

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

August 22, 2023

PRESENT: James Haselsteiner  
Kenneth Huffine  
John Hunter  
James Smith  
Robert Thomas  
Jeffrey R. Dykes, Chief Executive Officer  
Brian Bolling, CPA, Chief Financial Officer and Chief Customer Officer  
Connie Crouch, Human Resources Manager  
Bonnie Donnolly, Chief Development and Market Strategy Officer  
Mark Eades, Chief Engineering and Facilities Officer  
Eric Egan, Chief Data Officer  
Stacy Evans, Chief Broadband and Technology Officer  
Lori Farmer, Supervisor, General Accounting  
Donnie Hall, Safety/Environmental Manager  
Tiphonie Watson; Customer Support Manager  
Tim Whaley, Director of Public and Governmental Affairs  
Stephen Darden, Hunter Smith Davis, LLP

ABSENT: Gary Mabrey  
Ronald Hite  
Hal Knight  
Kimberly McCorkle  
David Spinnato, Physical Plant/Warehouse Manager

Vice Chairman James Haselsteiner called the meeting to order.

Upon motion by Mr. Thomas, seconded by Mr. Smith, a schedule change to today's meeting agenda was approved by roll call vote.

Upon motion of Mr. Thomas, seconded by Mr. Smith, the Board voted and approved the inclusion of (d.) TVA and BrightRidge Community Care Funds, (e.) LPC Power Purchase Agreement, and (f.) TVA Power Supply Expanded Flexibility Agreement to item 7 on today's meeting agenda. The motion carried unanimously by roll call vote.

Upon motion of Mr. Thomas, seconded by Mr. Smith, the monthly power distributor's report submitted to the Tennessee Valley Authority for June 2023 was approved. The motion carried unanimously by roll call vote. Year-to-date income was -

\$2,032,542.41 less than last year's year-to-date figure and year-to-date actual net income was \$753,151.38 more than the budgeted figure. The general fund balance stands at \$31,507,547.90, the reserve fund balance stands at \$2,914,594.87, the special reserve fund balance stands at \$142,699.77, the tax equivalent fund balance stands at \$517,876.86, the economic development fund balance stands at \$767,646.38, the 2017 bond and interest sinking fund balance stands at \$832,762.35, the renewal and replacement fund balance stands at \$10,532,455.07, the 2021 bond proceeds fund balance stands at \$5,659,894.68; and the self-insurance fund balance stands at \$507,152.12. BrightRidge is currently serving 82,727 customers, which is an increase of 980 customers since the same time last year, which represents a 1.20% growth rate.

Mr. Bolling added that current assets have increased by 1.93%. The year-to-date Operating Expenses, excluding Power Cost, are up \$3,833,849 compared to last year and under budget by 3.8 million (-7.95%). The year-to-date Average Load Factor is 56.69% (down from 59.31% in 2022) and the year-to-date Net Income is down 9.96% over the last year.

Upon motion of Mr. Thomas, seconded by Mr. Smith, the monthly financial statements for June 2023 for the Broadband Division were approved. The year-to-date income was \$3,224,020.46 more than last year's year-to-date figure, and year-to-date actual net income was \$926,216.50 more than the budgeted figure. The cash bank balance stands at \$1,347,460.31, the broadband debt service fund balance stands at \$2,257,188.41, the reserve fund balance stands at, \$1,024,372.25, the broadband checking account balance stands at \$644,950.02, the broadband money market account balance stands at \$243,333.00, the voice service balance stands at \$63,092.45, and the video service balance stands at \$67,535.48.

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

(a.) The minutes of the Board meeting on July 25, 2023; and

(b.) The purchase of cable from TTM Solutions in the amount of \$136,800.00, as described in Bid Tab #7704.

The motion carried unanimously by roll call vote.

At the June 27, 2023 Board meeting, the FY2024 Broadband budget was approved and specifically the Board approved the \$8 million interdivision loan. We now have the TVA Use of Funds Agreement that outlines the loans terms, conditions and reporting requirements, which was provided to all board members for their review. This agreement is similar to the use of funds agreements that were signed with TVA on the prior two loans from Electric to Broadband.

Upon motion by Mr. Hunter, seconded by Mr. Huffine, the Board approved the TVA Use of Funds Agreement, authorizing Mr. Dykes to sign the agreement which will give us the ability to take draws against the loan.

Stacy Evans, Chief Broadband and Technology Officer, delivered an update regarding the broadband project. At the time of the Board meeting, the Broadband Division has a total of 12,354 active customers; 1,150 of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	1,274
Johnson City Fiber:	6,779
Piney Flats Fiber:	120
Telford Fiber:	228
Limestone Fiber:	306
Gray Fiber:	3,147
Kingsport Fiber:	219
Fall Branch Fiber:	125
Fixed Wireless:	157
Managed Wi-Fi:	8,015 (72% average "take rate")
IPTV Video:	877
Telephone VoIP:	1,252

Mr. Evans stated that the Broadband Division continues to work toward new FY2024 goal of adding 4,542 net customers for a target of 16,249 by June 30, 2024. As of August 18, 2023, the division is trending 9.8 customers below the linear budget line (12,306 actual vs. 12,315.8 budgeted). We need 87.4 average net adds per week to meet budget.

The residential product growth since July 1, 2023 has been 3% in 10G service (36 current customers), 8% in 1Gb service (2,256 current customers), 4% in 600Mb service (5,473 current customers) and 4% in 300Mb services (3,164 current customers) for a total increase of 518 residential customers.

Mr. Evans stated that U.S. Broadband providers average between 1% to 5% churn (customer disconnects), with 2% considered normal. In July 2023, BrightRidge was below this national average, with a churn rate due to moves at 1.20% and churn rate without moves down to 0.26%. The churn rate without moves consisted of customers no longer using service, going to a competitor, unhappy with service, passing away or leaving for financial issues.

Ms. Donnolly delivered a report on the Broadband Marketing plan for new and potential customers. She shared the advertising path used in reaching new customers identified by Stacy's team as broadband services become available in new service areas.

The advertising path for *New* customers consists of the following steps:

- Step 1: List of new residential prospects is obtained and added to Direct Mail Campaign (3-5 days to be mailed).
- Step 2: Email Campaign is sent within 1 day.
- Step 3: Customer Service team starts calling customers.
- Step 4: Customer information is added to the current digital campaign (broadband advertisements seen across social media sites).
- Step 5: 2<sup>nd</sup> Direct Mailer and Email will arrive 2-3 weeks after initial mailers.
- Step 6: Outside Sales Representatives will visit.

After the initial 30 days of new broadband customer marketing the remaining individuals are moved into the *Potential* customer path and following additional marketing steps will be taken:

- Step 1: Active and pending active customers are removed weekly.
- Step 2: Addresses are sent for Direct Mail Campaign.
- Step 3: Email Campaign sent out two times per month.
- Step 4: Customer Service team continues call outs.
- Step 5: Outside Sales team will visit.
- Step 6: Active customer next steps.
- Step 7: Continue campaign targeting.

Ms. Donnolly, also identified all of the various marketing sources utilized for year-round marketing for all BrightRidge products, which included TV, mailers, radio ads, billboards, search ads, print ads and social media.

Ms. Donnolly introduced Customer Support Analysts Triska Swecker and Ashley Neal who presented information on how their department has been providing daily customer support and education on the Affordable Connectivity Program. The customer support department had a total of 4,570 residential and business fiber service orders during the FY2023. There were a total of 574 SHOM ('SmartHub Order Management System') services orders, which consisted of 455 new home fiber, 64 reconnect and 55 changes of service.

They reported on the customer service average wait times for calls and walk-in's during FY2023. Customer calls related to electric totaled 79,010 with 54.45% of calls answered in under 30 seconds. Customer calls related to broadband totaled 17,869 with 54.70% of calls answered in under 30 seconds. With an additional 11,823 call backs reported that put the total number of customer calls for FY2023 at 108,702. In addition, they assisted 13,253 walk-in's and answered customer questions via Chat 2,767 times with 72% of questions answered in under 30 seconds. The average wait time is 2:41 for electric customers and 2:38 for broadband customers. Calls are abandoned on average between 3:14 (for broadband) and 3:47 (for electric). The daily average wait time for walk-in's is 5:39.

The Customer Service department is seizing every opportunity to educate customers one call and event at a time. BrightRidge currently has 489 subscribers on the

Affordable Connectivity Program. Customers continue to be educated on the ACP through email campaigns, press releases, social media, SmartHub alerts and billing messages are all utilized. Summer Cradic and multiple customer service representatives have hosted 7 events over the last 10 months, with these events catering low-income and new construction communities. Since starting the Broadband Incentive in July 2022 our team has initiated 4,529 discussions and have made 469 total sales as a result. The average quality score from July 2022 through July 2023 was 96.2, with last month's overall average our highest ever at 98.3%.

Ms. Donnolly reminded the board about the upcoming Summer Block Party on August 26, 2023 at Memorial Park Community Center Green Space in Johnson City.

The TVA has announced its plans for a fourth round of Community Care Funds. This year, TVA is allotting BrightRidge with \$41,250.00 and requires that we match their allocation dollar for dollar to receive the funds. The combining of these funds will support the Boys and Girls Club of Johnson City and Washington County with expanding their new STEM program. Currently, the STEM program has a waiting list and these additional funds would allow all of these students to participate. This STEM program is offered to club members ages 5 to 18 during the school year.

Upon motion by Mr. Thomas, seconded by Mr. Hunter, the Board approved matching the TVA funding of \$41,250.00. The motion carried unanimously by roll call vote.

Upon motion by Mr. Huffine, seconded by Mr. Smith, the Board approved the LPC Power Purchase Agreement for the BrightRidge Solar Project II between BrightRidge and SR Gray, LLC. The contract adjusted to nominal rated capacity from 14 MW to 12MW. The motion carried unanimously by roll call vote.

Mr. Dykes addressed the Board regarding the approval of the revised TVA Flexibility Program Agreement 2.0. He stated that the revisions to this agreement provide methods for smaller utility companies who were previously excluded to due lack of land requirements, to now participate in solar energy ventures.

Upon motion by Mr. Thomas, seconded by Mr. Smith, the Board approved Mr. Dyke's signature on the revised TVA Power Supply Expanded Flexibility Agreement. The motion carried unanimously by roll call vote.

Mr. Dykes discussing an availability piece of property in the Buffalo Industrial Park consisted of approximately 6.92 acres on Innovation Drive. It is owned by 3 Tees, LLC, with an original purchase price of \$550,000. The sellers are willing to accept \$525,000. This gives us an opportunity for several options, one of which would be a potential new substation to service that area. This property is also located right beside existing TVA lines.

A motion was made by Mr. Thomas, seconded by Mr. Hunter to allow Mr. Dykes to enter into a Sales Contract and pay the \$5,000 earnest money as required, bringing

it back to the board before final closing for due diligence. The motion carried unanimously by roll call vote.

There being no further business, the meeting was adjourned.