

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

August 27, 2024

PRESENT: James Haselsteiner  
Andy Dietrich  
Ronald Hite  
Kenneth Huffine  
John Hunter  
Gary Mabrey  
Kimberly McCorkle  
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  
Tiphany Watson; Chief Customer Officer  
Stephen Darden, Hunter Smith & Davis, LLP

ABSENT: James Smith  
Donnie Hall, Safety/Environmental Manager  
David Spinnato, Physical Plant/Warehouse Manager  
Tim Whaley, Director of Public and Governmental Affairs

Chairman James Haselsteiner called the meeting to order.

Mark Eades introduced the Board to the engineering departments student intern, Matthew Burton. Matthew is a junior general engineering student at East Tennessee State University. Mr. Burton presented the board with a summary of this internship and various projects he assisted with over the summer. He was able to spend time with various departments within BrightRidge. During his time with the Construction Department he saw the process for replacing poles, as well as changing three-phase and single-phase lines. While working with the Meter Department he received training on the Tantalus system which sends meter data, replaced wires on meters and tested and replaced switches. He monitored the replacement of transformers and relay testing with the Substation Department at the Walters Primary Substation and Northeast Substation. Finally, he learned to use GPS

devices for staking new poles, used AutoCAD to draw out the Mountainview subdivision and assisted with remapping of the downtown project while with the Engineering Department.

Mr. Burton thanked the board for allowing him the opportunity to intern this summer at BrightRidge.

Upon motion of Mr. Thomas, seconded by Mr. Mabrey, the monthly power distributor's report submitted to the Tennessee Valley Authority for June 2024 was approved. The motion carried unanimously by roll call. Year-to-date income was -\$4,916,795.88 less than last year's year-to-date figure and year-to-date actual net income was -\$504,333.90 less than the budgeted figure. The general fund balance stands at \$26,144,276.65, the reserve fund balance stands at \$5,137,986.95, the special reserve fund balance stands at \$8,127,800.47, the tax equivalent fund balance stands at \$199,786.29, the economic development fund balance stands at \$1,798,926.35, the 2017 and 2021 bond and interest sinking fund balance stands at \$911,377.20, the renewal and replacement fund balance stands at \$8,402,471.39, the miscellaneous proceeds fund balance stands at \$2,549.59; and the self-insurance fund balance stands at \$2,006,605.20. BrightRidge is currently serving 83,804 customers, which is an increase of 1,077 customers since the same time last year, which represents a 1.30% growth rate.

Mr. Bolling provided the following data concerning electric customer growth by area, of which Jonesborough had the highest growth rate at 5%.

<b>Customer by Tax District</b>	<b>June 2024</b>	<b>Annual Growth</b>
City of Johnson City	38,337	350
Town of Jonesborough	3,922	187
City of Kingsport	2,144	0
Washington County Outside City or Town Limits	31,115	479
Sullivan County Outside City or Town Limits	7,093	57
Carter County Outside City or Town Limits	677	-3
Greene County Outside City or Town Limits	348	7
Town of Bluff City	95	0
City of Elizabethton	73	0
	<b>83,804</b>	<b>1,077</b>

Mr. Bolling concluded his electric financial report by adding that current assets are up \$20.6 million. The year-to-date Operating Revenues, excluding Power Cost, are down 3.06%. The year-to-date Operating Expenses, excluding Power Cost, are up \$3,946,176 compared to last year and under budget by 1.64%. The year-to-date Average Load Factor is 57.91% and the year-to-date Net Income is \$4,916,796 (down 26.75%).

Upon motion of Mr. Thomas, seconded by Mr. Mabrey, the monthly financial statements for June 2024 for the Broadband Division were approved. The year-to-date income was -\$207,896.45 less than last year's year-to-date figure, and year-to-date actual net income was \$2,107,230.05 more than the budgeted figure. The broadband debt service

fund balance stands at \$3,145,355.60, the reserve fund balance stands at \$3,036,038.05, the broadband checking account balance stands at \$1,608,284.51, the broadband money market account balance stands at \$51,086.17, the voice service balance stands at \$10,824.66, and the video service balance stands at \$7,927.35.

Mr. Bolling highlighted his broadband financial report by adding that Broadband saw the highest growth year in history in FY2024; with 4,471 net adds and \$1,438,772 in recurring revenue in June 2024. The year-to-date Net Income for FY2024 is -\$1,345,432.95 (down considerably from -\$3,437,536.50 in FY2023).

Upon motion of Dr. McCorkle, seconded by Mr. Dietrich, the Board approved the following item on the Consent Agenda:

- (a.) The minutes of the Board meeting on July 23, 2024

The motion carried by roll call vote, with Mr. Hunter abstaining.

#### RETIREMENT RESOLUTION FOR KENNETH KIDNER

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, Kenneth Kidner was employed by BrightRidge on June 23, 1992, until retiring from BrightRidge on Friday, August 30, 2024; and;

WHEREAS, during his thirty-two years and two months of service with BrightRidge, he served as Meter Reader, Engineering Assistant, Apprentice Substation/SCADA Electrician, Substation/SCADA Electrician, Lead Substation/SCADA Electrician, and Substation & Power Equipment Supervisor.

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mr. Kidner 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 27<sup>th</sup> day of August 2024, that Kenneth Kidner be, and hereby is, officially commended for his thirty-two 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. Kidner 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 Retirement Resolution by unanimous roll call vote. A copy of this Resolution now appears in full on the minutes of the proceedings of this meeting.

Mr. Dykes discussed a proposed amendment on the previously approved Silicon Ranch solar contract. This change addresses concerns raised by the BrightRidge Engineering Department. They recommend separating a previously approved single 12-megawatt site into two separate 6-megawatt sites. Mr. Dykes confirmed that the additional costs incurred by this change will be handled by BrightRidge. Upon motion of Dr. McCorkle, seconded by Mr. Mabrey, the Board approved the amended Silicon Ranch solar contract by unanimous roll call vote.

Eric Egan, Chief Data Officer, delivered an update on demand response. The primary goal is to reduce monthly demand charges. Mr. Egan discussed the differences between on peak and max peak, as well as seasonal rate periods and rates. Voltage reduction is controlled through SCADA and operated at substation feeders. This reduces energy consumption on resistive loads (ovens, incandescent lighting, coffee makers, etc.), with historical data used to set minimum thresholds for each month. Engineering scripts engage voltage reduction when the minimum threshold is reached. Once a new monthly peak is set, voltage reduction automatically engages at 97% of the new peak.

Mr. Egan also discussed the TALO (Take a Load Off) voluntary program that customers can utilize. Three are currently over 8,000 water heaters enrolled and controlled through the BrightRidge AMI system. The system operation is based on voltage reduction operations and weather forecasts, with usage shifted from peak hours to off peak hours to reduce demand.

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 16,929 active customers, 1,464 of which are business or commercial entities. For FY25, our goal is to add 4,136 new net customers (79.54 average net adds per week needed) by June 30, 2025. As of August 23<sup>rd</sup>, we are 204 customers ahead of the linear budget line (16,725 v. budget 16,929).

The current broadband customer base is as follows:

Jonesborough Fiber:	1,646 (10%)
Johnson City Fiber:	8,910 (53%)
Piney Flats Fiber:	445 (3%)
Telford Fiber:	167 (1%)
Limestone Fiber:	407 (2%)
Gray Fiber:	4,009 (24%)
Kingsport Fiber:	1,117 (6%)
Fall Branch Fiber:	180 (1%)
Chuckey:	2
Managed Wi-Fi:	9,726 (63.1% average "take rate")
IPTV Video:	700 (479 residential)
Telephone VoIP:	1,477

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 1.66% including moves (0.62% 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 thanked the BrightRidge staff for all of their continued hard work and dedication shown to our customers on a daily basis. Mr. Dykes congratulated board member Ron Hite on receiving recognition from ETSU this week with a boardroom named after him.

Mr. Dykes advised the board of his recent correspondence with the TVA regarding concerns for the high temperatures expected in our region, and related that they feel comfortable in their ability to handle any issues that may arise. They currently have two plants down, but expect those to be back up by next week.

Mr. Dykes was also honored to speak at the TVA Office of General Counsel meeting, before approximately 60 attorneys and regulatory staff. He spoke with them for about an hour on various issues involving generation, LPC's and Seven States.

Finally, Mr. Dykes thanked all those that participated in the recent golf tournament and complemented Mr. Phipps on the wonderful work he did in setting it all up. In addition, he attended 'Java with Jeff' this morning and enjoyed talking with employees about all the things happening within BrightRidge and answering their questions.

There being no further business, the meeting was adjourned.