

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
June 15, 2020
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on June 15, 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, David Poythress and Steven Bailey, all of whom participated via TEAMS and Steve Long, Sam Woods, Randy Kinley, Cy Vernon and Bill Barber who were present in person. 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 , Chris Hoyler, Plant Manager and Chuck Lee, Manager of Energy Services.

Mr. Barber, Chairman, called the meeting to order.

The Board agreed to again postpone the election of officers to the next regular Board meeting in anticipation that the restrictions due to COVID-19 would be lifted and they could all meet in person.

The Board approved the minutes and Summary minutes from the May 18, 2020 meeting with one change to add the word “meeting” to the sentence about postponing the election of officers.

The following business was discussed on various levels of detail:

1. The Board approved the Monthly Safety Report.
2. The CEO reported that no Piedmont employee had tested positive for COVID-19 as of the date.
3. The CEO reported that Piedmont currently has over-collected \$975,376.17 for coal ash remediation.
4. The CEO reported that the 6th Amended and Restated Partial Requirements Service Agreement with Duke Energy Progress has been signed and presented to RUS and FERC

for their approval.

5. The CEO informed the Board that a meeting took place with a group of concerned members and others to discuss distributed energy resource issues from over-voltage in the area west of Jo-Mac Road and Bethel Hickory Grove Church Road due to the large amount of solar generation in that area. The meeting went well and the concerned members have elected to proceed with the no export option of excess solar generation.
6. The CEO and the Vice-President, Chief Compliance and Administrative Officer, discussed issues with and increases occurring regarding delinquent accounts receivable and COVID-19. Member receivables have increased over the last couple of weeks. The Governor's executive order prohibiting disconnect for non-payment is extended to July 29, 2020 with six months required for catch-up of delinquencies. Piedmont will be applying approximately \$200,000 of the \$800,000 in deposits to accounts of delinquent members. Among the potential actions to help with delinquencies are: 1) expanding pay arrangements to catch up delinquencies from six months to seven months or up to a year depending on the account, 2) refinancing RUS / FFB debt pending Congressional action, 3) continuing limited hours at the Caswell office to Wednesday only from 8:00 a.m. to 2:30 p.m., and 4) Orange County extended emergency declaration and mandatory face coverings from June 12 through August 31, 2020 for anyone in either an indoor or outdoor situation where they cannot maintain a six foot physical distance. The Board suggested giving the membership information on how to get and keep their accounts current through this crisis to avoid late fees.
7. The CEO discussed an opportunity whereby RUS may be allowed to refinance existing debt at present low rates to save on interest. However, it appears Piedmont may have to exhaust the Cushion of Credit before Congress passes the necessary legislation to reprice the RUS debt. Mr. Hamlin should have more information by the July Board meeting.
8. Staff reported that the Caswell office is operating on limited schedule of Wednesday only from 8:00 a.m. to 2:30 p.m. and averages about 19 or 20 drive through customers per day. The Board inquired as to whether Piedmont should ask the membership if they would prefer a different day or time. Staff will also determine how many Caswell members are using the Hillsborough and Roxboro offices.
9. The Vice-President, Chief Compliance and Administrative Officer reported on efforts to

have staff safely return to their offices. Signs will be posted to indicate the maximum number of people permitted inside each office. The public has to call and schedule an appointment to be admitted into the building.

10. The Vice-President of Financial Services reported delinquent traditional residential accounts receivable in February of approximately \$442,000 or 18% of the total accounts receivable as compared to \$614,000 now or 22% of the total now.
11. Piedmont's Plant Manager informed the Board of a problem with the electric switch gear in the Hillsborough office. He recommends replacing it with breakers. This project was not in the budget and it will cost approximately \$150,000. They are currently working on the design and more exact costs. Installation should be very rapid. The Board approved replacing the switch gear in the Hillsborough office with breakers.
12. The CEO reported that Jammie Starks-Bentham informed him that a potential fiber lease with MOX is on hold but Crown Castle plans to move forward with a fiber lease. Cantera was another possible lessee but they are questionable now.
13. Staff updated the Board on the Rural Economic Development Loan and Grant Program ("REDLG"). There remains \$1,192,949 available for loans under the 5% cap and \$122,505 in the revolving fund. There were no new loan requests. The Ceppo Fire and Rescue loan is scheduled to close on June 24, 2020.
14. Staff reported to the Board that Durham, Orange, and Person Counties are continuing to work on completing engineering plans for federal grant assistance for improved wi-fi. Additionally, the Board agreed to install hotspots at the Person County and Caswell County Piedmont offices and see how they are utilized.
15. The Vice President of Engineering informed the Board they finally have Railroad approval for the fiber crossing and have completed the line down Mt. Willing Road. The third and final phase of the fiber should be complete in eight to ten weeks.
16. Staff reported that the Volkswagen settlement funds for the two electric vehicle charging stations are still on hold. The Town of Carrboro has agreed to contribute \$4,800 for the construction of the site at Carrboro Plaza.
17. Staff reported that the electric buses for the Town of Chapel Hill are being built and Piedmont is ready to install the chargers but COVID-19 has slowed progress.
18. Staff reported that the AMI project is in the planning stages with remote training.

19. The CEO discussed a refinement of Board Policy 407 which provides for reimbursement of director's telephone expenses. Since communication is now by email through the internet, he recommends changing it to reimbursement for internet usage. The Board agreed to change telephone reimbursement to reimbursement for internet usage related to Piedmont business.
20. The Vice-President of Financial Services presented and the Board approved the AP8 Work Orders for March and April 2020 totaling \$1,617,807.36.
21. The Vice-President of Financial Services presented the Financial Report for May 2020 and the Wholesale Power Cost Adjustment for May 2020 noting that Piedmont paid \$2,557,132.00 in Wholesale Power Cost for the month. The calculated July 2020 retail WPCA charge related to power cost is (\$0.00401) and the calculated WPCA related to the coal ash clean-up is \$0.00800 resulting in a calculated WPCA charge for July 2020 of \$0.00399.

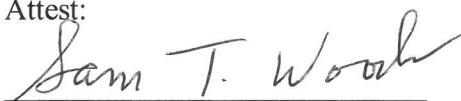
Staff were excused and the Board met in Executive Session beginning at 4:55 p.m. and ending at 5:10 p.m.

The Chairman declared the meeting adjourned at 5:10 p.m. since there was no further business to come before the Board.



Chairman

Attest:



Secretary