

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

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on August 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: Andy Oakley, Bill Barber, Elizabeth Townsend, Richal Vanhook, Steven Bailey, David Poythress, Steve Long, Sam Woods, and Randy Kinley, who were present in person and Cy Vernon who participated via teleconference. 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, Brandon Reed, Manager of Member Services and Public Relations and Chuck Lee, Manager of Energy Services.

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

Mr. Parker then conducted the election of officers. Mr. Barber was elected as Chairman of the Board, Mr. Kinley was elected as Vice-Chair, Mr. Vanhook was elected as Treasurer and Mr. Woods was elected as Secretary.

Upon motion by Mr. Oakley and second by Mr. Vanhook, the Board approved the minutes and the Summary minutes from the July 20, 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's coal ash remediation over-collection balance is approximately \$1.2 million.
3. Staff updated the Board on the increase in delinquent accounts receivables which are now approximately \$1.1 million as compared to approximately \$553,000 at this time in 2019. The moratorium on disconnects ended on July 29th although the North Carolina Utilities Commission ("NCUC") extended Duke Energy's disconnect moratorium until August 31.

4. Piedmont does not presently plan to make any changes in the current work arrangements allowing some employees to work from home since work is getting done. The limited office hours for the Caswell office seems to be working although the Board requested staff consider extending the hours the office is open.
5. Staff updated the Board on the present financial position of Piedmont's Rural Economic Development Loan and Grant Program ("REDLG").
6. Staff explained that work is continuing for Wi-Fi hot spots at the Roxboro and Caswell office parking lots.
7. Staff reported on the Customer Satisfaction survey for the second quarter of 2020, noting that Piedmont had its best scores to date.
8. The CEO discussed the annual general retirement of capital credits with the Board. The oldest remaining unretired Type 1 year is now 1993. Upon motion and second the Board approved a full general retirement of the 1993 capital credits with a \$20.00 minimum for issuing a check to current members and those due less than \$20.00 receiving a bill credit.
9. Staff reported there has been little progress on the possibility of installing back-up power for the five or six stop lights Piedmont serves.
10. Staff reported that fiber testing was completed with some problems noted that are being addressed.
11. Staff reported that both of the two charging stations for electric vehicles to be located at Carrboro Plaza and the Mebane Arby's restaurant funded by the Volkswagen settlement were approved. The two host owners have given verbal approval to proceeding with installation which is anticipated to be completed within 24 months. Upon motion and second, the Board adopted a resolution to accept the grant from the NC Department of Environmental Quality, expend up to \$27,930 for the project and, if approved by the Town of Carrboro, apply the \$4,800 donation from the Town to the project costs.
12. Staff informed the Board that Landis-Gyr is beginning design work for meters for the pilot project and creating test meters and purchase orders for network equipment. There are 1,320 meters in the pilot project.
13. Staff shared a letter of appreciation from a member for late night repairs to an underground service.
14. Staff informed the Board that Piedmont is ready to do the change-over to the new Cherry

Grove substation. Piedmont will shut down the Baynes and Plantation Pipeline substations from 12:00 a.m. to 4:00 a.m. on August 27 to perform transmission work. This will affect approximately 2,000 members who will be notified in advance.

15. Staff updated the Board concerning the expiration of the Cushion of Credit program. The \$30 million Piedmont has in the Cushion of Credit will be applied to the higher interest rate RUS and FFB loans. This will save Piedmont approximately \$1,250,000 annually in interest on the debt but Piedmont will lose the \$1,500,000 in interest (at 5%) the Cushion of Credit has earned annually. Unfortunately, the program is ending but Piedmont was able to take advantage of the favorable interest rate on the Cushion of Credit for a number of years.
16. Staff noted that the Federated Insurance premium was approximately \$250,000 last year less an average of \$75,000 in patronage capital since Federated is a cooperative.
17. Staff presented and the Board approved the AP 8 Works Orders for May and June 2020 totaling \$962,482.18.
18. Staff presented the Financial Report and Wholesale Power Cost Adjustment for July 2020. The calculated September 2020 retail WPCA credit related to power cost is (\$0.00443) and the calculated WPCA charge related to the coal ash clean-up is \$0.00800 resulting in a net calculated WPCA charge for September 2020 of \$0.00357.
19. Staff presented the semi-annual delinquent accounts charge-offs for the period from January 1, 2019 through June 30, 2019. These total \$48,720.59 for 153 accounts which is approximately \$1,500 less than the same period for 2018. Upon motion and second, the Board approved the charge-offs for the period from January 1, 2019 through June 30, 2019.
20. The CEO reported that Broad River EMC in Gaffney, South Carolina has asked Piedmont to consider sharing some services with them and they plan to meet on July 16 to discuss this.

Staff were excused and the Board met in Executive Session beginning at 5:05 p.m. and ending at 6:35 p.m.

Mr. Barber declared the meeting adjourned at 6:35 p.m. since there was no further business to come before the Board.

BB Barber
Chairman

Attest:

Sam T. Woods
Secretary

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