

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

June 24, 2025

PRESENT: James Haselsteiner  
Andy Dietrich  
Kenneth Huffine  
Gary Mabrey  
Dr. 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 Donnelly, Chief Development and Market Strategy Officer  
Sam Ford, Chief Engineering 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  
Stephen Darden, Hunter Smith & Davis, LLP

ABSENT: Ronald Hite  
John Hunter

Chairman Haselsteiner called the meeting to order.

Upon motion of Mr. Smith, seconded by Mr. Mabrey, the Board approved moving the Board Resolution for Mr. Thomas to the presentations section of the meeting agenda. The motion carried unanimously by roll call vote.

**RESOLUTION ON BEHALF OF MR. ROBERT THOMAS**

WHEREAS Mr. Robert Thomas was appointed to the Johnson City Power Board's Board of Directors by the City of Johnson City in December 2012 and served faithfully in that capacity for twelve years, six months; and

WHEREAS on April 1, 2017, the Johnson City Power Board became the Johnson City Energy Authority; and October 3, 2017, Johnson City Energy Authority announced the d/b/a name of BrightRidge; and

WHEREAS during Mr. Thomas' tenure, he served on the Underground/Economic Development Committee, Legislative Committee, and Economic Development/Planning Committee. He also served as Chairman of the Finance, Audit, Rates & Budget Committee, and as Chairman of the HR/Insurance Committee. Mr. Thomas was a valued board member in assisting through the transition to energy authority and rebranding. During his tenure the BrightRidge Broadband division was launched with Mr. Thomas being an unflinching proponent. With an eye toward the future of renewable energy, Mr. Thomas has been a champion for the Telford and Martin Solar Farms, in addition to the BrightRidge Solar Lab. Mr. Thomas also served diligently as Chairman of the Board of Directors; and

WHEREAS the Board of Directors of BrightRidge wishes to recognize Mr. Thomas for his outstanding service to the citizens of Johnson City, the customers, staff, employees and fellow Board members of BrightRidge by his dedication and loyalty.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Johnson City Energy Authority d/b/a BrightRidge meeting in regular session on the 24<sup>th</sup> day of June 2025, that Mr. Robert Thomas be, and hereby is, officially honored for his twelve years, six months of service to the citizens of the BrightRidge service area.

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

Upon motion of Mr. Huffine, 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. Dykes expressed his thanks to Mr. Thomas for all that he has done for BrightRidge, as well as his friendship over the years. The Board members shared in their appreciation for Mr. Thomas as well. Mr. Thomas thanked the Board and Mr. Dykes for the opportunity to be a part of this amazing organization for the last twelve years.

Upon motion of Mr. Thomas, seconded by Dr. McCorkle, the monthly power distributor's report submitted to the Tennessee Valley Authority for May 2025 were approved. The motion carried unanimously by roll call. Year-to-date income was \$6,272,071.20 more than last year's year-to-date figure and year-to-date actual net income was \$106,468.61 more than the budgeted figure. The general fund balance stands at \$20,129,600.02, the reserve fund balance stands at \$6,984,380.96, the special reserve fund balance stands at \$2,206,019.04, the tax equivalent fund balance stands at \$5,482,060.79, the economic development fund balance stands at \$1,968,997.89, the 2017 and 2021 bond and interest sinking fund balance stands at \$636,070.36, the renewal and replacement fund balance stands at \$529,040.65, the miscellaneous proceeds fund balance stands at \$2,644.93, the self-insurance fund balance stands at \$2,005,041.03, and the TN local government

investment pool fund balance stands at \$8,230,157.02. BrightRidge is currently serving 84,553 customers, which is an increase of 734 customers since the same time last year, which represents a 0.88% growth rate.

Upon motion of Mr. Thomas, seconded by Dr. McCorkle, the monthly financial statement for May 2025 for the Broadband Division were approved. The year-to-date income was \$1,408,506.82 more than last year's year-to-date figure, and year-to-date actual net income was -\$1,749,286.48 less than the budgeted figure. The broadband debt service fund balance stands at \$3,457,939.12, the reserve fund balance stands at \$437,743.15, the broadband checking account balance stands at \$1,384,472.58, the broadband money market account balance stands at \$52,996.09, the voice service balance stands at \$49,390.26, and the video service balance stands at \$23,529.60.

Mr. Bolling concluded his report by adding that current assets have increased by \$22.4 million. The year-to-date Operating Revenues are up \$21.6 million. The year-to-date Operating Expenses, excluding Power Cost, are up \$1.8 million compared to last year and under budget by approximately 3.78%. Finally, the year-to-date Net Income is \$6.27 million, an increase over the last year.

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

- (a.) The minutes of the Board meeting on May 27, 2025.
- (b.) The purchase of a F-550 Bucket Truck through the Sourcewell Contract for Utilities and Government entities in the amount of \$192,683.00.
- (c.) The renewal of our Pole Inspection Contract with Osmose Utility Services in the amount of \$236,400.00.
- (d.) The purchase of five sizes of three-phase pad-mounted transformers in the amount of \$155,940.00 as part of Bid Tab #8736.
- (e.) The purchase of two sizes of three-phase pad-mounted transformers in the amount of \$24,790.00 as part of Bid Tab #8737.
- (f.) The approval of Work Authorization No. 47 with Allen & Hoshall, in regards to the Knob Creek substation transformer replacement design and construction administration, in the amount not to exceed \$126,900.00.

The motion carried unanimously by roll call vote.

The Audit, Budget & Finance Committee met to consider the proposed FY 2026 Electric Operating and Capital Budget. The committee recommends that the Board of Directors approve the Budget as presented. Upon motion of committee, the Board approved the FY 2026 Electric Operating and Capital Budget by unanimous roll call vote.

The Audit, Budget & Finance Committee also reviewed the FY 2026 Broadband Operating and Capital Budget. The committee recommends that the Board of Directors approve the Broadband Budget as present. Upon motion by the committee, the Board approved the FY 2026 Broadband Operating and Capital Budget by unanimous roll call vote.

The Audit, Budget & Finance Committee also met to consider updates to the Commercial Account Deposit Policy. Mr. Smith outlined the proposed changes and the committee recommendations. Upon motion of the committee, the Board approved the Commercial Account Deposit Policy by unanimous roll call vote.

**A RESOLUTION OF JOHNSON CITY ENERGY AUTHORITY DBA BRIGHTRIDGE  
ADOPTING THE ANNUAL BUDGET FOR THE ELECTRIC DIVISION FOR THE FISCAL  
YEAR BEGINNING JULY 1, 2025 AND ENDING JUNE 30, 2026**

WHEREAS, the Johnson City Energy Authority is a municipal energy authority as defined in Tenn. Code Ann. § 7-36-101 through § 7-36-132 and as such is a political subdivision of the State of Tennessee located in Johnson City, Tennessee; and

WHEREAS, the Johnson City Energy Authority operates under the assumed name of BrightRidge as registered with the Tennessee Secretary of State; and

WHEREAS, Tenn. Code Ann. § 7-36-113 states that prior to the beginning of the fiscal year, an authority shall adopt a balanced annual operating budget that identifies the authority's anticipated revenues by source and anticipated expenses by type of expense, and that the budget must be created in conformity with General Accepted Accounting Principles (GAAP); and

WHEREAS, pursuant to Tenn. Code Ann. § 7-36-113, requires that the budget as adopted must be submitted to the Comptroller of the Treasury for review and approval; and

NOW, THEREFORE, be it resolved by the Board of Directors that it hereby adopts the attached budget as the Electric Division Annual Budget, for the fiscal year ending June 30, 2026.

Duly passed and adopted by the Board of Directors on June 24, 2025. Upon motion by Dr. McCorkle, seconded by Mr. Mabrey, the Board approved the Electric Division Annual Budget by unanimous roll call vote.

**A RESOLUTION OF JOHNSON CITY ENERGY AUTHORITY DBA BRIGHTRIDGE  
ADOPTING THE ANNUAL BUDGET FOR THE BROADBAND DIVISION FOR THE  
FISCAL YEAR BEGINNING JULY 1, 2025 AND ENDING JUNE 30, 2026**

WHEREAS, the Johnson City Energy Authority is a municipal energy authority as defined in Tenn. Code Ann. § 7-36-101 through § 7-36-132 and as such is a political subdivision of the State of Tennessee located in Johnson City, Tennessee; and

WHEREAS, the Johnson City Energy Authority operates under the assumed name of BrightRidge as registered with the Tennessee Secretary of State; and

WHEREAS, Tenn. Code Ann. § 7-36-113 states that prior to the beginning of the fiscal year, an authority shall adopt a balanced annual operating budget that identifies the authority's anticipated revenues by source and anticipated expenses by type of expense, and that the budget must be created in conformity with General Accepted Accounting Principles (GAAP); and

WHEREAS, pursuant to Tenn. Code Ann. § 7-36-113, requires that the budget as adopted must be submitted to the Comptroller of the Treasury for review and approval; and

NOW, THEREFORE, be it resolved by the Board of Directors that it hereby adopts the attached budget as the Broadband Division Annual Budget, for the fiscal year ending June 30, 2026.

Duly passed and adopted by the Board of Directors on June 24, 2025. Upon motion by Mr. Thomas, seconded by Dr. McCorkle, the Board approved the Broadband Division Annual Budget by unanimous roll call vote.

Ms. Donnolly and Mr. Dykes advised the Board of the TVA's announcement of its plans for a sixth round of the Community Care Funds. Holston Habitat for Humanity is in the initial stages of building a new neighborhood in Johnson City, which will have 23 new energy-efficient, affordable homes over the next two years. Upon motion by Mr. Mabrey, seconded by Mr. Dietrich, the board approved matching 1:1 the TVA funding of \$34,000, for a combined total of \$68,000, in support of Holston Habitat for Humanity's new neighborhood project by unanimous roll call vote.

Mr. Dykes provided a brief update to the Board on the previous Nationwide retirement plan. This is continuing to do well for the employees that remain on the plan.

Brian Bolling, Chief Financial Officer, presented the board with an update on the in lieu of taxes paid out in June 2025. These were distributed to Washington County, Johnson City, Jonesborough, Carter County, Elizabethton, Sullivan County, Kingsport, Bluff City and Greene County. The majority of all in lieu of tax funds were paid to Johnson City (74.08%) and Washington County (22.38%) as our largest service areas. Mr. Bolling highlighted how these funds are calculated and reviewed by TVA, as our regulatory agent, before they are allocated each year.

Mr. Bolling highlighted BrightRidge’s sources of kWh purchases through April 2025, including TVA and solar farm locations. TVA’s power sources (nuclear, natural gas, coal, hydro and wind/solar) were also broken down to show the fluctuations over the years. He noted that BrightRidge is currently the 7<sup>th</sup> largest energy authority or municipal utility that buys power from TVA.

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 20,816 active customers, of which 1,745 are business or commercial entities.

For FY25, our goal is to add 4,136 new net customers (79.54 average net adds per week needed) by June 30, 2025. As of June 20<sup>th</sup>, we are 667 customers ahead of the linear budget line (20,813 v. budget 20,145). FY25 installations total 7,499 with total disconnects at 2,775; resulting in total net adds of 4,724 (63% of installs). Currently for FY25, this puts us at 114% of our goal reached. Mr. Evans predicts that we will likely finish the fiscal year at 4,800 new customers added.

The current broadband customer base is as follows:

Jonesborough Fiber:	2,312	
Johnson City Fiber:	10,822	
Piney Flats Fiber:	618	
Telford Fiber:	169	
Limestone Fiber:	440	
Gray Fiber:	4,600	
Kingsport Fiber:	1,435	
Fall Branch Fiber:	389	
Managed Wi-Fi:	11,733	(61.5% “take rate”)
IPTV Video:	135	(120 residential)
Telephone VoIP:	1,748	(1,021 residential)

Mr. Evans updated the board on the grow of the newest 2.5G product, growing from 18 customers to 494. They are also seeing good take rates on the 1G as well (up 39% growth since July 2024).

Mr. Evans reported that U.S. broadband providers average between 1% to 5% churn per month, with 2% considered normal. BrightRidge’s current churn rate is 1.39% including moves (0.47% without moves).

Mr. Evans updated the board on the status of build outs, including grant areas. It is estimated that we will have 53,500 locations passed with fiber by the end of FY25, which is approximately 70% of all our electric customers. By the end of FY26, it is estimated that 57,557 locations will be passed with fiber (75% of electric customers). By the end of FY27, it is estimated that 61,336 locations will be passed with fiber (80% of electric customers). By the end of FY28, it is estimated that 62,557 locations will be passed with fiber (82% of electric customers).

Mr. Haselsteiner also expressed his appreciation to Brian and his team for all of their hard work on preparing and finalizing the FY26 budgets.

Mr. Dykes advised the board of our upcoming employee and staff luncheon to celebrate the 80<sup>th</sup> anniversary of BrightRidge being a part of this community.

Mr. Dykes mentioned the current rising temperatures outside and advised that the TVA does expect to see loads reach up to 32,000 by Wednesday, but beginning to fall by Thursday. They are not anticipating any issues. Currently the coal plant in Cumberland is down and not expected to be back up before the end of the current heat wave. However, nuclear plants Sequoyah 1 and 2 are both expected to be back up and running by Wednesday or Thursday.

There being no further business, the meeting was adjourned.