

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

February 20, 2024

PRESENT: Gary Mabrey
James Haselsteiner
Ronald Hite
Kenneth Huffine
John Hunter
Kimberly McCorkle
James Smith
Robert Thomas
Jeffrey R. Dykes, Chief Executive Officer
Brian Bolling, CPA, Chief Financial Officer and Supply Chain Officer
Connie Crouch, Chief Employee Relations Officer
Bonnie Donnolly, Chief Development and Market Strategy Officer
Mark Eades, Chief Engineering and Facilities Officer
Eric Egan, Chief Data Officer
Stacy Evans, Chief Broadband Officer
Lori Farmer, Supervisor, General Accounting
Donnie Hall, Safety/Environmental Manager
Tiphanie Watson; Chief Customer Officer
Tim Whaley, Director of Public and Governmental Affairs
Stephen Darden, Hunter Smith Davis, LLP

ABSENT: Hal Knight
David Spinnato, Physical Plant/Warehouse Manager

Chairman Gary Mabrey called the meeting to order.

Mr. Chris Mitchell with Chris Mitchell Management Consultants delivered a presentation on the retail rate and financial health assessment of BrightRidge. Mr. Mitchell complemented the board and Mr. Dykes on continuing to be innovative and leading when other LPC's follow. He regarded BrightRidge as being willing to take steps along the way in an effort to be proactive, which now puts BrightRidge in a position to make choices in their next steps instead of overcoming challenges. Topics covered included the fuel cost adjustment changes with a forecasted decrease in 2024, previous TVA rate actions (in 2019 and 2020) which included the Grid Access Charge Risk Premium, Partnership Credit, and Pandemic Relief Credit. Mr. Mitchel covered the value of the solar projects in 2022 through 2023 which totaled \$1,338,786 and his analysis on potential adjustments and changes to the retail rate in the future. Other topics covered included analysis of our Sales Volume, Net

Income and Cash Flow; as well as effects of the Grid Access Charge, including his predictions on possible changes by the TVA in the future.

Donnie Hall, Safety Manager, presented an annual safety department update to the Board. Mr. Hall reported eight work-related injuries this year at BrightRidge, with the majority of those come from the construction department. In addition, there were only six vehicle accidents in 2023, two of which were backing related. The safety department continues to meet with all new employees, as part of their orientation, to complete all necessary safety training before they are released to their assigned departments to begin work. In addition, the safety department schedules 'May-Day' training two times a year to stay up to date on pole top rescues, bucket truck rescues and manhole rescues. In addition, Mr. Hall showed the board a video demonstrating the OX Block, a rope snatchblock used for quick lineman pole top rescues. BrightRidge is the first utility company to implement this device locally and it is now part of our policies, procedures, and training.

Upon motion of Mr. Haselsteiner, seconded by Mr. Thomas, the monthly power distributor's report submitted to the Tennessee Valley Authority for December 2023 was approved. The motion carried unanimously by roll call. Year-to-date income was -\$2,797,990.26 less than last year's year-to-date figure and year-to-date actual net income was \$1,287,156.68 more than the budgeted figure. The general fund balance stands at \$15,958,468.50, the reserve fund balance stands at \$11,099,299.95, the special reserve fund balance stands at \$8,180,075.92, the tax equivalent fund balance stands at \$2,849,277.19, the economic development fund balance stands at \$1,857,729.90, the 2017 and 2021 bond and interest sinking fund balance stands at \$2,186,121.33, the renewal and replacement fund balance stands at \$10,728,269.23, the 2021 bond proceeds fund balance stands at \$2,506.87; and the self-insurance fund balance stands at \$2,016,580.84. BrightRidge is currently serving 83,278 customers, which is an increase of 1,234 customers since the same time last year, which represents a 1.50% growth rate.

Upon motion of Mr. Thomas, seconded by Dr. McCorkle, the monthly financial statements for December 2023 for the Broadband Division were approved. The year-to-date income was \$843,828.05 more than last year's year-to-date figure, and year-to-date actual net income was \$1,764,121.22 more than the budgeted figure. The cash bank balance stands at \$1,569,865.86, the broadband debt service fund balance stands at \$5,681,522.23, the reserve fund balance stands at, \$1,043,416.88, the broadband checking account balance stands at \$926,360.72, the broadband money market account balance stands at \$572,466.23, the voice service balance stands at \$112,378.69, and the video service balance stands at \$21,380.22.

Mr. Bolling concluded his report by adding that current assets have increased by \$4.4 million. The year-to-date Operating Revenues are down \$13 million. The year-to-date Operating Expenses, excluding Power Cost, are up \$789,998 compared to last year and under budget by 6.83%. The year-to-date Average Load Factor is 57.27% and the year-to-date Net Income is \$2,797,992. The FCA is down 23.42% from December 2022 to December 2023.

Brian Bolling, Chief Financial Officer, presented an update to the Board regarding the financial impact on power cost caused by a single day during a mild month.

Upon motion of Mr. Thomas, seconded by Dr. McCorkle, the Board approved the Consent Agenda consisting of the minutes of the Board meeting on January 23, 2024.

The motion carried unanimously by roll call vote.

Upon motion of Mr. Huffine, seconded by Mr. Hunter, the Board approved the Resolution authorizing Application for Rural Economic Development Loan for Unaka Forest Products, Inc. plans to install a new sawmill at its existing operations located at 217 Dry Creek Road in Jonesborough, Tennessee. The Board approved the Resolution by unanimous roll call vote.

RETIREMENT RESOLUTION ON BEHALF OF TONY WOODS

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 DBA name as BrightRidge.

WHEREAS Tony Woods was employed by BrightRidge on July 24, 2000, until retiring from BrightRidge on Friday, March 29, 2024; and

WHEREAS during his twenty-three years and eight months of service with BrightRidge, he served as Construction Lineman, Lead Lineman, Service Lineman, Assist Service Department Administrator and Service Department Administrator; and

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of BrightRidge meeting in regular session on the 20th day of February 2024 that Tony Woods be, and hereby is, officially commended for his twenty-three years and eight months of service to the customers of BrightRidge.

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

Upon motion of Mr. Haselsteiner, seconded by Mr. Hunter, the Board approved the Resolution by unanimous roll call vote. A copy of this Resolution now appears in full on the minutes of the proceedings of this meeting.

RETIREMENT RESOLUTION ON BEHALF OF JASPER EUGENE WARD

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 DBA name as BrightRidge.

WHEREAS Jasper Eugene Ward was employed by BrightRidge on November 1, 1993, until retiring from BrightRidge on Friday, March 29, 2024; and

WHEREAS during his thirty years and five months of service with BrightRidge, he served as Meter Reader, Groundman, Apprentice Lineman, Construction Lineman and Service Lineman; and

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of BrightRidge meeting in regular session on the 20th day of February 2024 that Jasper Eugene Ward be, and hereby is, officially commended for his thirty years and five months of service to the customers of BrightRidge.

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

Upon motion of Mr. Hunter, seconded by Mr. Thomas, the Board approved the Resolution by unanimous roll call vote. A copy of this Resolution now appears in full on the minutes of the proceedings of this meeting.

RETIREMENT RESOLUTION ON BEHALF OF CHARLES WEISE

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 DBA name as BrightRidge.

WHEREAS Charles "Chuck" Weise was employed by BrightRidge on February 24, 2014, until retiring from BrightRidge on Friday, April 5, 2024; and

WHEREAS during his ten years and one month of service with BrightRidge, he served as Warehouse Worker, Warehouse Operations Specialist and Groundman; and

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of BrightRidge meeting in regular session on the 20th day of February 2024 that Chuck Weise

be, and hereby is, officially commended for his ten years and one month of service to the customers of BrightRidge.

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

Upon motion of Dr. McCorkle, seconded by Mr. Hunter, the Board approved the Resolution by unanimous roll call vote. A copy of this Resolution now appears in full on the minutes of the proceedings of this meeting.

Stacy Evans, Chief Broadband and Technology Officer, delivered an update regarding the broadband project. Mr. Evans announced that at the time of the Board meeting, the Broadband Division has a total of 14,607 active customers, 1,318 of which are business or commercial entities. In FY24, broadband installations have reached 4,058 with 1,192 reported disconnections, resulting in 2,866 net adds (70.63% of installs).

The current broadband customer base is as follows:

Jonesborough Fiber:	1,355
Johnson City Fiber:	7,998
Piney Flats Fiber:	335
Telford Fiber:	241
Limestone Fiber:	313
Gray Fiber:	3,449
Kingsport Fiber:	606
Fall Branch Fiber:	154
Fixed Wireless:	153
Managed Wi-Fi:	9,352 (70.9% average "take rate")
IPTV Video:	770 (549 residential)
Telephone VoIP:	1,365

Mr. Evans stated that the Broadband Division was scheduled to add 4,542 net customers for a target of 16,249 on June 30, 2024. An average of 87.4 net adds per week would be necessary to meet this goal. As of February 16th, the division is trending 18.0 customers below the linear budget line. Out of the planned 12,206 expected fiber passings to be added in FY24, we have already completed 5,364 (43%).

Mr. Evans also updated the board on the status of the ACP Program. With the program scheduled to end by April 2024, BrightRidge customers were notified of the possible end of the ACP in January 25, 2024. The second notice will be sent after the FCC issues a 60-day warning (likely in late February) and the third notice to coincide with last billing cycle in which full ACP was applied. Currently, BrightRidge has 792 customers participating in ACP as of January 2024.

Mr. Dykes thanked those who were able to attend the recent TVA board meeting. Mr. Dykes was also stopped by a gentleman from the TVA who recently moved to our area from Chattanooga. The gentleman was very complimentary of our Broadband product.

There being no further business, the meeting was adjourned.