

Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
January 20, 2020
SUMMARY MINUTES

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on January 20, 2020 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; Chris Hoyler, Plant 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 December 16, 2019 meeting.

The following business was discussed on various levels of detail:

1. The Board approved the Monthly Safety Report.
2. All directors signed their recertifications for 2020.
3. On the issue of power supply, the CEO reported that Piedmont has over-collected \$5,934.34 for coal ash remediation. The NC Department of Environmental Quality has settled with Duke Energy for the excavation of nine additional sites with a potential impact to Piedmont of \$8 million to \$12 million in addition to the approximately \$6.7 million already collected. Seven of the nine sites will be fully excavated and two will be partially excavated.
4. The CEO made the Board aware that there was an upcoming press conference that announced legislation introduced in North Carolina and in South Carolina for a joint study of potential market reform of the “monopoly” status of electrical service. He reminded the Board of similar pressures to allow customer choice in the 1990’s.
5. Staff reported that a study will need to be performed if Piedmont builds solar generation exceeding 250kwh at New Sharon substation. The study will cost

approximately \$15,000 and would be valid unless there were changes in the solar generation or by Duke.

6. Staff reported that Piedmont sent a crew of eight linemen to Energy United to assist with power restoration.
7. Staff presented a contract for a new 80' by 60' storage building at a cost of \$264,100. The building was budgeted for 2020 and Board approved the contract with Myrick Construction, Inc. for the site work and construction of the building for \$264,100.00.
8. Staff reported that Piedmont should have the final draft of the contract for the new Landis + Gyr metering system ready to be presented to the Board by the February meeting.
9. Staff reported that the North Carolina Department of Environmental Quality is still reviewing applications for electric vehicle charging stations including the two Piedmont has submitted for Arby's in Mebane and Carrboro Plaza.
10. Staff reported that Piedmont is installing two transformers to serve the Chapel Hill Transit bus station that has purchased three electric buses. These buses will be charged at a charging station to be constructed by Charge Point.
11. The Vice President of Engineering has requested a quote from Booth & Associates and McCall-Thomas in South Carolina to perform a systems study for Piedmont. Additionally, it was reported that 40 miles of strand and 30 miles of fiber are complete in Phase Three of the fiber project.
12. Ms. Cashion reported that Bill Shillito, former president of NC Wireless, is now working on wireless towers for Person County.
13. Staff informed the board there are no new Rural Economic Development Loan and Grant ("REDLG") loan requests. There remains \$1,293,234.33 available for loans under the 5% cap and \$530,111 in the REDLG revolving fund.
14. Staff presented the Financial Report for December and year-end 2019 and the Wholesale Power Cost Adjustment.
15. Staff presented the anticipated numbers for the 2019 Organization Incentive Plan and the proposed Organizational Incentive Plan for 2020.
16. The CEO presented changes to Policy 220, Wage and Salary Plan, to more

— accurately describe the change concerning the “Pay For Performance” element of the Annual Incentive Plan for 2020. The Board approved the changes to Policy 220.

17. The CEO announced the Annual Meeting will be held at 10:00 a.m. on April 17, 2020 at the Piedmont office in Hillsborough.

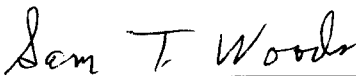
Staff were excused and the Board met in Executive Session beginning at 5:25 p.m. and ending at 6:00 p.m.

The Chairman declared the meeting adjourned at 6:00 p.m. since there was no further business to come before the Board.



Chairman

Attest:

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Secretary

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