

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

September 23, 2025

PRESENT: James Haselsteiner
Andy Dietrich
Ronald Hite
John Hunter
Gary Mabrey
Dr. Kimberly McCorkle
Andrew Morse
James Smith
Richard Tucker
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. Haselsteiner introduced Mr. Richard Tucker, as the newest board member. Mr. Tucker thanked BrightRidge and the board for giving him the opportunity to serve.

Upon motion of Mr. Mabrey, seconded by Mr. Dietrich, the Board approved adding IP procurement to the Broadband Consent Agenda. The motion carried unanimously by roll call vote.

Ms. Bonnie Donnolly, Chief Development and Market Strategy Officer, introduced Mr. Chris Quillen, Manager of Customer Relations at TVA; along with Ms. Laura Kelly, Executive Director, and Ms. Jane Wasem, Director of Development, for Holston Habitat of Humanity. Holston Habitat for Humanity is in the initial stages of building a new

neighborhood in Johnson City. It is located off Moreland Drive on a three-acre plot and plans to hold 12 new energy-efficient, affordable homes and a small public park.

The board previously voted to approve matching 1:1 with the TVA funding donation of \$34,000.00. Mr. Quillan, Mr. Dykes and board members presented Holston Habitat for Humanity with a check totaling \$68,000.00 towards the new Johnson City development.

Upon motion of Dr. McCorkle, seconded by Mr. Dietrich, the monthly power distributor's report submitted to the Tennessee Valley Authority for July and August 2025 were approved. The motion carried unanimously by roll call. Year-to-date income was \$1,197,727.85 more than last year's year-to-date figure and year-to-date actual net income was \$1,796,344.20 more than the budgeted figure. The general fund balance stands at \$23,998,185.91, the reserve fund balance stands at \$1,368,830.87, the special reserve fund balance stands at \$2,228,091.99, the tax equivalent fund balance stands at \$1,132,766.10, the economic development fund balance stands at \$2,119,084.84, the 2017 and 2021 bond and interest sinking fund balance stands at \$1,721,406.89, the renewal and replacement fund balance stands at \$534,334.12, the miscellaneous proceeds fund balance stands at \$2,671.40, the self-insurance fund balance stands at \$2,164,083.41, and the TN local government investment pool fund balance stands at \$8,319,192.62. BrightRidge is currently serving 84,739 customers, which is an increase of 804 customers since the same time last year, which represents a 0.96% growth rate.

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Upon motion of Dr. McCorkle, seconded by Mr. Dietrich, the monthly financial statement for July and August 2025 for the Broadband Division were approved. The year-to-date income was \$1,855,462.98 more than last year's year-to-date figure, and year-to-date actual net income was \$2,237,178.27 more than the budgeted figure. The broadband debt service fund balance stands at \$5,682,571.61, the reserve fund balance stands at \$2,960,147.30, the broadband checking account balance stands at \$1,291,337.42, the broadband money market account balance stands at \$53,526.36, the voice service balance stands at \$18,263.47, and the video service balance stands at \$876.65.

Mr. Bolling concluded his report by adding that current monthly kWh usage is up 13 million over the prior year. The year-to-date Operating Revenues, less power costs, are up \$5.2 million. The year-to-date average load factor is 62.38%. Finally, the year-to-date Net Income is \$1.1 million, an increase over the last year.

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

- (a.) The minutes of the Board meeting on August 26, 2025;
- (b.) The purchase transformers from Wesco in the amount of \$240,930.16 as part of Bid Tab #8868.
- (c.) The purchase of Dump Truck from National Auto Fleet Group in the amount of \$159,465.00 as part of Bid Tab #8483.

The motion carried unanimously by roll call vote.

Upon motion of Mr. Hite, seconded by Mr. Smith, the Board approved the Broadband Consent Agenda, consisting of pre-authorization to purchase IPv4 addresses for Broadband customers. The motion carried unanimously by roll call vote.

Mr. Smith spoke on behalf of the HR and Insurance Committee, which met on Tuesday, September 16, 2025 to hear a presentation from staff regarding updates to the Employee Handbook to include: change in vacation policy, change in sick leave policy, adoption of a flexible work schedule for selected departments, updates required per state/federal law, as well as the addition of a twelfth (12) holiday. Upon motion of Mr. Smith, seconded by Mr. Morse, the Board voted to accept the changes as presented. The motion carried unanimously by roll call vote.

Mr. Smith spoke on behalf of the HR and Insurance Committee, which met today to consider the renewal of our liability insurance coverage. The committee recommends that the board approve the quote from Distributors Insurance Company at \$283,556 annually for the general liability, excess liability, management liability, and cyber liability policies. By motion of the Committee the board voted to approve the renewal of our liability insurance coverage. The motion carried unanimously by roll call vote.

Mr. Smith spoke on behalf of the HR and Insurance Committee, which met today to consider the renewal of our property and vehicle insurance coverage. The committee recommends that the board approve the Cincinnati Insurance quote submitted by Watauga Insurance and accept the three-year property insurance rate commitment. By motion of the Committee the board voted to approve the renewal of our property and vehicle insurance coverage. The motion carried unanimously by roll call vote.

Mr. Haselsteiner also spoke on behalf of the Finance, Audit, Rate & Budget Committee, which met on September 23, 2025, to consider modifications to the Broadband division's residential internet products. After reviewing these requests, the committee recommends by motion the following modifications taken into effect on October 1, 2025, or as soon as thereafter within the constraints of the billing system:

- a) Modify the existing residential 300Mb Broadband service to 375Mb and retain current pricing of \$49.99;
- b) Modify the existing residential 600Mb Broadband service to 750Mb and retain current pricing of \$59.99;
- c) Reduce the existing residential 1Gb Broadband service pricing from \$79.99 to \$79.49;
- d) Add a new residential 1.5Gb Broadband service for \$79.99 per month;
- e) Modify the existing residential 2.5Gb Broadband service to 3Gb and retain current pricing of \$99.99; and
- f) Establish price-lock guarantees through January 1, 2031, ensuring that current pricing for residential broadband internet products will not increase.

The motion carried unanimously by roll call vote.

Sam Ford, Chief Engineering Officer, provided a system statistics update from an engineering perspective, as well as report on new technology implementations. The BrightRidge Engineering Department covers 350 square mile territory, which includes 2,304 miles of electrical line, 5 TVA delivery points, 31 substations, 253 miles of backbone fiber, 83,880 owned poles, 93,675 attached poles and 94,059 pole attachments. BrightRidge has a system capacity of 1,025 MW, which allows us to easily cover peak hour demands in both the winter (631 MW) and summer (406 MW) across the system. Mr. Ford also spoke on the general maintenance of all substation transformers and their average life span. New technology in the form of infrared drones is now used to allow real time monitoring from the air with high efficiency and ease of use.

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 21,736 active customers.

For FY26, our goal is to add 3,829 new net customers (73.63 average net adds per week needed) by June 30, 2026. As of September 19th, we are -25 customers below the linear budget line (21,736 v. budget 21,761). Currently for FY26, we are at 859 of 3,829 budget net adds, which puts us at 22.4% of our goal reached.

Mr. Evans updated the board on the status of the FY26 fiber build progress, which currently stands at 472 passings added. He also provided an update on the status of the TN-ECD Middle-mile grant areas and the status of the TN-ECD NTIA Federal Bead Grant process for 2025-2028.

Mr. Dykes informed the board that the Home Uplift program with the TVA had made the news recently, appearing in a nationwide magazine. He also discussed the status of a current vacancy on the TVA board of directors; which will need to be filled before a vote can take place on the implementation of additional TVA gas plants over the next three years.

Mr. Dykes also welcomed Mr. Tucker to the board.

Mr. Mabrey made the board aware of the recent ETSU Ford Oval of Honor recognition ceremony that took place on Sept. 20th, whose honorees included board member Lt. General Hite. Members of the board offered their congratulations and thanked Mr. Hite for his service.

There being no further business, the meeting was adjourned.