

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

July 27, 2021

PRESENT: Dan Brant
Jenny Brock
Joe Grandy
James Haselsteiner
B. J. King
Hal Knight
Gary Mabrey
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
Rodney Metcalf, Chief Operations Officer
Tiphonie Watson, Customer Support Manager
Tim Whaley, Director of Public and Governmental Affairs
Stephen M. Darden, Hunter Smith Davis, LLP

ABSENT: Brian Ellis, Service Department Manager
Stacy Evans, Chief Broadband and Technology Officer
Donnie Hall, Safety/Environmental Manager
David Spinnato, Physical Plant/Warehouse Manager
Melissa Taylor, Supervisor, General Accounting

Chairman James Smith called the meeting to order.

Betsey Kirk McCall, President and CEO of Seven States Power Corporation, delivered a presentation regarding the company's role in assisting local power companies in the Tennessee Valley. Seven States Power is an energy solutions company serving 153 local power companies across seven states in the Tennessee Valley. It was formed in 2007 as a non-profit membership corporation with the powers of a generation and transmission cooperative. In early 2020, Seven States Energy, LLC, a subsidiary company, was formed to leverage sustainable resources that aid in the

economic viability of member-owned and Seven States enabled distributed generation and renewable technology projects across the Tennessee Valley.

The corporation's focus areas include the design of innovative solutions through research, the development of strategic pricing through partnerships, and the deployment of technology with sustainable revenue systems.

Products and services offered by Seven States include electric vehicle chargers, solar arrays, backup generation, combined heat and power, battery storage, fiber deployment, cybersecurity, economic analysis, and distributed energy resource management systems, including load management.

Seven States is governed by an 18-member Board of Directors comprised of municipal and cooperative members elected by each of 10 divisions and seven districts within the Tennessee Valley. BrightRidge CEO Jeff Dykes is currently serving as Chair of the Board of Directors.

Upon motion of Dr. King, seconded by Ms. Brock, the Board approved the following items on the Electric Division Consent Agenda:

(a) Approval of a correction in the May 25, 2021 minutes: Page 2, change "May" to "April" in the financial reports.

(b) The minutes of the regularly scheduled Board meeting on June 22, 2021.

(c) The quotation of Border States in the amount of \$68,963.50 for 550 flex barriers (\$29,969.50) and 300 Linkbreak 100A cutouts (\$38,994.00).

(d) The quotation of Stuart Irby in the amount of \$194,944.70 for a Sanc Retrofit Vista switch kit (\$61,838.00), 3 fault interrupters (\$125,606.70) and 3 Gold software licenses (\$7,500.00). These items are proprietary and sole source from Stuart Irby and will be used for the East Tennessee State University Automation Project.

(e) The low evaluated bid of Irby in the amount of \$65,875.00 for 25 50 KVA padmount transformers.

(f) The low bid of Power and Tel in the amount of \$66,800.00 for 400,000 feet of galvanized 1/4" EHS strand.

(g) The low bid of Border States in the amount of \$102,344.00 for 400 LG-600 closures (\$91,232.00) and 600 LL-4808L-R splice trays (\$11,112.00).

(h) The low bid of Irby in the amount of \$51,050.00 for 25,000 feet of #2AL 15KV compressed primary cable.

The motion carried unanimously.

Jenny Brock delivered the report of the Business Development/Planning Committee, which had met on July 20, 2021 to consider two items.

Upon motion of Ms. Brock, on behalf of the Committee, the Board approved an LPC Power Purchase Agreement with Silicon Ranch for a 14 MW-capacity solar project in which BrightRidge will purchase the entire amount of energy output and other project attributes as outlined in the agreement, subject to the terms and conditions therein. The motion carried unanimously by roll call vote.

BrightRidge Attorney Stephen Darden next addressed possible conflict-of-interest questions surrounding the next item considered by the Business Development/Planning Committee at its July 20th meeting. It was Mr. Darden's legal opinion that Board members could vote on the item or recuse themselves from the vote as their consciences dictated. Upon motion of Ms. Brock, on behalf of the Committee, the Board approved a Local Government and Public Education Solar Incentive Program in which BrightRidge will offer a Participation Agreement to share approximately 50% of the savings from the Martin Solar Farm, to be offered to local and state public education systems that sign said Agreement with BrightRidge. The motion carried by roll call vote, with Mr. Grandy and Dr. King recusing themselves from the vote and Dr. Knight being absent at the time of the vote.

Upon motion of Dr. King, seconded by Mr. Mabrey, the Board approved the low bid of Aubrey Silvey in the amount of \$895,000.00 for the labor and materials package for the refurbishment of the West Distribution Substation. The budget allocation for the project was \$1,700,000.00 (including the transformer); however, due to price increases in building materials and labor costs, the project is now estimated at \$2,109,286.00. A Construction and Fiber Equipment Storage Shed project was budgeted in the FY 2021-22 budget but has been placed on hold due to its bid exceeding the capital forecast. It was requested that the \$500,000.00 allocated for this project be reallocated to the West Distribution Substation refurbishment project. The Board included this reallocation of funds in its motion to approve the substation refurbishment project. The motion carried by roll call vote, with Dr. Knight being absent at the time of the vote.

Upon motion of Ms. Brock, seconded by Mr. Thomas, the Board approved the following Resolution:

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 D/B/A name as BrightRidge.

WHEREAS, Shawn Franks was employed by the Johnson City Power Board on September 2, 2008 until retiring from BrightRidge on August 6, 2021; and

WHEREAS, during his twelve years and eleven months of service with the Johnson City Power Board, Johnson City Energy Authority, and BrightRidge, he served

as Dispatcher 1st 6 months, Dispatcher 2nd months, Dispatcher after 18 months, Apprentice Lineman, Groundman, and Service Department Specialist; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mr. Franks for his outstanding service to the customers and staff of BrightRidge by his many years of dedication and loyalty;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Bright Ridge, meeting in regular session on the 27th day of July, 2021 that Shawn Franks be, and hereby is, officially commended for his twelve years and eleven months of service to the customers of BrightRidge.

BE IT FURTHER RESOLVED that a copy of this Resolution be presented to Mr. Franks and be spread in full on the minutes of the proceedings of this meeting.

The motion carried unanimously, with Dr. Knight being absent at the time of the vote.

Upon motion of Mr. Mabrey, seconded by Thomas, the Board approved the following Resolution:

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 D/B/A name as BrightRidge.

WHEREAS, Bobby Fair was employed by the Johnson City Power Board on March 28, 2005 until retiring from BrightRidge on July 17, 2021; and

WHEREAS, during his sixteen years and three months of service with the Johnson City Power Board, Johnson City Energy Authority, and BrightRidge, he served as Purchasing and Physical Plant Assistant, Supervisor of Purchasing and Physical Plant/Warehouse Supervisor, and Purchasing Specialist; and

WHEREAS, the Board of Directors of BrightRidge wishes to recognize Mr. Fair for his outstanding service to the customers and staff of BrightRidge by his many years of dedication and loyalty;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Bright Ridge, meeting in regular session on the 27th day of July, 2021 that Bobby Fair be, and hereby is, officially commended for his sixteen years and three months of service to the customers of BrightRidge.

BE IT FURTHER RESOLVED that a copy of this Resolution be presented to Mr. Fair and be spread in full on the minutes of the proceedings of this meeting.

The motion carried unanimously, with Dr. Knight being absent at the time of the vote.

Bonnie Donnolly, Chief Development and Market Strategy Officer, delivered a presentation on current marketing initiatives for the Electric Division.

BrightRidge has established a partnership with "Hands On" Discovery Center in Gray to provide "Shocking Science" kits for teachers in local schools in grades three through eight. The kits contain eight interactive programs to answer the questions "What is electricity?", "How do we use electricity?" and "Are there different types of electricity?" A teacher resource webpage accompanies the kits which contains 56 branded YouTube instructional videos. BrightRidge is also currently sponsoring the Tesla Experience Exhibit at the Discovery Center, which has had over 600 visitors since the facility reopened on June 1st.

BrightRidge is partnering with local television station WJHL Storm Team 11 in an umbrella giveaway sponsorship, and is also advertising on their website and weather app in targeted zip code areas.

BrightRidge has been partnering with East Tennessee State University athletics and is the social media sponsor for the basketball program. Advertising is contained on game day programs, souvenir cups, and a courtside LED banner, as well as in notations on the outside sign in the Minidome/skywalk area on the ETSU campus.

BrightRidge is participating in the Tennessee Valley Authority Marketing Champion program, which awards a \$2,000.00 per year budget for such initiatives as co-branded social media advertising and print materials.

The utility recently participated in the Jonesborough Days festival, which had an estimated attendance of 25,000-plus. The company promoted energy efficiency and the BrightRidge Broadband product at a booth and was a sponsor of the main music stage at the festival.

The company sponsored "BrightRidge Night" at a recent Johnson City Doughboys Appalachian League baseball game. Children of BrightRidge employees presented the National Anthem and threw out the first pitch of the game. BrightRidge representatives handed out paper "Fans for the Fans" to game attendees.

BrightRidge next plans to participate in the "Meet the Mountains" festival in downtown Johnson City on August 21 and 21, 2021.

Stacy Laws, Marketing Supervisor, delivered a presentation concerning marketing for the broadband program.

The goal of the residential broadband marketing program is to reach passive and active consumers using a variety of advertising platforms to reach the targeted market. Since May 2021, a 30-second video has been the main focus of this campaign. Other advertising platforms include Google Search, social media campaigns and streaming video ads.

BrightRidge Broadband holds a 90% market share against its competitors in search platforms. Its campaign click-thru rate is 13.85% (the industry average is 1.91%). Streaming video ads have a 96% completion rate, and ads shown to users currently total 83,656.

Commercial broadband requires a smaller scale focus on potential small business customers. The current advertising initiative is "Take a Coffee Break on Us", in which the company hand-delivers boxes to potential small business customers containing a branded coffee mug and information about BrightRidge Broadband. The company has partnered with a local coffee vendor, Pike House Coffee Company, to provide a small bag of locally roasted coffee to be included in each box.

In August, BrightRidge Broadband will begin its "Stay Connected to What Matters Most" campaign and will produce new videos for deployment in that campaign. A campaign called "Coming Soon" will also be initiated in the next broadband phase areas. Marketing will further target current customers in an initiative designed to result in an upgrade of services.

Triska Swecker and Ashley Neal, Customer Service Analysts, delivered a presentation concerning the Customer Service Department's involvement in broadband marketing. Of 3,056 residential broadband sales, 67.1% were generated through Customer Service call-outs and 32.9% were generated through door-to-door sales. Customer service surveys relative to how customers learned of BrightRidge Broadband reflected that most customers had learned of the product through Customer Service call-outs (5,832 Customer Service call-outs since January of this year), followed by direct mailers, word of mouth, digital advertising, print advertising, interactions with broadband installers, and television advertising.

A post-installation survey was initiated in January, with an average return rate of 24.4%.

The "Neighbor 2 Neighbor" referral program, in which the subscribing customer and the referring customer each receive a \$25.00 credit on their broadband bills, has thus far produced an 83% success rate, with 147 active referrals out of 176 total submissions.

The company has assisted 20 broadband customers to date under the Emergency Broadband Relief Program, a temporary program developed in response to the COVID-19 pandemic, which allows each eligible broadband customer to receive up to a \$50.00 credit on his or her broadband bill.

Current marketing initiatives in Customer Service include customer call-outs in the Phase III area, call-outs to Phases I and II non-customers in an effort to secure their switch to BrightRidge Broadband, offering the broadband product when a customer signs up for electrical service, and working extended hours and on Saturdays to help

increase broadband orders. Customer Service has also implemented a new process to improve efficiencies when creating broadband service orders for customers.

CEO Jeff Dykes gave a brief update on the Red Dog Technologies cyber mining operation noise complaint. He had appeared at a meeting of the Washington County Commission meeting yesterday concerning the matter and will appear at the July Commission meeting as well. Red Dog continues to work with its engineers and the Washington DC sound engineering firm to solve or mitigate the issue.

Mr. Dykes advised the Board that Chief Broadband and Technology Officer Stacy Evans was presently in Nashville to deliver a presentation at the Fiber Connect 21 Conference, the leading optical fiber business and technology event in North America.

Mr. Dykes announced that Jeff Lyash, President and CEO of the Tennessee Valley Authority, will be present at the August Board of Directors' meeting and that there will be a reception held in his honor at 2:00 p. m. that day at the BrightRidge facility.

There being no further business, the meeting was adjourned.