

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

April 23, 2024

PRESENT: Gary Mabrey
Andy Dietrich
James Haselsteiner
Ronald Hite
Kenneth Huffine
John Hunter
Kimberly McCorkle
James Smith
Robert Thomas
Jeffrey R. Dykes, Chief Executive Officer
Rob Arnold, Chief Operations 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
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

ABSENT: Mark Eades, Chief Engineering and Facilities Officer
David Spinnato, Physical Plant/Warehouse Manager
Tim Whaley, Director of Public and Governmental Affairs

Chairman Gary Mabrey called the meeting to order. He commented on the breakfast held last week for National Lineman Appreciation Day and introduced new board member, Andy Dietrich.

Upon motion of Mr. Thomas, seconded by Mr. Smith, the monthly power distributor's report submitted to the Tennessee Valley Authority for March 2024 was approved. The motion carried unanimously by roll call. Year-to-date income was -\$2,529,712.05 less than last year's year-to-date figure and year-to-date actual net income was \$1,406,899.56 more than the budgeted figure. The general fund balance stands at \$19,307,816.49, the reserve fund balance stands at \$5,874,883.94, the special reserve fund balance stands at \$19,988,221.32, the tax equivalent fund balance stands at \$4,116,701.42, the economic development fund balance stands at \$1,753,673.20, the 2017 and 2021 bond and interest sinking fund balance stands at \$3,287,295.79, the renewal and replacement fund balance stands at \$8,319,457.07, the miscellaneous proceeds fund balance stands at \$2,531.89; and the self-insurance fund balance stands at \$2,001,600.07. BrightRidge is currently serving 83,506 customers, which is an increase of 1,282 customers since the same time last year, which represents a 1.56% growth rate.

Upon motion of Mr. Thomas, seconded by Mr. Smith, the monthly financial statements for March 2024 for the Broadband Division were approved. The year-to-date income was \$1,077,669.04 more than last year's year-to-date figure, and year-to-date actual net income was \$2,309,796.82 more than the budgeted figure. The cash bank balance stands at \$4,559,295.23, the broadband debt service fund balance stands at \$1,684,130.88, the reserve fund balance stands at, \$1,254,069.83, the broadband checking account balance stands at \$778,190.05, the broadband money market account balance stands at \$3,626,249.21, the voice service balance stands at \$112,026.82, and the video service balance stands at \$42,829.15.

Mr. Bolling concluded his financial report by adding that current assets are up \$7.8 million. The year-to-date Operating Revenues are down \$9 million. The year-to-date Operating Expenses, excluding Power Cost, are up \$2,049,827 compared to last year and under budget by 4.27%. The year-to-date Average Load Factor is 57% and the year-to-date Net Income is \$2,529,712. The FCA is up 3.03% from March 2023 to March 2024. The year-to-date degree days are up by 0.63%, at 4,165.

Upon motion of Mr. Smith, seconded by Mr. Hunter, the Board approved the Consent Agenda, consisting solely of the minutes of the Board meeting on March 26, 2024. The motion carried unanimously by roll call vote.

The Finance & Audit, Budget & Rate Committee met today to discuss the Tennessee Comptroller's Office required audit contract prior to close of fiscal year. Upon motion of the Committee, the Board approved the proposed audit contract with BCS at a cost of \$70,500 for the audit and an estimate of \$15,000 for Single Audit by unanimous roll call vote.

The Finance & Audit, Budget & Rate Committee also met to consider modifications to the Broadband division's residential internet products. Upon motion of the Committee, the Board voted on the following modifications:

- Introduce a new residential 2.5Gig Broadband service for \$99.99 per month effective May 1, 2024.
- Adjust the 10Gig Managed Wi-Fi pricing from \$19.99 to \$9.99 per month effective May 1, 2024.
- Provide pre-approval for our CEO to make pricing alignments to the residential 1Gig product based on industry trends and the competitive landscape. Any potential price reductions for the 1Gig product are not to exceed \$10 and can be applied between June 1, 2024 and December 31, 2024. The board will be apprised of the price reduction via email prior to the action.

The motion carried unanimously by roll call vote.

The HR/Insurance Committee met today to discuss revisions to employee Christmas gift directive. After evaluating the history of the gift and the current cost of living, staff proposed giving \$1,000 again in 2024. Upon motion of the Committee, the Board

approved the 2024 gift. In addition, this will become a Human Resources policy rather than a departmental directive, title being changed from CEO Department Directive #2 to POLICY: HR-07. The motion carried by unanimous roll call vote.

RESOLUTION AUTHORIZING APPLICATION FOR RURAL ECONOMIC DEVELOPMENT LOAN

WHEREAS, the Johnson City Energy Authority DBA BrightRidge has been actively involved in economic development in order to improve the economic well-being of its customers as well as that of the communities of Sullivan and Washington County areas as a whole; and

WHEREAS, Unaka Forest Products, Inc. plans to install a new sawmill at 137 Bry Creek Road, Jonesborough, Tennessee.

WHEREAS, the total project is estimated to be at least \$3,000,000 and Unaka Forest Products, Inc., is in need of \$2,000,000 to complete the funding for the project; and

WHEREAS, the USDA Rural Business-Cooperative Service has available an economic development program of financial assistance to Intermediaries in the form of zero-interest loans to assist in business and community development; and

WHEREAS, the project is in compliance with 7 CFR 4280 subpart B and specifically the project is for eligible purposes and is not restricted (7 CFR 4280.27 and 7 CFR 4280.30); and resolves to carry out the proposed project with Unaka Forest Products, Inc., according to 7 CFR 4280.

WHEREAS, the Board of Directors of Johnson City Energy Authority DBA BrightRidge has endorsed the proposed rural economic development project as described in the application and 4280.29 Supplemental Financing Required for the Ultimate Recipient project; and

WHEREAS, the Board of Directors of Johnson City Energy Authority DBA BrightRidge authorizes its CEO to submit an application of \$2,000,000 for a Rural Economic Development Loan; and

Now therefore be it resolved, the Board of Directors of Johnson City Energy Authority DBA BrightRidge authorizes its CEO to submit an application of \$2,000,000 for a Rural Economic Development Loan; and

Be it further resolved that the Board of Directors authorizes its CEO to compile, complete, and execute the information and forms necessary to support this application. Furthermore, the Board of Directors authorizes the CEO and his support staff to requisition the zero-interest loan funds.

Upon motion of Dr. McCorkle, seconded by Mr. Haselsteiner, the motion carried unanimously by roll call vote.

RETIREMENT RESOLUTION OF TONY TIPTON

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 Tipton was employed by BrightRidge on November 7, 1988, until retiring from BrightRidge on Monday, June 3, 2024; and

WHEREAS during his thirty-five years and seven months of service with BrightRidge, he served as Meter Reader, Order Worker, and Tree Trimming Coordinator.

WHEREAS the Board of Directors of BrightRidge wishes to recognize Mr. Tipton 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 April 2024, that Tony Tipton be, and hereby is, officially honored for his thirty-five years and seven months of service to the customers of BrightRidge.

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

Upon motion of Mr. Thomas, seconded by Dr. McCorkle, 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.

Upon motion of Mr. Hite, seconded by Mr. Smith, the Board approved the provider's network management policy to comply with FCC requirements ("Network Management Policy" BB-100). The motion passed by unanimous roll call vote.

Upon motion of Mr. Huffine, seconded by Mr. Smith, the Board approved matching 1:1 with the TVA funding of \$50,000.00 for the fifth round of Community Care Funds, allotted to LPCs between November 1, 2023 through September 14, 2024. Combined, these funds will support a three-year commitment to fund the Applied STEM Foundation Summer Institution Camp at ETSU. The motion passed by unanimous roll call vote.

Eric Egan, Chief Data Officer, delivered an update regarding the Advanced Meter System Department of Energy Grant application process. The full applications are due May 22, 2024, with projected 25-40 total awards. The awards range from \$10 to \$50 million, with expected notification of awards this Fall. Mr. Egan explained about the American Public Power Association's Reliable Public Power Provider program, which recognizes utilities that demonstrate high proficiency in reliability, safety, workforce development, and system improvement. Only 23 TVA companies hold RP3 designation, which include BrightRidge. The designation levels include Gold (80-89.5), Platinum (90-99.5) and Diamond (100 perfect score). Utilities keep the RP3 designation for three years. BrightRidge achieving Platinum level in 2015, 2018, 2021 and 2024 (scoring 96.5/100 in 2024).

Bonnie Donnolly, Chief Development & Marketing Strategy Officer, delivered an update on the status of BrightRidge’s website redesign, focusing on reinvigorating customer experience and the brand. Website samples shown represent perspectives provided through stakeholder and qualitative interviews, as well as customer surveys and feedback. The website will be tested in-house through the month of June, before the site goes live on July 1st.

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 15,263 active customers, 1,316 of which are business or commercial entities. In FY24, broadband installations have reached 5,242 with 1,562 reported disconnections, resulting in 3,680 net adds (70.2% of installs).

The current broadband customer base is as follows:

Jonesborough Fiber:	1,488 (10%)
Johnson City Fiber:	8,026 (53%)
Piney Flats Fiber:	358 (2%)
Telford Fiber:	162 (1%)
Limestone Fiber:	396 (3%)
Gray Fiber:	3,734 (24%)
Kingsport Fiber:	853 (6%)
Fall Branch Fiber:	165 (1%)
Chuckey:	3
Managed Wi-Fi:	9,012 (65% average “take rate”)
IPTV Video:	744 (522 residential)
Telephone VoIP:	1,412

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 April 19th, the division is trending 9.2 customers above the linear budget line. Out of the planned 12,206 expected fiber passings to be added in FY24, we have already completed 6,851 (54.4%).

Mr. Evans provided an update on the TN ECD Middle Mile Grant Program with award notices expected by April 30, 2024 and contracts to be negotiated by June 30, 2024. He also advised the board of the upcoming 2025 TN ECD NTIA Federal Bead Grant. TN-ECD will release statewide broadband eligibility maps on April 23, 2024, with TN eligibility challenge process period of April 30th through June 14th. Grant requirements and timeline details will be released at a future date.

Mr. Dykes reminded the board of the upcoming ribbon cutting on May 9th for the EV charging station in Johnson City. They will also be circulating dates for the O&M budget workshop.

Mr. Deitrich relayed his appreciation to the board for their support during the pandemic for area businesses affected. He complemented BrightRidge on leading the charge in offering the first large gift which was then matched by Ballad Health and others, following their example.

There being no further business, the meeting was adjourned.