

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

May 27, 2025

PRESENT: James Haselsteiner
Andy Dietrich
Ronald Hite
Kenneth Huffine
John Hunter
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 Donnolly, 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
Tiphonie Watson; Chief Customer Officer
Stephen Darden, Hunter Smith & Davis, LLP

ABSENT: Donnie Hall, Safety/Environmental Manager

Chairman Haselsteiner called the meeting to order.

Mr. Freddy Gonzales addressed the Board on behalf of BrightRidge commercial customer Chaparral Buick GMC. Mr. Gonzales advised that Chaparral currently has numerous commercial accounts with BrightRidge. He stated that when he was tasked with delivering a new commercial account application to BrightRidge he was asked to pay a \$1,500 deposit. He noted that BrightRidge did not offer any interest on the deposit amount, only that the amount would be returned when the account was closed.

Mr. Gonzales stated that he addressed this issue with Mr. Dykes and BrightRidge counsel wrote to Mr. Gonzales explaining the policy on deposits for commercial accounts. He provided copies of this correspondence to the Board. Mr. Gonzales is asking that the Board consider changing the deposit policy to apply only to new commercial

customers seeking accounts, not to those businesses with existing accounts having established payment history. Members of the board thanked Mr. Gonzales for his comments.

Upon motion of Mr. Thomas, seconded by Mr. Hite, the monthly power distributor's report submitted to the Tennessee Valley Authority for April 2025 were approved. The motion carried unanimously by roll call. Year-to-date income was \$5,608,766.22 more than last year's year-to-date figure and year-to-date actual net income was \$262,086.27 more than the budgeted figure. The general fund balance stands at \$20,729,579.76, the reserve fund balance stands at \$9,343,951.53, the special reserve fund balance stands at \$2,198,790.14, the tax equivalent fund balance stands at \$4,959,307.42, the economic development fund balance stands at \$1,953,330.78, the 2017 and 2021 bond and interest sinking fund balance stands at \$276,814.46, the renewal and replacement fund balance stands at \$527,307.04, the miscellaneous proceeds fund balance stands at \$2,636.26, the self-insurance fund balance stands at \$2,003.386.06, and the TN local government investment pool fund balance stands at \$8,200,348.22. BrightRidge is currently serving 84,483 customers, which is an increase of 812 customers since the same time last year, which represents a 0.97% growth rate.

Upon motion of Mr. Thomas, seconded by Mr. Hite, the monthly financial statement for April 2025 for the Broadband Division were approved. The year-to-date income was \$870,273.44 more than last year's year-to-date figure, and year-to-date actual net income was -\$1,540,868.44 less than the budgeted figure. The broadband debt service fund balance stands at \$2,721,231.38, the reserve fund balance stands at \$1,931,721.05, the broadband checking account balance stands at \$1,103,631.87, the broadband money market account balance stands at \$52,822.43, the voice service balance stands at \$69,078.97, and the video service balance stands at \$32,544.11.

Mr. Bolling updated the Board on the status of FEMA's determination of our allowable and non-allowable expenses BrightRidge submitted. In general, about \$115,000-\$120,000 was not allowable and \$3.6 million was allowable. Mr. Bolling reviewed the status of each submission and the current status of FEMA's reviews. However, Mr. Bolling reminded the board that it may be between 18-24 months before funds are received from FEMA. He highlighted the exceptional work of our local FEMA representative and credited him with how smoothly the process has been to date.

Mr. Bolling concluded his report by adding that current assets have increased by \$21.8 million. The year-to-date Operating Revenues are up \$19.7 million. The year-to-date Operating Expenses, excluding Power Cost, are up compared to last year and under budget by approximately 3.77%. The year-to-date Average Load Factor is 57.66% and the year-to-date Net Income is \$5.6 million, an increase over the last year. BrightRidge customers are up 812 since last year.

Upon motion of Mr. Smith, seconded by Mr. Huffine, the Board approved the minutes of the Board meeting on April 22, 2025, identified as item (a) on the Consent Agenda. The motion carried unanimously by roll call vote.

Upon motion of Mr. Mabrey, seconded by Mr. Dietrich, the Board approved the purchase of primary cable from Stuart C Irby Company in the amount of \$140,350.00, identified as item (b) on the Consent Agenda. The motion carried unanimously by roll call vote.

The HR/Insurance committee of the board heard a presentation from staff earlier on the 2025-2026 Worker's Compensation Policy. The current policy is set to expire on June 30, 2025. Johnson City Insurance Agency once again sent the policy out to quote and received the lowest quote from Distributor's Insurance Company, a wholly owned subsidiary of TVPPA. BrightRidge has had worker's compensation coverage with DIC since 2019 and continues to be happy with their service.

Upon motion of the HR/Insurance Committee, the Board approved the Life Insurance Policy renewal with DIC effective July 1, 2025 by unanimous roll call vote.

The HR/Insurance committee of the board heard a presentation from staff earlier today on the 2025-2026 Pollution Liability Policy. The current policy is set to expire on June 30, 2025. Like worker's compensation, Johnson City Insurance Agency worked with DIC to secure this renewal.

Upon motion of the HR/Insurance Committee, the Board approved the Pollution Liability Policy renewal with DIC effective July 1, 2025 by unanimous roll call vote.

The HR/Insurance committee of the board heard a presentation from staff earlier today regarding the existing Life Insurance Policy. BrightRidge provides employer sponsored life insurance to employees and retirees. Under this umbrella, employees are also able to purchase additional coverage on themselves and their dependents via payroll deduction. The current policy, secured in 2022, is set to expire on June 30, 2025. This 3-year policy is with Companion Life, a wholly owned subsidiary of BlueCross BlueShield of South Carolina. McGriff Insurance bid the plan out on behalf of BrightRidge. One company chose not to respond while three stated they could not be competitive. Therefore, Companion maintains the lowest cost and has agreed to a 3-year rate hold on both the company provided portion, and the employee paid portion.

Upon motion of the HR/Insurance Committee, the Board approved the Life Insurance Policy renewal for three years with Companion effective July 1, 2025 by unanimous roll call vote.

RETIREMENT RESOLUTION – GARY CAMPBELL

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 Gary Campbell was employed by BrightRidge on August 23, 2005, until retiring from BrightRidge on Friday, June 20, 2025; and

WHEREAS during his nineteen years and nine months of service with BrightRidge, he served as Warehouse Worker, Groundman, and Groundman Operator.

WHEREAS the Board of Directors of BrightRidge wishes to recognize Mr. Campbell 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 27th day of May 2025, that Gary Campbell be, and hereby is, officially commended for his nineteen years and nine months of service to the customers of BrightRidge.

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

Upon motion of Mr. Thomas, seconded by Mr. Dietrich, 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 addressed the Board regarding the State's requirement to renew our Unclaimed Balance of Accounts Resolution each year.

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

WHEREAS, *Tennessee Code Annotated Section 66-29-146(c)* provide 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 Disposition of 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 ensure 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 the 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. 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.

I hereby certify that this is a true and exact copy of the foregoing resolution which was approved and adopted at a meeting held on the 27th day of May, 2025, original that is on file in this office. I further certify that the Johnson City Energy Authority d/b/a BrightRidge Board of Directors consists of nine (9) members and that all members voted in favor of the resolution.

Tiphanie Watson, Chief Customer Officer, presented the board with an update from the Customer Service Department. Ms. Watson shared the recently added consumer analytics and AI items to SmartHub. Currently, BrightRidge has 77,000 accounts enrolled in SmartHub (which includes both electric and broadband customers); and are consistently seeing 800+ SmartHub new enrollments each month. She credits our customer service representatives and marketing team on doing a phenomenal job in promoting this self-service tool for our customers.

Customers primarily use SmartHub to make payments, add and edit their broadband service and also view electric usage. From the usage screens there are easy to read graphs showing kWh and temperature data. The new consumer analytics features allow our customers to see and identify abnormal usage periods quickly and troubleshoot possible causes. Ms. Watson spoke to the accuracy of the software. The new ‘bill analysis’ tool will help customers identify why their bill may have increased or decreased in a period of time. There is even a new bill projection option through SmartHub now. Customers can opt-in to receiving a generated email one week into a new billing cycle or at the halfway point, that will identify current usage and project their end of month bill.

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 20,523 active customers, of which 1,725 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 May 23rd, we are 693 customers ahead of the linear budget line (20,520 v. budget 19,827). FY25 installations total 6,917 with total disconnects at 2,486; resulting in total net adds of 4,431 (64% of installs). Currently for FY25, this puts us at 107.13% of our goal reached. Mr. Evans predicts that we will likely finish the fiscal year at 4,820 new customers.

The current broadband customer base is as follows:

Jonesborough Fiber:	2,256
Johnson City Fiber:	10,697
Piney Flats Fiber:	591
Telford Fiber:	168
Limestone Fiber:	437
Gray Fiber:	4,582

Kingsport Fiber:	1,417	
Fall Branch Fiber:	324	
Managed Wi-Fi:	11,614	(61.8% "take rate")
IPTV Video:	364	(157 residential)
Telephone VoIP:	1,717	(1,000 residential)

Mr. Evans updated the board on the grow of the newest 2.5G product (growing from 18 customers to 455), with the cost at \$99.99 per month. They are also seeing good take rates on the 1G as well (up 37% 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 1.13% including moves (0.47% without moves).

Mr. Evans reported increased take-rates in all fiber build areas in the month of May. Reporting new passings added since last month, which included 38 in Phase 10, 43 in Phase 9, 149 in Phase 5 and 296 in Phase 8. Additional take rate increases were seen in Bowmantown, Jonesborough, Fall Branch and available grant areas.

Mr. Evans updated the board on FY 2025 fiber build outs, both overhead and underground areas. Since July 1, 2024, there have been 8,240 passings and 351 grant passings added. Of note, 1,236 of these passings have been added since our last board meeting.

Mr. Evans updated the Board on the TN-ECD Middle-mile Broadband grant areas. There will be 2,067 homes covered by this grant with a total of 221 miles of fiber built in Washington County and 14 miles in Greene County. Currently, Section A (near Fall Branch) is complete with 351 passings and already 37% of potential customers have been activated. In Section B (South Central community), strand and fiber construction is complete with fiber splicing taking place and two of the eight fiber cabinets complete. They expect to complete Section B by August 30th. In Section C (Bowmantown community) was started ahead of schedule on May 21st and is estimated to be complete by September 30th.

Mr. Evans completed his presentation with a demonstration of the new Spotio Sales Application to be utilized by our customer service representatives handling door to door sales.

Mr. Dykes advised the board of a Certificate of Appreciation awarded to Alayna Johnson and BrightRidge, for being an outstanding employer partner with Elizabeth Luttrell and her student at Towne Acres Elementary School as a part of the Northeast TN Standard Innovation Hub of the 2024-25 STEM education. Mr. Dykes thanked Alayna, one of our BrightRidge Engineers, for volunteering to go out and be apart of this program teaching children in our community about STEM. He acknowledged other staff members that have volunteered their time at area high schools and technical schools.

Mr. Dykes advised the Board of an upcoming Seven States meeting on Thursday, May 29th with the TVA's CEO and his staff to discuss generation issues. Then

there will be a follow up meeting on June 2nd with eight other LPC managers to discuss TVA's generation as well.

Mr. Dykes concluded his comments by thanking Tiphannie and her customer service team, as well as Stacy, for all of the updates they provided. They are a great group of people and have helped grow our Broadband customer base. We would not be where we are today, if not for those folks calling and signing up customers. It has been a company wide effort.

Ms. Watson was asked to share her experience with the Valley Public Power Leadership Association this past year. She completed the program with 30 individuals, all of which held CEO and officer level positions, within the TVA system. The group meet monthly at different utility companies, co-ops or TVA facilities to see all of the different sides of the TVA and how they service their customers. Ms. Watson thanked Mr. Dykes for the opportunity to participate in this Association.

There being no further business, the meeting was adjourned.