

**Piedmont Electric Membership Corporation**  
**Hillsborough, North Carolina**  
**Board of Directors Meeting**  
**March 16, 2020**  
**SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on March 16, 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; Ms. Townsend and Mr. Vernon participated by teleconference. Also present were Steve Hamlin, President and CEO; Susan Cashion, Vice-President, Chief Compliance and Administrative Officer; Lisa Kennedy, Vice-President of Financial Services; Larry Hopkins, Vice-President of Engineering; 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 and the Board approved the minutes and summary minutes from the February 17, 2020 meeting.

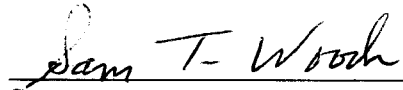
The following business was discussed on various levels of detail:

1. The Board approved the Monthly Safety Report.
2. Ms. Beachum presented proposed changes to the rate schedules and riders and Mr. Lee explained that changes to the Outdoor Lighting Services. These changes to the rate schedule and riders as proposed were approved. **(NOTE: After the meeting all of the proposed changes, except those relating to Plantation Pipe Line and the change to the wholesale cost base, were delayed until a later date due to the coronavirus crisis.)**
3. Mr. Isgett presented the 2019 annual audit report for the Cooperative. He reported there were no significant audit adjustments, no uncorrected material or immaterial misstatements and no disagreements with management. The management and staff were very cooperative. The staff was excused at 4:25 p.m. and the Board and Mr. Parker met in executive session with Mr. Isgett. The executive session ended at 5:00 p.m. Mr. Isgett was excused with the thanks of the Board.
4. Staff is waiting on a response from Jammie Starks-Bentham on the proposed MOX fiber lease.
5. The CEO reported that the coal ash over-collection is currently \$489,651.61. Revisions to the Power Purchase Agreement with Duke Energy Progress are still in progress as are the

- negotiations for a final version of the contract with Landis-Gyr for the new meters
6. The CEO noted that some cooperatives and Duke Energy have declared a moratorium on cut-offs for non-payment due to the coronavirus outbreak. The Board discussed a moratorium and decided by consensus they would not do any cut-offs for non-payments. The Piedmont lobbies will be closed to the public but the drive-throughs will remain open.
  7. Staff reported that 56 miles of strand and 50 miles of fiber are now complete in Phase Three but the railroad has not yet given its approval.
  8. The Board voted to accept the low bids for the transmission line work at Cherry Grove and for certain relay and transformer replacement.
  9. Staff received a request for a Rural Economic Development Loan and Grant (“REDLG”) loan from the Caldwell Fire. The loan would be from the revolving fund. Upon motion by and second, the Board approved the Caldwell Fire Department request.
  10. The Vice-President of Financial Services presented the Financial Report for February 2020.
  11. The CEO discussed changes in the Cushion of Credit program. Sometime before September 30, 2020 the Board must decide whether to use the funds held in the Cushion of Credit for debt service or leave it alone while the interest rate decreases on the balance in the Cushion of Credit. Upon motion and second, the board approved using the funds in the Cushion of Credit for debt service to pay off and pay down the existing loans with the highest rates of interest.
  12. The CEO reported that the RUS Field Service Representative suggested Piedmont might want to request more than \$50 million in its next loan application (AP 60) with RUS due to the current low interest rates and that \$60 million may be a more appropriate loan amount.
  13. Mr. Metcalf reviewed the succession plan for key employees with the Board. The Board requested an update of the succession plan from time to time.
  14. The Chairman declared the meeting adjourned at 6:35 p.m. since there was no further business to come before the Board.

  
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Chairman

Attest:

  
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Secretary