issues a 60-day warning (likely in late February) and the third notice to coincide with last billing cycle in which full ACP was applied. Currently, BrightRidge has 792 customers participating in ACP as of January 2024.

There being no further business, the meeting was adjourned.