

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

January 23, 2024

PRESENT: Gary Mabrey
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
Tiphonie Watson; Chief Customer Officer
Tim Whaley, Director of Public and Governmental Affairs
Stephen Darden, Hunter Smith Davis, LLP

ABSENT: James Haselsteiner
Ronald Hite
Kenneth Huffine
Hal Knight
David Spinnato, Physical Plant/Warehouse Manager

Chairman Gary Mabrey called the meeting to order.

Mr. Clint Wilson with Seven States Power Corp. delivered a presentation on the Middle Mile Network. Seven States is building a middle mile fiber network solution that offers all 153 local power companies a connectivity point to the Valley's fiber optic backbone. This enables new revenue streams through broadband services to those already connected to the electric system, while also offering business enhancements for the power company. Companies with fiber networks enjoy operational efficiencies through customer connectivity, load management, data backup, emergency communications and more, while enhancing reliability for consumers.

Mr. Wilson discussed the engineering design and network electronic fees and rates, as well as the initial steps needed to participate in the middle mile network project.

Additional information was provided on additional cost to complete the fiber that would need to be finished (estimated at 5.02 miles) as well as the estimated payback on costs based on lease payments (11.1 years). The first step will be to submit a letter of intent from each of the local power companies, that will acknowledge their intent to participate in the middle mile network and create a mechanism to collect for engineering designs.

Upon motion of Mr. Thomas, seconded by Dr. McCorkle, the Board voted to approve a letter of intent to participate in the middle mile network be signed by Mr. Dykes.

Upon motion of Mr. Smith, seconded by Mr. Thomas, the monthly power distributor's report submitted to the Tennessee Valley Authority for November 2023 was approved. The motion carried unanimously by roll call. Year-to-date income was -\$2,123,325.57 less than last year's year-to-date figure and year-to-date actual net income was -\$639,596.15 less than the budgeted figure. The general fund balance stands at \$15,081,949.44, the reserve fund balance stands at \$11,064,137.21, the special reserve fund balance stands at \$8,173,169.41, the tax equivalent fund balance stands at \$2,429,860.77, the economic development fund balance stands at \$350,000.00, the 2017 and 2021 bond and interest sinking fund balance stands at \$1,821,680.57, the renewal and replacement fund balance stands at \$10,694,281.92, the 2021 bond proceeds fund balance stands at \$0.00; and the self-insurance fund balance stands at \$2,014,944.30. BrightRidge is currently serving 83,035 customers, which is an increase of 1,231 customers since the same time last year, which represents a 1.50% growth rate.

Upon motion of Mr. Smith, seconded by Mr. Thomas, the monthly financial statements for November 2023 for the Broadband Division were approved. The year-to-date income was \$737,051.86 more than last year's year-to-date figure, and year-to-date actual net income was \$1,513,504.59 more than the budgeted figure. The cash bank balance stands at \$2,741,318.70, the broadband debt service fund balance stands at \$5,187,285.97, the reserve fund balance stands at \$1,040,111.32, the broadband checking account balance stands at \$1,181,955.27, the broadband money market account balance stands at \$1,568,577.05, the voice service balance stands at \$36,860.59, and the video service balance stands at \$16,645.79. Capital projects closed to plant through November 2023 totaled \$1,232,357.72 (plus construction work in progress since June 2023 totaling \$2,619,477.84), with \$16,782,259.44 capital budget remaining at this time.

Mr. Bolling concluded his report by adding that current assets have increased by \$6.1 million (1.56%). The year-to-date Operating Revenues are down \$10 million. The year-to-date Operating Expenses, excluding Power Cost, are down \$703,709 compared to last year and under budget by 6.87%. The year-to-date Average Load Factor is 57.38% and the year-to-date Net Income is \$2,123,326, a decrease of 31.50% over the last year. The FCA is down 27.58% from November 2022 to November 2023. BrightRidge customers are up 1,231 since last year.

Upon motion of Dr. McCorkle, seconded by Mr. Smith, the Board approved the following items on the Consent Agenda:

- (a.) The minutes of the Board meeting on December 12, 2023.

(b.) The purchase of six 3-phase 69 kV 1200 Amp Breakers from Siemens Energy, Inc. in the amount of \$514,692.00 for the project described in Bid Tab #7914.

(c.) The purchase of twenty-six 3-phase 15.5 kV 1200 Amp Breakers from Siemens Energy, Inc. in the amount of \$1,019,980 for the project described in Bid Tab #7914.

(d.) The approval of a five-year Underground Utility Locates Agreement to Jones Locating Services (current BrightRidge contractor), with a term beginning February 1, 2024 through December 21, 2028.

The motion carried unanimously by roll call vote.

Upon motion of Mr. Hunter, seconded by Dr. McCorkle, the Board approved the following items on the Broadband Consent Agenda:

(a.) The approval of a contract for Broadband 24x7 Technical Support and Provisioning Services to EPB (in Chattanooga, TN) for a term of five years.

The motion carried unanimously by roll call vote.

Upon motion of Mr. Smith, seconded by Dr. McCorkle, the Board approved the purchase of approximately 6.92 acres located at the intersection of Buffalo Road and Innovation Drive in south Johnson City. The property is located in the Buffalo Mountain Industrial Park. The property is located 1,100 feet from a TVA 161kV transmission line and an adjacent BrightRidge 69kV transmission line.

RETIREMENT RESOLUTION ON BEHALF OF HOYT SPRINKLE

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 Hoyt Sprinkle was employed by BrightRidge on December 18, 2017, until retiring from BrightRidge on Friday, February 2, 2024; and

WHEREAS during his six years and one month of service with BrightRidge, he served as Custodian/Maintenance; and

WHEREAS the Board of Directors of BrightRidge wishes to recognize Mr. Sprinkle 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 23rd day of January 2024 that Hoyt Sprinkle be, and hereby is, officially commended for his six 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. Sprinkle and be spread in full on the minutes of the proceedings of this meeting.

Upon motion of Mr. Thomas, seconded by Mr. Smith, 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.

Mr. Mark Eades, Chief Engineering and Facilities Officer, introduced Ms. Alayna Perryman to deliver an update on the new RLS (Rotating Load Shed) Program now in place to assist in possible load shed requests from the TVA in the future. This program can internally close and open breakers that are assigned based on a selected time frame of the shut down and the percentage of the system requested to shut down based on TVA. For example, Ms. Perryman demonstrated the program in test mode by inputting a 5% load shed of our system for 15-minute intervals.

Ms. Perryman advised that following the previous load shed event last December, BrightRidge contacted and identified all critical customers (i.e. medical facilities and emergency responders) that do not have back up sources of power, such as generators. The program allows for those identified critical customers to be excluded from load shedding and maintain services. The breakers selected by the program are spread throughout the system to avoid critical customers, and void damaging the system or overloading specific areas.

The additional benefit of this program is that it will work along-side the marketing department to assist in notifying customers to provide sufficient lead time ahead of any scheduled shutdown. Customers will receive more specific information on the exact locations and times of expected power loss in their area.

Stacy Evans, Chief Broadband and Technology Officer, delivered an update regarding the broadband project. Mr. Evans announced that on December 24, 2023 Broadband reach 14,000 customers. At the time of the Board meeting, the Broadband Division has a total of 14,284 active customers, 1,302 of which are business or commercial entities.

The current broadband customer base is as follows:

Jonesborough Fiber:	1,349
Johnson City Fiber:	7,809
Piney Flats Fiber:	324
Telford Fiber:	241
Limestone Fiber:	311
Gray Fiber:	3,408
Kingsport Fiber:	540

Fall Branch Fiber:	147
Fixed Wireless:	155
Managed Wi-Fi:	9,154 (71% average "take rate")
IPTV Video:	788 (567 residential)
Telephone VoIP:	1,351

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 January 5th, the division is trending 0.0 customers ahead of the linear budget line. Mr. Evans advised that during December competing broadband and cellular companies released blitz advertisements regarding lowered rates and overs, which resulted in a higher churn rate in the month of December. The churn rate went from 0.28% in November 2023 up to 0.74% in December.

Mr. Evans also updated the board on the status of the ACP Program. There is currently \$4 billion remaining in funding. With the program scheduled to end by April 2024. Internet providers are required to notify customers three times. The deadline for the first notice about the possible end of the ACP is January 25, 2024. The second notice to be sent after the FCC issues a 60-day warning and the third notice to coincide with last billing cycle in which full ACP was applied. The Program Extension Act is a bipartisan bill that would allocate an additional \$7 billion to support this program, but we have no assurance it will pass. In addition the FCC has urged Congress to allocate an additional \$6 billion to keep ACP running through the end of 2024. Currently, BrightRidge has 772 customers participating in ACP.

Mr. Dykes encouraged members of the board and staff to attend the upcoming TVA board meeting scheduled in our area in February 2024.

There being no further business, the meeting was adjourned.