

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

November 19, 2019

PRESENT: Dan Brant
Jenny Brock
Joe Grandy
B. J. King
Hal Knight
Gary Mabrey
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
Stacy Evans, Chief Broadband 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: Brian Ellis, Service Department Manager

Chairman B. J. King called the meeting to order and welcomed Matt Elb, Information Technology Manager for BrightRidge, who was attending today's meeting. Mr. Elb was employed by the utility in 1999, serving in various employment positions until October, 2014, when he was promoted to Information Technology Manager for the company.

Mr. Elb delivered a presentation to the Board regarding cybersecurity threats and means of protection from those threats. Cyber attackers employ many methods in threatening cybersecurity, including the following:

(a) Rootkits, which elevate permissions to computer and network systems;

(b) Botnets, in which certain computers are compromised and used to create and send spam or viruses;

(c) Viruses, which attach to programs, files, or disks and which are used for malicious reasons or to steal information;

(d) Worms, which are independent malicious programs which replicate themselves from computer to computer;

(e) Logic bombs, which are software applications where malware executes upon certain conditions; and

(f) Trojan horses, which masquerade as benign programs, such as computer games, while quietly destroying data or damaging systems; and

(g) Social engineering, which manipulates people into performing actions or divulging confidential information, with said information gained from the deception possibly being used to commit fraud. This is commonly done through counterfeit e-mails or web pages.

Methods of preventative measures include:

(a) The establishment of an active directory (domain) as a means to control and share information;

(b) A distributed file system;

(c) Windows server update services;

(d) Windows defender firewall and antivirus programs on individual computers;

(e) Education of and notification to employees and staff of active cybersecurity threats; and

(f) Participation in industry-specific and other cybersecurity-related groups.

Financial reports were not available and will be reviewed at the December Board meeting.

Upon motion of Mr. Mabrey, seconded by Dr. Knight, the following items were approved on the Electric Division Consent Agenda:

(a) The minutes of the October 22, 2019 Board meeting.

(b) The purchase of a Tenant Slot through a partnership with the Seven States Power Corporation for OATI Distributed Energy Resource Management System software, for the one-time service initiation fee for the software of \$67,000.00 and a recurring \$3,200.00 monthly maintenance fee. Integration fees for SCADA and AMI will be \$18,000.00 and \$10,000.00 respectively, for a total cost of \$95,000.00. The software will enhance existing BrightRidge demand/response programs and prepare for future demand/response offerings. The product will assist in the ability to predict dates and times of monthly peaks by leveraging historical hourly load and NOAA weather data to build a model for predicting billing and system demand. It will also more expeditiously manage voltage reduction and TALO load control programs.

(c) The low bid of Construction Partners in the amount of \$237,825.00 for interior building renovations to the IT Department and the conversion of the Safety Training Room to Broadband offices in Building "A", and construction of unfinished space in the "C" Building to a training space for smaller groups.

(d) The low bid of T. R. Miller in the amount of \$1,102,670.00 for 4,980 wood poles of various types and sizes.

(e) A purchase in the amount of \$262,398.00 from Irby for 6 S & C IntelliRupters (\$225,582.00), 6 S & C IntelliTeam software designer licenses (\$16,500.00), 4 S & C IntelliNodes (\$11,304.00), 4 S & C GPS antenna kits (\$2,412.00), and 4 S & C software designer licenses (\$6,600.00). This equipment is standardized and S & C Electric was selected as the vendor through an RFQ/RFP process in 2017.

The motion carried unanimously.

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

(a) The low bid of Millennium in the amount of \$53,125.00 for 125 Quazite 13" X 24" X 18" enclosure boxes (\$9,875.00); 100 Quazite 24" X 36" X 24" enclosure boxes (\$14,000.00); 100 Quazite 12" X 12" X 12" enclosure boxes (\$5,200.00); 100 12" X 12" Quazite enclosure covers (\$4,300.00); and 125 13" X 24" Quazite enclosure covers (\$19,750.00); and

(b) The low bid of Border States in the amount of \$66,400.00 for 400 LG-600 FTTX/24 24 aerial closures.

The motion carried unanimously.

Ms. Brock delivered the report of the Business Development/Planning Committee, which had met on October 30, 2019 to consider the Home Uplift Program offered as a joint venture through the Tennessee Valley Authority. The program is designed to help families with home improvements for energy efficiency, thereby reducing their utility bills and improving family health and safety. The company would fund the

program with a \$395,000.00 contribution, with an additional \$195,000.00 to be received in funding from TVA. Contributions from foundations and other non-profits can be received into the program as well. Upon motion of Ms. Brock, on behalf of the Committee, the Board approved the utility's participation in the program. It is anticipated that the program would begin around the first of next year. The motion carried unanimously.

Chief Financial Officer/Customer Officer Brian Bolling delivered a short presentation on recent activities in his departments, this month focusing on recent updates to the SmartHub mobile application. There are currently 43,870 active enrollees on SmartHub, with 29,514 active users last month. Over 25,000 payments are processed each month through the application. Some of the items that customers can access through SmartHub include billing and payment information, usage data, and outage data. Customers can change their contact information, report and track any electrical or billing issues they may have, and access their service order history. They may elect to activate billing and service notifications. Safety messages are also included on the SmartHub application.

Stacy Evans, Chief Broadband Officer, delivered a short presentation regarding the broadband project. Work on the business parks in the service area is now substantially complete. Mr. Evans updated the Board on the progress of the various phases of the fiberoptic construction in Johnson City and Jonesborough, of the fixed wireless construction and towers, and of the Johnson City and Jonesborough public wi-fi projects. There are presently 505 broadband customers, 46 Jonesborough fiber customers, 370 Johnson City fiber customers, 51 wireless customers, 37 Ubiquiti wireless customers, and 213 managed wi-fi customers. Broadband wholesale and bulk customer opportunities continue toward fruition. The Division appears well on the way to reaching its Business Plan Year One broadband goal of 549 customers.

With respect to video services, all content for video distribution has now been approved with the exception of HBO/Cinemax, which is pending. A Quick Start Guide is currently being developed. The Triple Play Service roll-out plan is two installs per day beginning December 2nd, four installs per day by December 16th, and 12 installs per day by mid-January.

Angela Shrewsbury, Energy Services/Marketing Manager, delivered a presentation to the Board concerning marketing strategy for the Broadband Division. Essential elements of the plan include cross-promotion with the Electric Division and customer education and marketing methods, including the building of content for social media and website applications, paper marketing tools such as mailed cards, door knocker information, and new customer packets. Mr. Evans, in his presentation, had also reviewed additional vital features of Broadband Division marketing: no-contract subscriptions; perpetual discounts with no expiration dates; next-generation products; a pledge of customer service and support provided by local representatives; and a commitment to investment in the community, citing a monetary commitment of \$80 million over the eight-year business plan period.

CEO Jeff Dykes advised the Board that both Angela Shrewsbury and Eric Egan would be making presentations to two upcoming industry conferences.

The Board then recessed into Executive Session to receive information relative to a legal issue, and following that session, reconvened to adjourn the regular Board meeting.