

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

July 23, 2024

PRESENT: Gary Mabrey
Ronald Hite
Kenneth Huffine

James Smith
Robert Thomas
Jeffrey R. Dykes, Chief Executive Officer
Rob Arnold, Chief Operations 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
Eric Egan, Chief Data Officer
Stacy Evans, Chief Broadband Officer
Lori Farmer, Supervisor, General Accounting
David Spinnato, Physical Plant/Warehouse Manager
Tiphanie Watson; Chief Customer Officer
Tim Whaley, Director of Public and Governmental Affairs
Jospeh Harvey, Hunter Smith & Davis, LLP

ABSENT: Andy Dietrich
James Haselsteiner
John Hunter
Kimberly McCorkle
Donnie Hall, Safety/Environmental Manager

Chairman Gary Mabrey called the meeting to order.

The first order of business was the election of BrightRidge Board of Directors Officers for 2024-2025. Upon motion of Mr. Huffine, seconded by Mr. Thomas, the board selected Mr. Haselsteiner to serve as Chairman and the motion carried unanimously by roll call. Upon motion of Mr. Smith, seconded by Mr. Huffine, the board selected Dr. McCorkle to serve as Vice Chairman and the motion carried unanimously by roll call. Upon motion of Mr. Hite, seconded by Mr. Thomas, the board selected Brian Bolling to serve as Treasurer and Ceilya Campbell to serve as Secretary and the motion carried unanimously by roll call.

Mr. Dykes presented Mr. Mabrey with a plaque in recognition and thanks for his tenure as Chairman of the Board of Directors. Mr. Mabrey expressed his appreciation and respect for the members of the Board and staff represented, as well as Mr. Dykes and his team. He stated he was honored to have held the position and is looking forward to what the future holds for BrightRidge in years to come.

Mark Eades introduced the Board to the engineering department's student intern, Ethan Hayes. This was Ethan's second year interning at BrightRidge. He is an electrical engineering student at Tennessee Tech. Mr. Hayes presented the board with a summary of this internship and various projects he assisted with over the summer. These included his time working at substations during the installation of new transformers, completing relay testing Northeast, and the redrawing of Johnson City underground system which included labeling, tracing, phasing and mapping wires.

Mr. Hayes thanked the board for allowing him the opportunity for a second internship, which has allowed him to focus directly on areas that interest him. He was able to gain further knowledge of underground systems, system production devices, and the real-world application of electrical engineering during his time at BrightRidge.

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

- (a.) The minutes of the Board meeting on June 25, 2024

The motion carried unanimously by roll call vote.

Brian Bolling, Chief Financial Officer, delivered an update on the warehouse and inventory. Mr. Bolling compared the warehouse and inventory department to an NFL equipment manager; stating that while their job is often behind the scenes and not what people pay to see, there would be no Monday night football game to watch if the necessary equipment each player needed wasn't maintained and available. Mr. Bolling complemented Warehouse Manager, David Spinnato, and his five-member team on the amazing job they do managing all of the equipment and inventory maintained by BrightRidge, for both the electric and broadband divisions.

Mr. Bolling highlighted the outstanding job the warehouse staff does with staging materials for job order pickups, the new tool room which provides a workstation to issue materials to employees as needed as well as the cage system that allows for each truck to restock basic supplies at their assigned bay.

BrightRidge maintains a 'closed' warehouse of approximately 59,000 sq feet, where only authorized personnel are present. Natural light is utilized through the warehouse, as well as motion activated lights to save electricity. It contains over 4,200 different items that are each identified by barcode and item numbers. The average inventory in the warehouse totals between \$13 to \$15 million (excluding transformers), and includes over 49 different types of conduit and 198 different types of poles. There are also 100 types of transformers on site with approximately 1,900 in stock.

The Warehouse staff completes inventory sample counts throughout the year and has their annual inventory in June. They also assist in scrap materials, support the facility department, work with the engineering department on large projects, and the construction department on coordinating job schedules. A member of the warehouse staff is also on call each week in order to respond to call-ins due to storms or other emergency issues.

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 16,347 active customers, 1,414 of which are business or commercial entities. At the end of FY24, broadband installations reached 6,579 with 2,073 reported disconnections, resulting in 4,506 net adds (68.5% of installs). Coming in below our FY24 goal of 4,542 by only 36 (0.79%).

For FY25, our goal is to add 4,136 new net customers (79.54 average net adds per week for budget) by June 30, 2025. As of July 19th, we are 19 customers ahead of the linear budget line (16,347 v. budget 16,327).

The current broadband customer base is as follows:

Jonesborough Fiber:	1,564	(10%)
Johnson City Fiber:	8,599	(53%)
Piney Flats Fiber:	438	(3%)
Telford Fiber:	163	(1%)
Limestone Fiber:	405	(2%)
Gray Fiber:	3,874	(24%)
Kingsport Fiber:	1,065	(6%)
Fall Branch Fiber:	179	(1%)
Chuckey:	2	
Managed Wi-Fi:	9,519	(64% average "take rate")
IPTV Video:	721	(499 residential)
Telephone VoIP:	1,470	

Mr. Evans reported that U.S. broadband providers average between 1%-5% churn per month, with 2% considered normal. BrightRidge's current churn rate is 1.45% including moves (0.52% without moves).

Mr. Evans concluded his report with an update on all areas of ongoing construction, including overhead fiber, underground fiber, pending fiber splicing and pending fiber ID assignments. In FY25, we are expected to add 6,832 additional passings consisting of passings through Grant TN-ECD, Phase 8, Phase 10, Phase 11, and underground subdivisions in various phases.

Mr. Dykes reminded the board of the upcoming BrightRidge Golf Tournament taking place on August 17th. Please let Mr. Dykes know if you would like to participate. The Home Up Lift event with the TVA is scheduled for August 9th at 11:00 a.m. at the home of a program participant in Jonesborough. The event will celebrate the 6,000 homes touched by the program in the Tennessee Valley and we are extremely proud that the TVA chose to celebrate this accomplishment here in East Tennessee with us.

Mr. Dykes shared his continued thanks to the warehouse staff for all the phenomenal work they do on a daily basis. Their efficiency and cost-saving efforts are

appreciated and not overlooked. Mr. Dykes thanked Mr. Mabrey again for his time as Chairman and his continued dedication to the board for years ahead.

Finally, Mr. Dykes advised that the BrightRidge website would be updated soon with information on the broadband grant, including maps of the areas effected and projected dates by area.

There being no further business, the meeting was adjourned.