

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

October 22, 2024

PRESENT: James Haselsteiner
Ronald Hite
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
Donnie Hall, Safety/Environmental Manager
Tiphonie Watson; Chief Customer Officer
Tim Whaley, Director of Public and Governmental Affairs
Stephen Darden, Hunter Smith & Davis, LLP

ABSENT: Andy Dietrich
David Spinnato, Physical Plant/Warehouse Manager

Chairman James Haselsteiner called the meeting to order. He also thanked those board members who were able to attend today's staff appreciation lunch, recognizing them for their amazing response to Hurricane Helene.

Upon motion of Mr. Thomas, seconded by Mr. Mabrey, the monthly power distributor's report submitted to the Tennessee Valley Authority for September 2024 were approved. The motion carried unanimously by roll call. Year-to-date income was \$1,086,024.03 more than last year's year-to-date figure and year-to-date actual net income was \$1,279,247.75 more than the budgeted figure. The general fund balance stands at \$20,616,834.48, the reserve fund balance stands at \$3,240,431.35, the special reserve fund balance stands at \$2,149,734.77, the tax equivalent fund balance stands at \$1,440,926.73, the economic development fund balance stands at \$1,844,898.88, the 2017 and 2021 bond and interest sinking fund balance stands at \$1,999,706.28, the renewal and replacement fund balance stands at \$8,489,087.76, the miscellaneous proceeds fund balance stands at \$2,575.88; and the self-insurance fund balance stands at \$2,011,827.51. BrightRidge is

currently serving 82,905 customers, which is an increase of 1,047 customers since the same time last year, which represents a 1.26% growth rate.

Upon motion of Mr. Thomas, seconded by Mr. Mabrey, the monthly financial statements for September 2024 for the Broadband Division were approved. The year-to-date income was \$310,509.11 more than last year's year-to-date figure, and year-to-date actual net income was \$518,717.36 more than the budgeted figure. The broadband debt service fund balance stands at \$5,139,974.20, the reserve fund balance stands at \$4,769,282.89, the broadband checking account balance stands at \$1,371,358.62, the broadband money market account balance stands at \$51,612.78, the voice service balance stands at \$55,275.57, and the video service balance stands at \$40,826.16.

Mr. Bolling provided an estimate on BrightRidge costs related to Hurricane response in our area. As of October 17th, the total cost to date is \$1.2 million and includes the installation of 160 new poles and 155,000 feet of conductor, as well as 112 transformers that were damaged and/or missing. The numbers provided were not final due to payroll being incomplete and several contractor invoices (Pike, Kendall Vegetation Services) still outstanding. Mr. Bowling projects that we may not know the full financial picture until closer to December but estimates the final costs may be closer to \$1.8 to \$2.2 million.

Mr. Bolling advised that BrightRidge had been contacted by TEMA in regard to an upcoming meeting scheduled for Oct. 12th, where a representative will be assigned and information will be provided regarding document submission for reimbursement. Based on prior events, we estimate funds would not be received for approximately 18-24 months. Mr. Bolling also advised that for the first time, the State of Tennessee may be providing advanced payments of FEMA reimbursement. FEMA would then reimburse the State at a later time. Mr. Dykes advised that further discussions would be needed, as BrightRidge may decide to defer these State funds to smaller area utilities in dire need of urgent reimbursement.

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

- (a.) The minutes of the Board meeting on September 24, 2024; and
- (b.) A \$150,000.00 contribution to RegionAHEAD for Hurricane Helene relief.

The motion carried by roll call vote.

Mr. Smith spoke on behalf of the HR/insurance Committee, which met on October 18, 2024 to review the January 1, 2025 renewal of the employee/retiree health insurance plans, for medical, dental and vision. All plans received a quote from BlueCross BlueShield of Tennessee with a 3.5% increase and no plan design changes. The staff did recommend an increase to the company funded health savings account contribution, from the current \$1,200/person to \$1,350/person and from \$2,400/family to \$2,700/family. The vision insurance renewal was presented with a 0% increase and no plan design changes.

The HR/Insurance Committee of the board made the motion to accept the renewal on medical, dental and vision as presented. The motion carried unanimously by roll call vote.

Mr. Smith shared the Committee's thanks to Connie and her staff for their great research and dedication in prepping these plans. They were focused on what was in the best interest of the employees of BrightRidge and worked hard to negotiate the best rates.

Mr. Dykes expressed his gratitude to the amazing team of people at BrightRidge who all worked together to respond in the aftermath of Hurricane Helene. All of the staff worked together, often times outside of their own departments to pitch in where they were needed. Customer service worked overtime to answer customer calls, even gathering additional information on what type of damage was sustained in each area so that as crews and linemen went out they were supplied with the necessary equipment and materials needed.

There was a true sense of community throughout the entire recovery effort. Everyone felt like they were not just taking care of our BrightRidge customers, but that they were taking care of their friends and family, restoring their own communities. Mr. Dykes stated that although the crews and staff were definitely feeling the effects from all of the long days, the pride they all felt once the final control room was turned on across the river (restoring power to the last 100+ customers) far outweighed the fatigue and exhaustion.

Mr. Dykes also expressed his appreciation and thanks to the community as a whole who supported and cared for all of the BrightRidge staff during the recovery efforts. Individuals and groups within the community provided endless amounts of meals and snacks to the staff, they stopped to share words of encouragement and thanks to our crews and they even sent in homemade cards and drawings expressing their appreciation to our linemen.

Mr. Dykes discussed a proposed 'Hurricane Helene relief' that was previously circulated to all board members in regards to assisting those BrightRidge customers who lost their homes (estimated at around 200). The names of these individuals would be kept confidential. This proposal includes no final billing for these customers and to reimburse any that have already paid their final billing. We will work with our billing department to process these as a write off of the bills and in the final billing zero it out as Hurricane Helene Relief. BrightRidge will be responsible for paying the usage from TVA for these accounts.

Mr. Dykes has spoken with TVA on the process, and by designating specific homes as Hurricane Helene relief they indicated they are comfortable with the process and will not need to give any formal approval. With the final number of customers affected still being determined, Mr. Dykes proposed designating \$30,000 with up to \$50,000 available as needed. Upon motion of Mr. Hunter, seconded by Mr. Huffine, the motion carried unanimously by roll call vote.

Mr. Bolling presented the board with a proposed policy and procedure modification stemming from Hurricane Helene as well. The proposed TVA 'Regulatory Flexibility' policy modification would apply to residential and commercial customers effected by Hurricane Helene in designated areas. This policy would run through June 2026, with the possibility of extending with board approval, and affect approximately 150-160 customers as identified by TEMA. The list of these policy modifications includes suspending charges for accounts with security lights that were damaged or lost during the storm, crediting accounts with aid to construction charges, and setting aside line extension agreements until rebuild

completed. Upon motion of Mr. Huffine, seconded by Mr. Hite, the motion carried unanimously by roll call vote.

Ashley Neal, Customer Support Analyst, presented the board with an update on a new customer service employee incentive program called '5 Star Service Customer Service' which has been successful in motivating our customer service employees to increase productivity and thinking outside the box. The 5 Star Initiative includes prizes for perfect attendance, 100% quality, Broadband offers and sales, saved disconnects, upsales and direct sales through calls to customers.

This program has seen amazing results. Since June 2024, we have made 2,911 sales, 64 upsales and 66 saved disconnects (which helps reduce churn). In addition, our customer call response rating has been 98%. Ms. Neal stated that the '5 Star Service' program has been great for creating friendly competition, encouraging the sharing of ideas, as well as increasing the overall morale in our department.

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 17,910 active customers, 1,528 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 October 18th, we are 548 customers ahead of the linear budget line (17,910 v. budget 17,362).

The current broadband customer base is as follows:

Jonesborough Fiber:	1,834 (10%)
Johnson City Fiber:	9,344 (52%)
Piney Flats Fiber:	491 (3%)
Telford Fiber:	167 (1%)
Limestone Fiber:	423 (2%)
Gray Fiber:	4,184 (24%)
Kingsport Fiber:	1,213 (7%)
Fall Branch Fiber:	181 (1%)
Chuckey:	2
Managed Wi-Fi:	10,155 (62.3% average "take rate")
IPTV Video:	654 (437 residential)
Telephone VoIP:	1,550

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 1.23% including moves (0.50% without moves).

The TN-ECD Middle-mile grant areas (Section A – near Fall Branch) are moving along as scheduled with 24 miles of fiber built in Washington County and 11 miles of fiber built in Greene County. This is scheduled to be completed by January 2025.

Mr. Evans concluded his Broadband report with an update on all storm damage and recovery efforts. On Friday, September 27th there were 4,122 customers (23.7% of total

customers) without service. By Saturday morning, that number was down to 990 (5.7%) and by Tuesday afternoon all Broadband customers had been restored.

The damage consisted of two 288-count fiber feeds broken as well as damage to the backbone fiber where bridges washed out in southern Washington County. Alternate fiber feed to Phipps substation (temporary Telford E9 location) was built to serve the customers in New Salem, Telford and South Central. In addition to the local effects of the storm, there were also 100Gb links through Tennessee to Atlanta and Kentucky to Ashburn that went down due to the storm.

Mr. Evans was also proud to report that Broadband staff and contractors were able to assist other areas during the recovery effort as well. Including providing spare fiber ONTs to neighboring ISPs, providing contractors to Erwin Utilities to restore fiber drops, setting up emergency restoration of Broadband and public WiFi at South Central School and providing EU colo space at Roy Taylor for OLT and back fed fiber to Embreeville and Bumpas Cove areas.

Mr. Dykes again thanked the BrightRidge employees and those in attendance for their amazing work in the aftermath of Hurricane Helene. He discussed the timing of the storm and the events leading up to the outages. Mr. Dykes relayed that despite Pike being asked to begin moving toward Florida Friday morning, they correctly assessed the need to remain on standby in our area as the storm progressed. It was that decision, along with various others, that made a difference in the response time for BrightRidge and our contractors.

Mr. Dykes relayed that utility work was still ongoing in areas of Mountain City and Erwin; with BrightRidge crews still assisting in these locations.

Mr. Dykes relayed conversations he had with various community members and leaders during the public information meetings held during the ongoing relief efforts. The public's feedback was always positive and heartwarming. Mr. Dykes presented the board with a video of photographs of damage sustained and our rebuilding efforts, including community interactions and drawings submitted by children and families to our BrightRidge staff and linemen.

The Board of Directors meeting in December will be on the 17th at 1:30 p.m., following the staff Christmas luncheon that day.

Mr. Dykes reminded the board of the upcoming legislative weekend in Washington D.C. scheduled for February 24-26th. Anyone wishing to attend needs to let Ceilya know by the end of October, so that accommodations can be booked in advance.

Various members of the board expressed their thanks to the staff and department leads for all of their hard work during the relief efforts. Mr. Huffine addressed the board on behalf of Washington County, thanking BrightRidge for their dedication and hard work. He stated that the full level of appreciation from the community could never be expressed sufficiently and praised BrightRidge for always being proactive instead of reactive.

Mr. Haselsteiner recognized the staff for seeing what was needed and pushed through until the job was done.

There being no further business, the meeting was adjourned.