

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

May 25, 2021

PRESENT: Dan Brant  
Jenny Brock  
Joe Grandy (by telephone conference)  
James Haselsteiner  
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 & Market Strategy Officer  
Mark Eades, Chief Engineering and Facilities Officer  
Eric Egan, Chief Data Officer  
Donnie Hall, Safety/Environmental Manager  
Tiphonie Watson, Customer Support Manager  
Tim Whaley, Director of Public and Governmental Affairs  
Stephen M. Darden, Hunter Smith Davis, LLP

ABSENT: B. J. King  
Hal Knight  
Brian Ellis, Service Department Manager  
Stacy Evans, Chief Broadband and Technology Officer  
David Spinnato, Physical Plant/Warehouse Manager  
Rodney Metcalf, Chief Operations Officer  
Melissa Taylor, Supervisor, General Accounting

Chairman James Smith called the meeting to order.

Joe Grandy, participating by telephone conference, delivered the report of the Finance, Audit, Rates and Budget Committee, which had met on May 19, 2021 to consider two items.

Upon motion of Mr. Grandy, on behalf of the Committee, the Board approved a new TVA-developed retail power rate for commercial electric vehicle charging, designed for separately metered charging stations where the peak demand is more than 50 kW, but not more than 5,000 kW, to become effective on July 1, 2021. The

rate has three primary components: (1) a customer charge of \$100.00, (2) an energy charge of \$.12353 per kWh, and (3) a distribution delivery charge of \$.08219 per kWh. The rate has no actual demand charge, as TVA has covered that cost within the kWh rate, but the TVA Monthly Fuel Cost Adjustment would be applicable to the rate. The motion carried unanimously.

Upon motion of Mr. Grandy, on behalf of the Committee, the Board approved the execution of a Municipal Advisor Agreement with Raymond James as financial advisors for an anticipated electric revenue bond to be considered in the FY 2021-22 budget. The estimated fees of Raymond James and other parties (bond counsel, credit rating services, etc.) are \$141,200.00. The estimated costs for underwriting the issuance of the bond are estimated at \$125,000.00, for total estimated costs of \$266,200.00 for all bond fees. The motion carried unanimously.

Following the presentation of the Finance, Audit, Rates and Budget Committee items, Mr. Grandy left the meeting.

Upon motion of Mr. Thomas, seconded by Ms. Brock, the monthly power distributor's report submitted to the Tennessee Valley Authority for ~~May~~ April 2021 was approved. The motion carried unanimously. Year-to-date income was \$1,066,909.99 more than last year's year-to-date figure and year-to-date actual net income was \$1,539,267.80 more than the budgeted figure. The general fund balance stands at \$27,444,021.72, the reserve fund balance stands at \$6,781,662.52, the special reserve fund balance stands at \$6,032,005.17, the tax equivalent fund balance stands at \$4,637,475.78, the economic development fund balance stands at \$715,817.73, the 2017 bond and interest sinking fund balance stands at \$64,393.94, the renewal and replacement fund balance stands at \$6,312,476.17, and the self-insurance fund balance stands at \$2,002,376.87. BrightRidge is currently serving 80,482 customers, which is an increase of 1,022 customers since the same time last year.

Upon motion of Mr. Thomas, seconded by Ms. Brock, the monthly financial statements for ~~May~~ April 2021 for the Broadband Division were approved. The motion carried unanimously by roll call vote. The cash bank balance stands at \$1,165,960.24, and capital projects closed to plant through April, 2021 totaled \$4,321,472.33 (plus construction work in progress since June, 2020 totaling \$3,245,675.89), with a \$1,359,571.78 capital budget remaining at this time.

Upon motion of Mr. Mabrey, seconded by Mr. Haselsteiner, the Board approved the following items on the Electric Division Consent Agenda:

- (a) The minutes of the regularly scheduled Board meeting on April 27, 2021.
- (b) The low bid of Irby in the amount of \$63,750.00 for 25,000 feet of 1/0 AL 15KV compressed jacketed primary cable.

The motion carried unanimously.

Robert Thomas delivered the report of the Human Resources/Insurance Committee, which had met on May 19, 2021 to consider three items.

Upon motion of Mr. Thomas, on behalf of the Committee, the Board approved the annual performance evaluation, goals and objectives, compensation treatment, and employment contract of CEO Jeffrey R. Dykes. The motion carried unanimously.

Upon motion of Mr. Thomas, on behalf of the Committee, the Board approved the proposal of Distributors Insurance Company (DIC), a wholly-owned subsidiary of the Tennessee Valley Public Power Association (TVPPA), for workers' compensation insurance for FY 2021-22 in the amount of \$212,550.00. The motion carried unanimously. Included in the quote were a 2.5% premium credit for the company's participation in DIC's Safe Power Provider Program and a 5% premium credit for participation in the State of Tennessee Drug-Free Workplace Program. The quote represents an approximate 7.2% increase due to an increase in the experience/mod rating from .99 to 1.41 and a slight increase in payroll.

Upon motion of Mr. Thomas, on behalf of the Committee, the Board approved the proposal of Distributors Insurance Company (DIC), a wholly-owned subsidiary of the Tennessee Valley Public Power Association (TVPPA), for pollution control insurance for FY 2021-22 in the amount of \$5,612.00. The motion carried unanimously. This year's premium represents a slight (\$321.00) increase from last year's figure. The premium will be split equally between the Electric and Broadband Divisions.

Upon motion of Mr. Thomas, seconded by Ms. Brock, 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**, Debbie Jones was employed by the Johnson City Power Board on February 27, 2006 until retiring from Bright Ridge on June 30, 2021; and

**WHEREAS**, during her fifteen years and four months with the Johnson City Power Board, Johnson City Energy Authority and BrightRidge, she served as Customer Service Representative and Customer Support Specialist; and

**WHEREAS**, the Board of Directors of BrightRidge wishes to recognize Mrs. Jones for her outstanding service to the customers and staff of BrightRidge by her many years of dedication and loyalty;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of BrightRidge, meeting in regular session on the 25th day of May, 2021, that Debbie Jones be, and hereby is, officially commended for her fifteen years and four months of service to the customers of BrightRidge.

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

The motion carried unanimously.

Brian Bolling, Chief Financial Officer and Chief Customer Officer, delivered a presentation to the Board regarding recent activities in his departments, focusing this month on the calculation of load factor and the Demand Cost Recovery Adjustment. Load factor is a measure of the utilization rate or efficiency of electrical energy usage and is represented by the relationship between kWh per unit of peak demand. The load factor calculation is the kWh purchased divided by peak kW times the hours in the calculation period. The Demand Cost Recovery Adjustment calculation is the difference between the standard service load factor and what would have been paid at a 61% load factor. Mr. Bolling demonstrated to the Board through a slide presentation examples of the calculation of both load factor and the Demand Cost Recovery Adjustment.

CEO Jeff Dykes delivered an update regarding the broadband project. At the time of the Board meeting, the Broadband Division has a total of 4,244 active customers, approximately 9% of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	513
Johnson City Fiber:	2,307
Piney Flats Fiber:	5
Telford Fiber:	127
Limestone Fiber:	201
Gray Fiber:	897
Kingsport Fiber:	34
Fixed Wireless:	155
Managed Wi-Fi:	2,620 (68.4% average "take rate")
IPTV Video:	1,062
Telephone VoIP:	662

Mr. Dykes also discussed the broadband "take rates" by passing, which are currently exceeding the rates in the FY 2020-21 operating budget. The company is also presently on track to exceed its FY 2020-21 broadband customer goal.

Fiberoptic construction continues on Phase 3 of the broadband project, with 5,376 customer passings currently ready in Phase 3 areas.

Mr. Dykes advised the Board that newest Board member James Haselsteiner had recently been able to take a tour of the Boones Creek Road facility and had met with several officers, supervisors, and employees concerning various operations and departments. Mr. Dykes offered any interested Board member tours of the BrightRidge facility or of a substation. Chairman Smith expressed an interest in going out with one of the construction work crews, and Mr. Dykes asked him to contact Donnie Hall to facilitate this. Mr. Haselsteiner expressed his appreciation to Mr. Dykes and to BrightRidge staffers and employees for the informative visit.

Mr. Dykes gave a brief update on the Red Dog Technologies cyber mining operation noise complaint. He advised that he had spoken with representatives of Red Dog Technologies and that they had told him that they were securing the services of an acoustic engineer to determine how best to mitigate the noise created by the cooling fans at the facility. He will continue to monitor the situation.

There being no further business, the meeting was adjourned.