

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

May 24, 2022

PRESENT: Jenny Brock
Ronald Hite
B. J. King
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
Eric Egan, Chief Data Officer
Brian Ellis, Service Department Manager
Stacy Evans, Chief Broadband and Technology Officer
Rodney Metcalf, Chief Operations Officer
Melissa Taylor, Supervisor, General Accounting
Tiphonie Watson, Customer Support Manager
Stephen M. Darden, Hunter Smith Davis, LLP

ABSENT: James Haselsteiner
Kenneth Huffine
Hal Knight
Mark Eades, Chief Engineering and Facilities Officer
Donnie Hall, Safety/Environmental Manager
David Spinnato, Physical Plant/Warehouse Manager
Tim Whaley, Director of Public and Governmental Affairs

Chairman James Smith called the meeting to order.

Upon motion of Ms. Brock, seconded by Mr. Mabrey, the Board voted to add as Agenda Item 10 the Board convening into Executive Session. The motion carried unanimously by voice vote.

Upon motion of Dr. King, seconded by Mr. Thomas, the monthly power distributor's report submitted to the Tennessee Valley Authority for April 2022 was approved. The motion carried unanimously by roll call vote. Year-to-date income was \$388,858.45 more than last year's year-to-date figure and year-to-date actual net income

was \$4,598,115.89 more than the budgeted figure. The general fund balance stands at \$27,611,029.98, the reserve fund balance stands at \$6,813,862.17, the special reserve fund balance stands at \$6,059,898.16, the tax equivalent fund balance stands at \$4,820,328.58, the economic development fund balance stands at \$1,612,988.14, the 2017 bond and interest sinking fund balance stands at \$3,699,086.61, the renewal and replacement fund balance stands at \$6,341,708.63, the 2021 bond proceeds fund balance stands at \$24,625,463.65, and the self-insurance fund balance stands at \$2,012,553.63. BrightRidge is currently serving 81,412 customers, which is an increase of 930 customers since the same time last year.

Upon motion of Dr. King, seconded by Ms. Brock, the monthly financial statements for April 2022 for the Broadband Division were approved. The motion carried unanimously by roll call vote. Year-to-date income was \$1,105,907.70 more than last year's year-to-date figure and year-to-date actual net income was \$261,323.10 more than the budgeted figure. The cash bank balance stands at \$695,660.28, the broadband debt service fund balance stands at \$1,027,436.88, the reserve fund balance stands at \$1,001,173.11, the broadband checking account balance stands at \$449,139.15, the broadband money market account balance stands at \$25,649.11, the voice service balance stands at \$197,797.59, and the video service balance stands at \$77,175.89. Capital projects closed to plant through April 2022 totaled \$6,297,881.33 (less construction work in progress since June, 2021 totaling \$1,208,479.03), with a \$1,176,072.70 capital budget remaining at this time. These capital project figures reflect \$500,000.00 in potential grant monies.

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

(a) The minutes of the regularly scheduled Board meeting on April 26, 2022.

(b) The low bid of Border States Electric Supply in the amount of \$96,450.40 for 30 Evolve 194W LED flood lighting (\$18,847.20), 40 deadbreak 600A T body/w test PT elbows (\$30,363.20) and 800 20" heavy duty non-metallic rack arms (\$47,240.00); and the low bid of Stuart C. Irby Company in the amount of \$113,889.00 for 56 1200 A 8' 14.4KV gang switches (\$37,805.00), and 80 4-point deadbreak junctions (\$76,084.00).

(c) The low bid of Siemens Energy in the amount of \$142,866.00 for three 161 kV circuit switchers.

(d) The low bid of Siemens Energy in the amount of \$91,040.00 for two 69 kV breakers.

(e) The bid of Siemens Energy in the amount of \$179,364.00 for six 15 kV breakers. Hitachi ABB breakers were submitted and were the lowest bid, but failed to meet technical specifications and the bidder refused to incorporate the Allen and Hoshall

terms and conditions into their bid. Siemens Energy was, therefore, the recommended bid.

The motion carried unanimously by voice vote.

Brian Bolling, Chief Financial Officer and Chief Customer Officer, delivered an update on activities in his departments, this month focusing on terms and concepts related to the utility's financial reports. He defined a kilowatt hour as a measure of electric energy used in an hour. One thousand watts equal one kilowatt hour. The current BrightRidge pricing for a kilowatt hour is 11 to 11.5 cents. Mr. Bolling contrasted the energy costs for a 60-watt incandescent light bulb to that of its equivalent, a 9-watt LED bulb. If a customer used a 60-watt incandescent bulb five hours a day for 30 days (one month), the resulting usage would be 9 kilowatt hours of electricity. By contrast, the same usage of an LED bulb would result in only 1.35 kilowatt hours of usage, or 15% of the electricity used by the incandescent bulb. Mr. Bolling also discussed the definition of kilowatt demand. A demand charge results from the highest rate of consumption of electricity in a single hour during the reporting period.

Mr. Bolling advised the Board that while BrightRidge had gained 12,000 customers in its 350-square mile service territory since 2004, its kilowatt hour sales remain flat. Some of this is due to the energy efficiency of LED lighting and energy-efficient appliances.

Mr. Bolling also discussed the effects of the TVA pass-through fuel cost adjustment upon customer energy charges. The FCA historically averages around two cents per kilowatt hour but there has been variation between having the lowest FCA to the having the highest FCA in recent years.

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 7,473 active customers, 9.67% of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	949
Johnson City Fiber:	3,566
Piney Flats Fiber:	8
Telford Fiber:	159
Limestone Fiber:	248
Gray Fiber:	2,213
Kingsport Fiber:	141
Fall Branch Fiber:	26
Fixed Wireless:	163

(541 active fiber customers near grant areas, previously planned to be fixed wireless)

Managed Wi-Fi:	4,781 (72.1% average "take rate")
IPTV Video:	1,287
Telephone VoIP:	981

Linear weekly customer adds are exceeding the budgeted goal of 58.4. As of the time of the Board meeting, the Broadband Division's customers are trending 295 customers above the linear budget line, and it is estimated that the fiscal year figure will exceed the projected number of customers by 251.

Phase 4 aerial fiberoptic construction is essentially complete. Work continues on Phase 5, with one cabinet complete, and three other cabinet areas having the fiber construction finished.

As of April, 106 families are enrolled in the FCC Affordable Connectivity Program (AFC) through BrightRidge, for a total credit amount of \$3,180.00. The AFC Program offers a \$30-per-month credit toward broadband costs to an eligible family.

CEO Jeff Dykes reminded Board members of an Electric Division Budget Workshop to be held at 3:30 PM on May 26th.

Mr. Dykes commended staff and employees for their exceptional customer service, particularly during the recent spring storms. He also expressed his appreciation to Board members for their recent time commitment during the budget process and at several company events.

Mr. Dykes briefly discussed supply chain issues. He stated that delivery times for transformers were now averaging between 12 and 24 months.

The Board adjourned into Executive Session to discuss a pending legal matter. The Board reconvened into regular session following the Executive Session. There being no further business, the meeting was adjourned.