

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
October 21, 2019
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on October 21, 2019 pursuant to notice of date and time of said meeting at the headquarters of the Cooperative in Hillsborough, North Carolina.

The following members of the Board were present: Cy Vernon, Randy Kinley, Andy Oakley, Beth Townsend, Sam Woods, Paul Bailey, Richal Vanhook, David Poythress, Steve Long and Bill Barber. Also present were Steve Hamlin, President & CEO, Susan Cashion, Vice-President, Chief Compliance and Administrative Officer, Mike Parker, Attorney, Robert Riley, Vice-President of Operations, Kirk Metcalf, Director of Human Resources and Chuck Lee, Manager of Energy Services.

Mr. Barber, Chairman, called the meeting to order.

Upon motion by Mr. Vernon and second by Mr. Long, the Board approved the minutes from the September 16, 2019 meeting unanimously.

Upon motion by Mr. Woods and second by Mr. Vanhook, the Board approved the Monthly Safety Report unanimously.

The following business was discussed in various levels of detail:

1. Staff reported the present position of the Duke Energy Carolina coal ash recovery from members,
2. The Board received an update concerning a new Power Purchase Agreement (“PPA”) with Duke Energy Carolinas and Duke Energy Progress that will soon be ready and include various charges and credit revisions developed over the past two years,
3. Discussed issues regarding placement of potential solar installation,
4. Approved the Affirmative Action Report for the period beginning May 1, 2018 through April 30, 2019,
5. Approved new Cyber Security policy to protect Piedmont and Piedmont employees from cyber threats,
6. Received update concerning Phase Three of the fiber installation which begun on October

21st in Person County and will progress from the North Roxboro substation to the Hyco substation, to the Baynes substation and then south. Overall the project is running under budget,

7. Received update concerning the status of the contract for Piedmont's anticipated new metering system using Landis+Gyr equipment which is expected to be fully operational in January 2022.
8. Received update from staff concerning a meeting held between staff of Piedmont EMC, NCEMC, and RiverStreet to discuss the contract revisions for the broadband system RiverStreet plans to install. The parties are still looking at a December launch date for the announcement by a Carolina Country cover wrap. The Board expressed concerns over the service being limited to those areas where it is economically feasible. The Board delayed approval to move forward pending receipt of additional information from staff.
9. Received update concerning the results of the Community Day at the Cedar Grove Ruritan Club with 524 people in attendance. The Board thanked the employees for their assistance. The News of Orange featured the event with an article and photograph on the front page.
10. Staff reported that the Caswell County Manager is requesting a loan through the Rural Economic Development Loan and Grant ("REDLG") program of \$125,000 to finish a project to provide office space in downtown Yanceyville. The improved property will be pledged as collateral for the loan. The Board approved the loan request unanimously.
11. Staff showed photographs of the wildflower program at the Buckhorn interchange on I-40/I-85 which is a joint project between Piedmont and the North Carolina Department of Transportation.
12. As required by law, the Board was given a draft of the 2018 Form 990 before it is filed with the IRS and allowed time to review and ask any questions. The Form 990 will be filed on or before November 15, 2019 which is the due date for an extended 990.
13. Staff presented and discussed the monthly and year-to-date financial data with the Board and the Board approved the workorder details as required by the Rural Utility Service.
14. Staff reported that the December Board retreat will be on December 3rd and 4th.
15. Staff reported a payment from Diversified Energy, a propane retailer jointly owned by 20 of the State's 26 electric cooperatives, of \$142,779.37 representing a dividend of \$90,991.86 and a return of capital of \$51,787.51. Piedmont owns 7.14% of the outstanding membership

interests in Diversified Energy and its total investment is \$2,032,816.


Staff were excused and the Board met in Executive Session beginning at 5:25 p.m. and ending at 6:30 p.m.

The Chairman declared the meeting adjourned at 6:30 p.m. since there was no further business to come before the Board.



Chairman

Attest:



Secretary

PEMC\Minutes 10/21/19