

Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
July 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 July 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: Andy Oakley, Elizabeth Townsend, Richal Vanhook, and Steven Bailey, all of whom participated via TEAMS, David Poythress who participated via teleconference and Steve Long, Sam Woods, Randy Kinley and Cy Vernon who were present in person. Bill Barber was absent due to an emergency medical matter with his wife. Also present in person were Steve Hamlin, President and CEO and Mike Parker, Attorney and the following staff members who participated via TEAMS: Susan Cashion, Vice-President, Chief Compliance and Administrative Officer, Larry Hopkins, Vice President of Engineering, Lisa Kennedy, Vice-President of Financial Services, Robert Riley, Vice-President of Operations, Kirk Metcalf, Director of Human Services and Chuck Lee, Manager of Energy Services.

Mr. Woods, the Secretary, conducted the meeting in the absence of the Chairman, Mr. Barber, and the vacancy in the position of Vice Chairman.

Upon motion by Mr. Kinley and second by Mr. Vernon, the Board approved the minutes and the Summary minutes from the June 15, 2020 meeting.

The following business was discussed on various levels of detail:

1. The Board approved the Monthly Safety Report.
2. The CEO reported that Piedmont currently has over-collected \$975,376.17 for coal ash remediation.
3. The CEO also informed the Board of the amount and circumstances surrounding the annual “true-up” between actual and estimated energy and demand costs. Piedmont staff did successfully hit all of the 20 peak periods to run load control, which is the only significant means we have of actually reducing “demand” costs. In addition, the true-up costs are passed through to the members as a part of the wholesale power cost adjustment monthly and when the true-up is calculated.

4. Staff updated the Board on the increase in delinquent accounts receivables which are now approximately \$881,000, an increase of approximately \$110,000 since the June Board meeting. While 3,219 accounts are delinquent, this is actually a decrease of 122 accounts since the June meeting. An effort was made to call those with delinquent accounts and 17% resulted in payments.
5. Staff presented and the Board approved a three-year contract with Lewis Tree Company that would begin at the expiration of the current contract on December 31, 2020
6. The CEO informed the Board that the proposed CARES Act has a provision to allow cooperatives to refinance debt at current treasury rates which would significantly reduce the interest on Piedmont's existing debt.
7. Staff updated the Board on the Rural Economic Development Loan and Grant Program ("REDLG"). There were no new loan requests and three pending loans for Caswell County, the Caldwell Volunteer Fire Department and the Orange Rural Fire Department.
8. Staff updated the Board on RiverStreet and the Wi-Fi hot spots. Greg Coltrain, Riverstreet Networks VP, recommended a "re-launch" of the Join.BuildPiedmont.com site in September. They are developing a cover wrap for Carolina Country for September
9. Staff informed the Board that Frontier Communications has filed Chapter 11 bankruptcy.
10. Staff reported that all fiber is now installed and splicing is underway.
11. The CEO reminded the Board that Piedmont now has a "Message to the Board" box on the website. Two member complaints were received since the previous Board meeting and these issues were addressed with correspondence back to the member where deemed appropriate.
12. Staff presented the Financial Report and Wholesale Power Cost Adjustment for June 2020. The calculated August 2020 retail WPCA credit related to power cost is (\$0.00293) and the calculated WPCA charge related to the coal ash clean-up is \$0.00800 resulting in a calculated net WPCA charge for August 2020 of \$0.00507.

Staff were excused and the Board met in Executive Session beginning at 5:25 p.m. and ending at 5:55 p.m.

Mr. Woods declared the meeting adjourned at 5:55 p.m. since there was no further business to come before the Board.

BB Basler
Chairman

Attest:

Sam T. Wood
Secretary

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