

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
September 21, 2020
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on September 21, 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, Randy Kinley and Cy Vernon. Also present in person were Steve Hamlin, President and CEO and Mike Parker, Attorney and the following staff members who participated via Microsoft TEAMS: Susan Cashion, Vice-President, Chief Compliance and Administrative Officer, Larry Hopkins, Vice President Engineering, Lisa Kennedy, Vice-President Financial Services, Robert Riley, Vice-President Operations, Kirk Metcalf, Human Resources Manager, Brandon Reed, Manager of Member Services and Public Relations, Scott Rowland, Manager of Information Technology and Chuck Lee, Manager of Energy Services.

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

Upon motion by Mr. Woods and second by Ms. Townsend, the Board approved the minutes from the August 17, 2020 meeting unanimously with the following corrections to the minutes as submitted: 1) the change over to the new substation should be Cherry Grove, not Camp Springs, 2) correcting the date of a meeting with Broad River EMC to discuss shared services and 3) correcting the total premium for Federated Insurance to \$250,000.

Upon motion by Mr. Woods and second by Mr. Kinley, the Board approved the minutes and summary minutes from the August 17, 2020 meeting unanimously with the same corrections.

The following business was discussed on various levels of detail:

1. The Board approved the Monthly Safety Report.
2. The Board received a detailed report concerning the pay study which is conducted by our consultant every three years. The purpose of the study was to create a market-based wage and salary program, provide a tool for administering the program, give guidance for the cost of labor, provide a method of communicating with employees on how they are compensated

with transparency for management, Board and all stakeholders. This provides a tool for attracting, retaining and motivating employees and to provide management with a consistent tool with objective third-party input on wages. Piedmont's results are "on track" considering Piedmont is a mature organization.

3. Staff presented the Affirmative Action Report for the period beginning May 1, 2019 through April 30, 2020. The proposed Affirmative Action Plan for the period from May 1, 2020 through April 30, 2021 includes goals of employing a total of 1 disabled and 1 veteran first/mid-level manager, 1 minority administrative support and 1 minority operative, 1 disabled operative, 1 disabled technician, and 2 disabled craft employees. Piedmont will continue targeted recruitment with a 5.7% hiring benchmark for protected veterans and 7% hiring benchmark of individuals with disabilities. Each job opening is listed with the ncworks.gov and, as appropriate, with NC A&T University, Minority Engineering Programs, Office of Engineering at NCSU, NCCU, Employee Assistance and Resource Network, hireheroesusa.org, local community colleges, local newspapers, Piedmont's website and Cooperative.com. Piedmont will continue to target minorities for its intern programs at Orange and Cedar Ridge High Schools.
4. The CEO reported that the Piedmont coal ash remediation over-collection balance is approximately \$1.5 million. Piedmont may reduce the 0.0080 factor due to this growing balance. Under the Purchase Power Agreements ("PPA") with Duke, Piedmont receives any benefit offered to other wholesale customers and an audit of municipalities that are wholesale customers resulted in credits to Piedmont of approximately \$1,547,000 spread over five years. This will require some modifications to the PPA and to reflect those credits and also address changes in tax treatment.
5. Staff updated the Board on the increase in delinquent accounts receivables which are now approximately \$1.236 million, an increase of approximately \$132,700 since the August Board meeting.
6. Staff informed the board that disconnections resumed in August after the expiration of the Governor's moratorium on July 29. There have been no commercial disconnects.
7. Staff gave an overview of REAP, a state Political Action Committee ("PAC") and ACRE, a PAC focusing on Federal Representatives, noting the importance of politics to the membership who pay for any costs and realize any savings from the numerous legislative

issues affecting cooperatives.


8. Staff reported on requested changes to the position of Field Service Representative. The Board had additional questions and decided to table the change until more information can be gathered.
9. Staff gave the Board the draft IRS Form 990 to review prior to filing. The Form 990 is due on May 15 but an extension to file was secured to push the filing date back six months.
10. Staff updated the Board on the Rural Economic Development Loan and Grant Program (“REDLG”) financial position and funding requests. Staff also explained that work is continuing for Wi-Fi hot spots at the Roxboro and Caswell office parking lots.
11. Staff advised the Board that Piedmont suffered a fiber break resulting from a shotgun blast in the Bahama area on opening day of dove hunting season on Saturday, September 5, and the break was not discovered until the following Tuesday. This fiber may be relocated underground to prevent any further damage. The CEO and attorney discussed providing a letter of support for RiverStreet indicating Piedmont is working together with them on extending fiber to rural areas for a NC Great Grant. Upon motion by Mr. Vernon and second by Ms. Townsend, the Board approved the letter of support.
12. Staff reported that the Phase Three fiber installation is complete. Staff also reported on an offer from Anterix to purchase 17 frequencies Piedmont acquired for load control many years ago but are no longer used. They offered \$170,000. Piedmont does not foresee any possible need for these frequencies in the future. Upon motion and second the Board approved the sale to Anterix of the 17 frequencies owned by Piedmont for \$170,000.
13. Staff is meeting with Arby’s and waiting on a contract from Carrboro regarding the two charging stations for electric vehicles to be located at Carrboro Plaza and the Arby’s in Mebane funded by the Volkswagen settlement.
14. Staff reported that some of the equipment for the meter pilot has been delivered and meter installation may begin around Thanksgiving.
15. Staff reported that 12 linemen went to Alabama to help with power restoration after the recent hurricane. The cooperative they assisted suffered 78,000 outages after the storm and they have helped reduce the outage count to approximately 28,000.
16. Staff presented the Financial Report for August 2020 and the Wholesale Power Cost Adjustment for August 2020. The calculated October 2020 retail WPCA credit related to

power cost is (\$0.00500) and the calculated WPCA charge related to the coal ash clean-up is \$0.00800 resulting in a net calculated WPCA charge for October 2020 of \$0.00300.

The Board retreat will only be one day this year due to COVID 19 and will be held on December 3. Speakers and topics include Tom Laing, a legislative update, Greg Coltrain and Eric Cramer from RiverStreet.

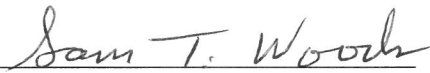
Staff were excused and the Board met in Executive Session beginning at 6:45 p.m. and ending at 6:50 p.m.

Mr. Barber declared the meeting adjourned at 6:50 p.m. since there was no further business to come before the Board.



Chairman

Attest:



Secretary
PEMC\Minutes 09/21/20