

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

September 24, 2024

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

ABSENT: Ronald Hite
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.

Upon motion of Mr. Mabrey, seconded by Mr. Hunter, the monthly power distributor's report submitted to the Tennessee Valley Authority for July and August 2024 were approved. The motion carried unanimously by roll call. Year-to-date income was \$1,380,209.22 more than last year's year-to-date figure and year-to-date actual net income was \$896,933.41 more than the budgeted figure. The general fund balance stands at \$20,378,758.30, the reserve fund balance stands at \$8,211,191.25, the special reserve fund balance stands at \$2,142,476.11, the tax equivalent fund balance stands at \$1,025,850.21, the economic development fund balance stands at \$1,829,552.85, the 2017 and 2021 bond and interest sinking fund balance stands at \$1,635,761.34, the renewal and replacement fund balance stands at \$8,460,424.03, the miscellaneous proceeds fund balance stands at \$2,567.18; and the self-insurance fund balance stands at \$2,010,099.30. BrightRidge is currently serving 83,935 customers, which is an increase of 1,043 customers since the same time last year, which represents a 1.26% growth rate.

Mr. Bolling concluded his electric financial report by adding that current assets are up \$13.5 million. The year-to-date Operating Revenues, excluding Power Cost, are down \$2,312,800. The year-to-date Operating Expenses, excluding Power Cost, are up \$358,395 compared to last year and under budget by 6.24%. The year-to-date Average Load Factor is 60.83% and the year-to-date Net Income is \$3,690,701 (up 59.74%).

Upon motion of Mr. Mabrey, seconded by Mr. Hunter, the monthly financial statements for July and August 2024 for the Broadband Division were approved. The year-to-date income was \$252,789.56 more than last year's year-to-date figure, and year-to-date actual net income was \$464,638.29 more than the budgeted figure. The broadband debt service fund balance stands at \$4,473,318.51, the reserve fund balance stands at \$1,254,704.11, the broadband checking account balance stands at \$1,500,452.34, the broadband money market account balance stands at \$51,438.51, the voice service balance stands at \$30,345.51, and the video service balance stands at \$34,549.26.

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

- (a.) The minutes of the Board meeting on August 27, 2024; and
- (b.) The bid by Landmark Corporation for all materials and labor, to complete several smaller projects (including a new Payment Kiosk) in the amount of \$101,900.00.

The motion carried by roll call vote.

Mr. Smith spoke on behalf of the HR/insurance Committee, which met prior to the board meeting today. The following items were discussed and brought to the board for vote:

- (a.) Renewal of Property and Vehicle Insurance through our current provider Watauga Insurance with Cincinnati Insurance as the underlying carrier for the period of October 1, 2024 through September 30, 2025. Upon motion of the Committee, the motion carried unanimously by roll call vote.
- (b.) Renewal of Liability Insurance through Johnson City Insurance Agency, Inc., working with DIC, for the period of October 1, 2024 through September 30, 2025. Upon motion of the Committee, the motion carried unanimously by roll call vote.

Bonnie Donnolly, Chief Development and Marketing Officer, delivered an update on Home Uplift Program and the Small Business Uplift Pilot. The Home Uplift Program provides upgrades consisting of high-efficiency heat pumps or air conditioners, duct replacement or repairs, insulation, water heaters, high-efficiency lighting, ENERGY STAR appliances, windows and doors. The benefits for the participants include reducing their energy costs by an average of 25%, improving home comfort, safety and air quality, as well as lower home maintenance costs. The benefits extend to our community by increasing availability of affordable housing, creating local jobs and economic investments and reducing environmental emissions.

The 6,000th Home Uplift Celebration was held last month in Jonesborough and hosted by BrightRidge at the home of Mark Morton. The program has received 452 applications, of which 335 energy evaluations have been completed. We have served 278 homes with an average \$10,653.00 spent per home. The program's energy efficiency upgrades have resulted in over 1,007,130 kWh savings. Ms. Donnolly was proud to announce that the Bank of Tennessee has reached out and is interested in partnering with us again on another home.

We were contacted by our local TVA Energy Services Consultant to participate in their Small Business Uplift pilot program. The program offers energy efficiency upgrades to small businesses turnkey at no cost to the business owner. It was a quick pilot, starting January 15th and completed August 15th. We were limited to 15 participating businesses located in 'Opportunity Zones', defined as economically distressed/low-income areas per the TVA economic development maps.

Ms. Donnolly recognized Patrick Phipps of her team for taking on this project and recruiting all participants. The upgrades offered consisted of high-efficiency lighting, HVAC systems and commercial refrigeration. Post-installation has netted a total energy savings of almost 200,000 kWh in immediate savings. Since this was only a pilot program, the TVA will review all data over this year and evaluate the continuation of this program moving forward.

Mr. Smith relayed that he has heard first hand complements toward BrightRidge and TVA from several businesses selected in the Business Uplift pilot. Mr. Smith was also able to see the great effect of the Home Uplift Program when he attended the 6,000th celebration.

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 17,366 active customers, 1,491 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 September 20th, we are 322 customers ahead of the linear budget line (17,336 v. budget 17,043).

The current broadband customer base is as follows:

Jonesborough Fiber:	1,739	(10%)
Johnson City Fiber:	9,087	(52%)
Piney Flats Fiber:	474	(3%)
Telford Fiber:	169	(1%)
Limestone Fiber:	416	(2%)
Gray Fiber:	4,088	(24%)
Kingsport Fiber:	1,155	(7%)
Fall Branch Fiber:	180	(1%)
Chuckey:	2	
Managed Wi-Fi:	9,901	(62.6% average "take rate")
IPTV Video:	680	(459 residential)

Telephone VoIP: 1,529

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 1.20% including moves (0.43% 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. They added 838 passings in August and 881 in September, bringing the total passings added since July 1, 2024 to 2,691.

Mr. Dykes relayed his appreciation for the Home Uplift Program and that the TVA came to us to host the 6,000th celebration.

Mr. Dykes relayed his excitement to see the grant contract now in place for Broadband and looks forward to beginning construction in those areas soon.

Mr. Dykes relayed his appreciation to all of the staff and officers here for their great work, their dedication to BrightRidge and the people of our community.

There being no further business, the meeting was adjourned.