

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

May 28, 2019

PRESENT: Jenny Brock  
Bob Cantler  
Joe Grandy  
B. J. King  
Hal Knight  
James Smith  
Robert Thomas  
Guy Wilson  
Jeffrey R. Dykes, Chief Executive Officer  
Brian Bolling, CPA, Chief Financial Officer and Chief Customer Officer  
Connie Crouch, Human Resources Manager  
Mark Eades, Chief Engineering and Technology Officer  
Eric Egan, Chief Data Officer  
Donnie Hall, Safety/Environmental Manager  
Rodney Metcalf, Chief Operations Officer  
Angela Shrewsbury, Energy Services/Marketing Manager  
David Spinnato, Physical Plant/Warehouse Manager  
Tiphonie Watson, Customer Support Manager  
Tim Whaley, Director of Public and Governmental Affairs  
Stephen M. Darden, Attorney

ABSENT: Dan Brant  
Brian Ellis, Service Department Manager  
Stacy Evans, Chief Broadband Officer

Chairman B. J. King called the meeting to order and welcomed Denise Letterman, Engineering Specialist for BrightRidge, who was attending today's meeting. Ms. Letterman came to work for BrightRidge as a part-time employee in 2004, and began serving as a full-time Customer Service Representative in 2005. She transferred to the Engineering Department, first as an Operations Coordinator, and she now serves as an Engineering Specialist for BrightRidge. Ms. Letterman has earned her Applied Science, Network Engineering degree while working for the company.

Members of the Rat Rod Robotics Team 5022, comprised of high school students from David Crockett, Daniel Boone, and University High Schools, and one of its advisors, Mr. Guy McAmis, delivered a presentation to the Board regarding the robotics program. BrightRidge served as a team partner this year, along with other businesses

such as John Deere and Eastman. The team operates as a company, and develops skills in such areas as CAD, Auto CAD, Fusion 360, and machining, as well as electrical, engineering and architectural skills. Teams in our area compete in the Palmetto Regionals in Myrtle Beach, South Carolina or the Smoky Mountain Regionals in Knoxville, and can move forward to compete in the World Competition, held in Houston, Texas, comprised of students from over 70 countries. The Rat Rod team placed in the most recent World Competition, comprised of over 400 competing robots. The three team members present at the meeting were Jacob Nance, a David Crockett Senior, who serves as CEO, Noah Painter, a David Crockett Junior, who serves as Electrical Lead, and Derrick Adkins, a David Crockett Junior, who serves as Build Lead. They brought with them a robot the team had built and demonstrated how it worked.

Upon motion of Mr. Thomas, seconded by Mr. Cantler, the monthly power distributor's report submitted to the Tennessee Valley Authority for March, 2019 was approved. The motion carried unanimously. Year-to-date income was \$429,892.84 more than last year's year-to-date figure. Year-to-date actual net income was \$2,673,754.50 more than the budgeted figure. In March, the general fund balance stood at \$42,935,609.84 the reserve fund balance stood at \$1,634,735.99, the special reserve fund balance stood at \$5,879,134.53, the tax equivalent fund balance stood at \$4,233,430.40, the economic development fund balance stood at \$1,891,912.48, the 2017 bond and interest sinking fund balance stood at \$2,808,217.32, the renewal and replacement fund balance stands at \$5,161,058.37, and the self-insurance fund balance stood at \$2,037,458.63. BrightRidge served 78,944 customers in March, which was an increase of 743 customers since the same time last year.

Upon motion of Mr. Thomas, seconded by Mr. Cantler, the monthly financial statements for March, 2019 for the Broadband Division were approved. The motion carried unanimously. The cash bank balance stood at \$611,747.65, and capital projects closed to plant through March totaled \$1,048,697.43 (plus construction work in progress since July, 2018 totaling \$1,056,040.22), with a \$5,257,454.35 capital budget remaining at the end of March.

Upon motion of Mr. Cantler, seconded by Mr. Thomas, the monthly power distributor's report submitted to the Tennessee Valley Authority for April, 2019 was approved. The motion carried unanimously. Year-to-date income was \$1,726,507.87 more than last year's year-to-date figure. Year-to-date actual net income was \$2,996,753.15 more than the budgeted figure. The general fund balance stands at \$44,208,067.77 the reserve fund balance stands at \$635,984.80, the special reserve fund balance stands at \$5,886,374.72, the tax equivalent fund balance stands at \$4,708,963.13, the economic development fund balance stands at \$1,906,756.18, the 2017 bond and interest sinking fund balance stands at \$23,194.26, the renewal and replacement fund balance stands at \$5,167,414.25, and the self-insurance fund balance stands at \$2,038,736.27. BrightRidge is currently serving 79,114 customers, which is an increase of 542 customers since the same time last year.

Upon motion of Mr. Cantler, seconded by Mr. Thomas, the monthly financial statements for March, 2019 for the Broadband Division were approved. The motion

carried unanimously. The cash bank balance stands at \$953,355.53, and capital projects closed to plant through April totaled \$1,128,597.03 (plus construction work in progress since July, 2018 totaling \$1,521,021.13), with a \$4,712,573.84 capital budget remaining at this time.

Upon motion of Mr. Cantler, seconded by Ms. Brock, the following items were approved on the Electric Division Consent Agenda:

- (a) The minutes of the April 23, 2019 Board meeting;
- (b) The minutes of the May 14, 2019 special called Board meeting;
- (c) The purchase of Itron electric meters with Tantalus AMI modules in the following quantities and prices:

- (i) 2,040 Itron C1S 2S Single-Phase Meters at a cost of \$54,570.00; and

- (ii) 1,440 Itron S2SD Single-Phase Remote Disconnect (RD) Meters at a cost of \$105,120.00.

The meters are inventory items and are budgeted in the capital budget for metering equipment. The Itron meter/Tantulus module set is the standard single-phase meter in use on the BrightRidge system. These meters will not arrive until the 2019-2020 fiscal year, and will be paid from that year's budget. They are ordered at this time because Tantalus is offering special pricing for its AMI modules through June 30, 2019.

- (d) The purchase of transformers under the low evaluated bid of Irby-Amor in the amount of \$64,002.00 for 1 300 KVA 3-Phase Pad-Mount 277/480V transformer (\$10,397.00), 1 1,500 KVA 3-Phase Pad Mount 277/480V transformer (\$26,737.00) and 2 500 KVA 3-Phase Pad-Mount 120/208V transformers (\$26,868.00).

The motion carried unanimously.

Upon motion of Ms. Brock, seconded by Mr. Grandy, the Board approved the following item on the Broadband Division Consent Agenda:

- (a) The low evaluated bid of Border States in the amount of \$53,401.60 for two EXFO FTB-1v2-PRO Ethernet test equipment units.

The motion carried unanimously.

Mr. Thomas delivered the report of the Human Resources/Insurance Committee which met on May 23, 2018 to consider quotes for workers' compensation, life, dental, medical, and vision insurance coverages which are up for renewal.

Upon motion of the Committee, seconded by Dr. Knight, the Board approved the bid of Distributors Insurance Company through TVPPA in the amount of \$203,237.00 for workers' compensation coverage for the period July 1, 2019 through June 30, 2020. The motion carried unanimously. The company has also completed an application to participate in DIC's Safe Power Provider Program, wherein DIC conducts an on-site audit in the areas of safe work practices, benchmarking, and the safety manual. Depending upon the score, BrightRidge may be eligible for an additional premium credit in the following year.

Upon motion of the Committee, seconded by Mr. Grandy, the Board approved the life insurance bid of Blue Cross Blue Shield at a cost of \$23,047.00 annually, representing a 0% rate increase over the present amount and with a three-year rate guarantee. The motion carried unanimously. The coverage period will run from July 1, 2019 through June 30, 2022. The company provides \$50,000 basic life insurance and \$50,000 AD&D coverage to all full-time employees, and employees also have the option of purchasing additional voluntary life and AD&D coverage.

Upon motion of the Committee, seconded by Mr. Smith, the Board approved the low bid of Blue Cross Blue Shield of Tennessee for dental coverage at a total annual co-cost of \$50,930.54, representing a 10% decrease over the current plan, with a two-year rate guarantee. The coverage period will be July 1, 2019 through June 30, 2021. The motion carried unanimously.

Upon motion of the Committee, seconded by Mr. Grandy, the Board approved the bid of Blue Cross Blue Shield of Tennessee for medical and vision coverage at the same cost the company was paying in 2018 for medical insurance, with Blue Cross Blue Shield agreeing to move the medical plan back effective July 1, 2019 and giving all members year-to-date credit for any portions paid thus far towards deductibles and out-of-pocket expenses. This amount represents approximately a 1.6% decrease over the current rate. The rate is guaranteed for 18 months, with a coverage period from July 1, 2019 through June 30, 2021.

Vision coverage would represent a 4% decrease over the current rate, with a two-year rate guarantee, with a coverage period from July 1, 2019 through June 30, 2021.

Mr. Thomas expressed the appreciation of the Board to Connie Crouch, Human Resources Manager, and to everyone who worked so diligently to negotiate these extraordinary insurance rates.

Chief Data Officer Eric Egan delivered a short presentation on recent activities in his department, this month discussing plans for upgrades to the AMI metering system. The current system is comprised of six AMI towers, 1,524 shark fins, 85,744 meters and load control devices, as well as portal meters, IP collectors and a few Versa communications gateways. A sharkfin can collect and transmit data from about 105 devices, and an IP collector can collect and transmit data from approximately 210

devices. A Versa communications gateway device, which is mounted on the power pole, can collect and transmit data from 420 devices, and does not require a portal meter. As additional Versa communications gateway devices are added to the system under the upgrade plan, meter interval data readings may be reduced from one hour to 30 minutes, 15 minutes, or even 5 minutes.

The Broadband project update was postponed until the next Board meeting, as Chief Broadband Officer Stacy Evans was unable to be present at the meeting.

CEO Jeff Dykes advised the Board that he had recently met the newly appointed Tennessee Valley Authority Chief Executive Officer, Jeffrey Lyash, at a TVPPA meeting. Mr. Dykes stated that he would invite Mr. Lyash to speak to the Board sometime during the summer or early fall, with a reception to be held in his honor to include local governmental and business leaders.

Mr. Dykes advised the Board that the Washington County school system had been awarded grant funding to purchase an electric school bus, and that efficiency studies would be conducted regarding the bus.

There being no further business, the meeting was adjourned.