

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

May 28, 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
Mark Eades, Chief Engineering and Facilities Officer
Eric Egan, Chief Data Officer
Stacy Evans, Chief Broadband Officer
Lori Farmer, Supervisor, General Accounting
Tiphonie Watson, Chief Customer Officer
Tim Whaley, Director of Public and Governmental Affairs
Joseph Harvey, Hunter Smith & Davis, LLP

ABSENT: Donnie Hall, Safety/Environmental Manager
David Spinnato, Physical Plant/Warehouse Manager

Chairman Gary Mabrey called the meeting to order.

Upon motion of Mr. Smith, seconded by Dr. McCorkle, the monthly power distributor's report submitted to the Tennessee Valley Authority for April 2024 was approved. The motion carried unanimously by roll call. Year-to-date income was -\$2,381,968.71 less than last year's year-to-date figure and year-to-date actual net income was -\$1,691,873.00 less than the budgeted figure. The general fund balance stands at \$22,401,209.96, the reserve fund balance stands at \$3,155,703.21, the special reserve fund balance stands at \$20,037,141.88, the tax equivalent fund balance stands at \$4,542,834.17, the economic development fund balance stands at \$1,768,848.61, the 2017 and 2021 bond and interest sinking fund balance stands at \$192,154.78, the renewal and replacement fund balance stands at \$8,348,552.44, the miscellaneous proceeds fund balance stands at \$2,533.22; and the self-insurance fund balance stands at \$2,003,354.30. BrightRidge is currently serving 83,671 customers, which is an increase of 1,150 customers since the same time last year, which represents a 1.39% growth rate.

Upon motion of Mr. Smith, seconded by Dr. McCorkle, the monthly financial statements for April 2024 for the Broadband Division were approved. The year-to-date income was \$191,600.56 more than last year's year-to-date figure, and year-to-date actual net income was \$2,378,963.12 more than the budgeted figure. The broadband debt service fund balance stands at \$2,166,210.00, the reserve fund balance stands at \$1,358,619.58, the broadband checking account balance stands at \$1,421,172.13, the broadband money market account balance stands at \$1,137,838.28, the voice service balance stands at \$153,291.36, and the video service balance stands at \$14,854.18.

Mr. Bolling concluded his financial report by adding that current assets are up \$9.7 million. The year-to-date Operating Revenues are down \$7.4 million. The year-to-date Operating Expenses, excluding Power Cost, are up \$2,555,225 compared to last year and under budget by 3.94%. The year-to-date Average Load Factor is 57.72% and the year-to-date Net Income is down \$2,381,969. The FCA is down 0.19% from April 2023 to April 2024. The year-to-date degree days are up by 0.36%, at 4,400.

Upon motion of Mr. Haselsteiner, seconded by Mr. Hite, the Board approved the following items on the Consent Agenda:

(a.) The minutes of the Board meeting on April 23, 2024; and

(b.) The approval of RFP by Digital Advertising Partner, Pioneer Utility Resources, to retain their digital partner services.

The motion carried unanimously by roll call vote.

Mr. Smith spoke on behalf of the HR/insurance Committee, which met prior to the board meeting today. The following items were discussed and brought to the board for vote:

(a.) Renewal of Worker's Compensation Insurance through Distributors Insurance Company (DIC) which is a wholly owned subsidiary of Tennessee Valley Public Power Association (TVPPA) for 2024-25. Upon motion of the Committee, the motion carried unanimously by roll call vote.

(b.) Approval of Pollution Liability Insurance through Distributors Insurance Company (DIC) which is a wholly owned subsidiary of Tennessee Valley Public Power Association (TVPPA) beginning July 1, 2024, through June 30, 2025. In the past we have included this information with the general and umbrella liability insurance renewal. Upon motion of the Committee, the motion carried unanimously by roll call vote.

(c.) Renewal of Employee Health Insurance Brokerage and Consulting Services with current provider, McGriff. Upon motion of the Committee, the motion carried unanimously by roll call vote.

RETIREMENT RESOLUTION OF ANGELA RHOTON

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, Angela Rhoton was employed by BrightRidge on January 3, 2006 in a part-time role, then moved to full-time on August 13, 2012, until retiring from BrightRidge on Friday, June 28, 2024, and;

WHEREAS during her eleven years and ten months of service with BrightRidge, she served as Customer Service Representative.

WHEREAS the Board of Directors of BrightRidge wishes to recognize Mrs. Rhoton for her outstanding service to the customers and staff of BrightRidge by her years of dedication and loyalty;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of BrightRidge meeting in regular session on the 28th day of May 2024, that Angela Rhoton be, and hereby is, officially honored for her eleven years and ten months of service to the customers of BrightRidge.

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

Upon motion of Mr. Smith, seconded by Mr. Hunter, the Board approved the Retirement 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. Dykes and Mr. Bolling updated the board on the current policies of BrightRidge in regard to the handling of Unclaimed Balance of Accounts. Upon motion of Mr. Thomas, seconded by Dr. McCorkle, the Board approved the following Resolution by unanimous roll call vote.

RESOLUTION TO REQUEST UNCLAIMED BALANCE OF ACCOUNTS REMITTED TO STATE TREASURER UNDER UNCLAIMED PROPERTY ACT

WHEREAS, Tennessee Code Annotated Section 66-29-146(c) provides that a municipality or county in Tennessee may request payment for the unclaimed balance of funds reported and remitted by or on behalf of the local government and its agencies if it exceeds \$100 less a proportionate share of the cost of administering the program; and

WHEREAS, the Johnson City Energy Authority d/b/a BrightRidge and/or its agencies have remitted unclaimed accounts to the State Treasurer in accordance with the Uniform Unclaimed Property Act; and

WHEREAS, the Johnson City Energy Authority d/b/a BrightRidge agrees to meet all of the requirements of Tennessee Code Annotated Section 66-29-101, et seq. and to accept liability for future claims against accounts represented in funds paid to it; and

WHEREAS, it is agreed that this local government will retain a sufficient amount to insure prompt payment of allowed claims and that the balance of funds will be deposited in this local government's general fund;

THEREFORE, BE IT RESOLVED that the Johnson City Energy Authority d/b/a BrightRidge requests that State Treasurer to pay the unclaimed balance of funds to it in accordance with the provisions of Tennessee Code Annotated Section 66-29-146(c). A list of remittances made by or on behalf of the local government and its agencies is attached.

Upon motion of Mr. Thomas, seconded by Dr. McCorkle, the foregoing resolution was approved and adopted at the meeting held on the 28th day of May 2024. Johnson City Energy Authority d/b/a BrightRidge Board of Directors consists of nine members and all nine members present voted in favor of the resolution. A copy of this Resolution now appears in full on the minutes of the proceedings of this meeting, with the original on file in this office.

Upon motion of Mr. Hunter, seconded by Mr. Haselsteiner, the Board approved the Interconnection & Parallel Operation Agreement (Customer-Owned Behind the Meter Renewable Energy Installation) and fees as proposed. The motion passed by unanimous roll call vote.

Upon motion of Dr. McCorkle, seconded by Mr. Haselsteiner, the Board approved the amended Silicon Ranch solar contract with two term revisions: (1) a price increase per MW (from \$47.00 to \$49.00) and (2) an additional five years added to the contract (from 30 to 35 years). The motion passed by unanimous roll call vote.

Tiphonie Watson, Chief Customer Officer, delivered an update regarding the benefits of implementing Automated Customer Service strategies. These automated systems provide the ability to email notices with one click and in real time to customers; and to those without email accounts, letters are generated. Customer Services is also able to track email notifications to confirm receipt and read status. Our automated systems have also been helpful with the required ACP end of status notices.

Mrs. Watson advised that there are over 12,000 landlord properties on our system currently. These accounts are now going automated as well, with the ability to generate and sent out notices to landlords whose tenants have recently established service (Proof of Power), as well notices advising when a tenant has disconnected service. These are then returned to the landlord's account. Automated features will also streamline the ability to notify landlords yearly of all current addresses for services listed under the landlord; making it easier for them to confirm the accuracy of our information and make any necessary changes to their account.

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 15,702 active customers, 1,356 of which are business or commercial entities. In FY24, broadband installations reached 5,898 with 1,779 reported disconnections, resulting in 4,119 net adds (69.84% of installs).

The current broadband customer base is as follows:

Jonesborough Fiber:	1,502 (10%)
Johnson City Fiber:	8,246 (53%)
Piney Flats Fiber:	393 (2%)
Telford Fiber:	162 (1%)
Limestone Fiber:	399 (3%)
Gray Fiber:	3,789 (24%)
Kingsport Fiber:	979 (6%)
Fall Branch Fiber:	171 (1%)
Chuckey:	2
Managed Wi-Fi:	9,227 (64.6% average "take rate")
IPTV Video:	739 (517 residential)
Telephone VoIP:	1,449

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 June 24th, the division is trending 11 customers above the linear budget line. Out of the planned 12,206 expected fiber passings to be added in FY24, we have already completed 7,348 (58.3%).

Mr. Evans provided an update on the TN ECD Middle Mile Grant Program. BrightRidge will receive \$6.68 million from TN-ECD Middle Mile grant program and \$2.86 million local match from BrightRidge; for a total of \$9.54 million to build 235 miles of fiber Broadband infrastructure to underserved areas (221 miles in Washington County; 14 miles in Greene County).

The currently unserved by Broadband areas covered by this grant total 2,067 homes (in areas around Fall Branch, South Central community, Bowmantown community, Lamar community, south of Jonesborough and south of Gray). BrightRidge will extend Broadband services to customers along the middle-mile lines post-grant completion, adding an additional 3,826 homes.

Mr. Dykes took a moment to recognize all of the staff for their continued dedication to BrightRidge. He also asked for continued prayers for communities in West Tennessee and Kentucky who were impacted by the recent wave of storms and the damage currently being repaired.

He advised the board that BrightRidge had received our RP3 designation, as mentioned by Mr. Egan in his presentation last month. Today, they were able to appear at

ETSU for the presentation of a \$100,000 check from BrightRidge and TVA towards their summer STEM program.

Mr. Dykes advised that the sheep at the solar farm will be rotating out and others coming in this week; these are provided by a local farmer. In addition, a local news crew came out for an interview about the use of sheep at our solar farms.

There being no further business, the meeting was adjourned.