

Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
December 16, 2019
SUMMARY MINUTES

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on December 16, 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 and CEO; Susan Cashion, Vice-President, Chief Compliance and Administrative Officer; Lisa Kennedy, Vice-President of Financial Services; Mike Parker, Attorney; Robert Riley, Vice-President of Operations; Scott Roland, IT Manager and Chuck Lee, Manager of Energy Services.

Mr. Barber, Chairman, called the meeting to order and the Board approved the minutes and summary minutes from the November 18 meeting with one change of the "Town of Carrboro" to "Carrboro Plaza" on page 3 of the full minutes regarding the electric vehicle charging station and also approved the Monthly Safety Report.

The following business was discussed in various levels of detail:

1. Mr. Vanhook was recognized for 15 years of service as a Director and Mr. Vernon was recognized for achieving Gold Medal Director status.
2. Staff presented the Board members the summary of their 2019 compensation and time sheets and asked that any corrections be provided by the January 2020 Board meeting. This information is vital to the preparation of the annual 990, so accuracy is extremely important.
3. The CEO presented a resolution authorizing him as the President and CEO to execute the 5th Amended and Restated Power Purchase Agreement ("PPA") with Duke Energy Progress, LLC which was approved.
4. The CEO informed the Board that he had signed the 8th Amended and Restated Power Purchase Agreement with Duke Energy Carolinas, LLC.
5. The CEO informed the Board that a voltage regulator at the Cherry Grove substation blew on December 1, 2019 resulting in an outage for some members of up to six hours. The

replacement regulator will cost approximately \$16,000 but insurance will provide some reimbursement.

6. Staff reported that 24 miles of strand and 18 miles of fiber are complete in Phase Three of the fiber project.
7. Staff presented and the Board approved a contract for 2020 with Electrical Consulting Engineers (“ECE”) as the designated consulting engineer with RUS.
8. Staff reported that Piedmont is still in negotiations on final contract terms with Landis-Gyr for the new meters and it will likely be February before all the terms are resolved. The pilot area includes 1,354 meters in the areas served by the Mt. Tirzah and Red Mountain substations and includes the Roxboro office.
9. Staff informed the Board that the State of North Carolina is still reviewing applications for the distribution of the funds from the Volkswagen settlement.
10. Staff discussed the new cybersecurity program offered to Piedmont without charge through NRECA and NCEMC with guidance on ways to improve security.
11. Staff informed the Board there has been some resistance from Riverstreet on a limit to two strands of fiber in the contract; their preference is to leave the numbers of strands undefined. As of December 13th, Piedmont has received 2,316 responses to the survey about interest in broadband.
12. Staff informed the board there are no new Rural Economic Development Loan and Grant (“REDLG”) loan requests.
13. Staff presented and the Board approved the 2020 budget.
14. The Vice-President of Financial Services presented, and the Board approved as applicable the following routine financial information:
 - a. The Financial Report for November 2019,
 - b. The Wholesale Power Cost Adjustment results for November,
 - c. A summary of the 2019 capital credit general retirement,
 - d. Staff presented and the Board approved the AN8 Work Orders for September and October 2019 totaling \$1,747,827.75
 - e. The semi-annual delinquent accounts charge-offs for the period from July 1, 2018 through December 31, 2018


— Staff were excused and the Board met in Executive Session beginning at 4:55 p.m. and ending at 6:40 p.m.

The Chairman declared the meeting adjourned at 6:40 p.m. since there was no further business to come before the Board.



Chairman

Attest:



Secretary

PEMC\Minutes 12/16/19

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