

Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
April 17, 2020
SUMMARY MINUTES

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 11:30 a.m. on April 17, 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 in person: Bill Barber and Paul Bailey with Cy Vernon and Sam Woods participating by teleconference and Randy Kinley, Andy Oakley, Beth Townsend, Richal Vanhook, David Poythress and Steve Long participating by TEAMS video conference. Also present in person were Steve Hamlin, President and CEO and Mike Parker, attorney with the following staff present via TEAMS video conference Susan Cashion, Vice-President, Chief Compliance and Administrative Officer; Lisa Kennedy, Vice-President of Financial Services; Larry Hopkins, Vice President of Engineering; Robert Riley, Vice-President of Operations; Kirk Metcalf, Director of Human Resources and Chuck Lee, Manager of Energy Services. The unusual arrangements for people to participate remotely were necessary due to the Governor's order that no more than 10 people be present in one place to prevent further spread of the COVID 19 virus.

Mr. Barber, Chairman, called the meeting to order and the Board approved the minutes and summary minutes from the March 16, 2020 meeting.

The following business was discussed on various levels of detail:

1. The Board agreed to postpone the recognition of the retirement of Mr. Paul Bailey to a future date due to the COVID 19 social distancing rules.
2. The Board approved the Monthly Safety Report.
3. The CEO informed the Board the previous month was especially busy due the COVID 19 pandemic. Governor Cooper issued a no cut-off, no service charge order for all utilities and required that the utilities make a public announcement to this effect.
4. The CEO discussed the merits and drawbacks for Piedmont to apply for a Payday Protection Program loan/grant from the Federal Government. The Board tabled the matter by consensus.
5. The CEO noted the substantial cost savings that Piedmont will realize from conducting the Annual Meeting live on Facebook due to the pandemic.
6. On power supply, the CEO noted for the first time since August 2014 wholesale power cost adjustment will result in a charge instead of a credit for the members in

May 2020.

7. Staff reported that Piedmont sent 17 linemen to assist EnergyUnited after a storm on April 13. The Board agreed to give each lineman a \$50 gift card. This same storm fortunately only caused a small number of outages at Piedmont.
8. The CEO reported an incident where an ROTC student from UNC got lost in Duke Forest during practice maneuvers. He wandered onto the Hillsborough office site in camouflage fatigues carrying what appeared to be an automatic weapon but was in actuality only a “toy” or replica weapon. This has caused staff to consider installation of bullet-proof glass doors leading from the lobby areas into office areas. Chris Hoyler secured the following estimates to install bullet-proof doors at all three offices: Hillsborough - \$11,196; Roxboro - \$2,396 and Caswell - \$2,928, for a total cost of \$16,520.00. The Board approved the installation of the bullet-proof glass doors at all three offices.
9. The CEO mentioned that he is waiting to hear from Jammie Starks-Bentham regarding a potential MOX fiber lease. Another possible fiber lessee is Crown Castle.
10. Staff received a request for a Rural Economic Development Loan and Grant (“REDLG”) loan from the Orange Rural Fire Department for a loan of \$250,000 to purchase a new fire engine. The Board unanimously approved the Orange Rural Fire Department request. Additionally, the USDA approved the REDLG loan to the Ceffo Fire and Rescue Department.
11. Staff reported that the COVID 19 pandemic has increased pressure for funding fiber due to the increase of people working from home and students trying to do their school work online. Caswell and Granville Counties are working on the engineering plans required to receive consideration for the Rural Fund grants for high speed internet service and staff are encouraging the other counties to do engineering plans as well. Also, 3,100 members have expressed interest in subscribing to high speed internet when and if it is available,
12. Staff reported that all of the fiber in Phase Three is now installed except for the railroad crossing and Mt. Willing Road but they do have tentative approval from the railroad. They are now splicing and testing and hope to have it functional within sixty days.
13. Staff reported that Piedmont is in the design phase for the charging station for the Chapel Hill electric buses. Piedmont is still waiting to receive word on funding from the Volkswagen settlement for the two electric vehicle charging stations in Mebane and Carrboro.
14. Staff reported that the committee is reviewing what should be the final version of the contract documents with Landis+Gyr for the new metering system
15. The Vice-President of Financial Services presented the Financial Report for March 2020 and also the AP8 Work Orders and special equipment summaries for January

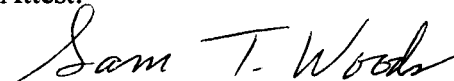
and February 2020 totaling \$2,783,483.60. The Board approved the Work Orders and special equipment summaries for January and February 2020.

16. The CEO reported that Piedmont had drawn down the remaining balance of the AN8 loan that is priced at 1.024% interest fixed for thirty years. He asked the Board to approve the application for a new RUS loan (AP60) in the amount of \$60 million. The Board approved submitting a RUS loan request of \$60 million and authorized the President & CEO and the Board Chair to sign the necessary loan application documents as appropriate.
17. Staff informed the Board that Piedmont Electric Helping Hands Foundation has allotted additional funds for COVID 19 crisis and is requesting donations from members and employees for this purpose to provide additional assistance to those in need.
18. The Board inquired as to the policy on drug testing. Piedmont does random testing on outside employees twice annually and also twice annually on inside employees and supervisors also watch for any indications of issues. Employees are tested after any accident. The Board asked staff to determine if this is consistent with the practice of other cooperatives.

The Chairman declared the meeting adjourned at 12:50 p.m. since there was no further business to come before the Board.


Chairman

Attest:


Secretary