

**Piedmont Electric Membership Corporation**

**Hillsborough, North Carolina**

**Annual Meeting of the Members**

**April 27, 2020**

**MINUTES**

The 2020 Annual Meeting of the Members of Piedmont Electric Membership Corporation was held online due to the Governor's Executive Order No. 136 "Authorizing and Encouraging Nonprofit Corporation Member and Board Meetings During the COVID 19 State of Emergency." Chairman of the Board, Mr. Bill Barber, called the meeting to order. D. Michael Parker, counsel for the Cooperative, recorded the minutes for the Secretary, Mr. Sam Woods.

Mr. Barber called upon Mr. Parker, who read the official notice of the Annual Meeting of the Members, together with proof of due mailing thereof to all members of the Cooperative. Mr. Parker announced the existence of a quorum with a total of 1,047 members voting by either mail-in ballot or online voting with a minimum of 275 required for a quorum. Mr. Parker stated the minutes of the Annual Meeting held on April 12, 2019 as recorded by the Secretary would be posted on the Cooperative's website and would stand approved unless there were objections or corrections from the membership. Mr. Parker introduced Steve Hamlin, President and CEO for the Cooperative.

Mr. Steve Hamlin welcomed the members to the Annual Meeting of the Members of the Cooperative and thanked them for watching online. He noted this meeting completes the two-year transition from the traditional annual meeting format which was costly and experiencing declining participation. This new streamlined meeting format was suggested by the membership to enable more members to participate in Board elections, noting that more than two and half times as members participated in the election in 2019 over 2018. This year members can watch the annual meeting from home in compliance with the Governor's order or take the opportunity to watch it later since it will be posted on the Cooperative's website. He noted that the transition was very timely considering other cooperatives are postponing or cancelling their annual meetings.

Mr. Hamlin assured the membership that, despite the unusual times, Piedmont EMC would continue to deliver the exceptional service members have come to expect. The pandemic did require some adjustments; Piedmont closed its offices to the walk-in public and many staff members are now working from home. Piedmont has suspended all disconnections and billing of late fees for non-payment until members can return to work. Piedmont Electric Helping Hands Foundation has

pledged an additional \$15,000 for member bill assistance through the local county social services. He explained how members may contribute to the Foundation for this purpose.

Mr. Hamlin explained that Piedmont's finances are audited annually and those results are available to the membership with the consolidated statements are included in the annual report sent to each member in Carolina Country. Members were billed approximately \$63 million in 2019 with \$34 million going to power costs and \$16.2 million expended to strengthen the power grid. Piedmont purchases wholesale power from Duke Energy Carolinas, Duke Energy Progress, Catawba nuclear power from North Carolina Electric Membership Corporation and hydro power from the Southeastern Power Administration with some generation coming from three community solar sites. The power mix for 2020 is anticipated to be 52% nuclear, 27% natural gas, 12% coal and 9% from other sources. Over the next fifteen years, Piedmont anticipates coal generation will be reduced to less than 3% with renewables increasing to around 9%, natural gas to 39% and nuclear still providing about half the generation mix.

Other significant costs are interest of \$4.3 million and depreciation of \$7.2 million. In 2019 Piedmont had margins of \$3.2 million that will be returned to members as capital credits in the future. Capital credits of \$1.4 million were returned to the members from margins earned in 1992. The utility plant, consisting of the poles, wires, substations, meters and other equipment, grew from approximately \$167 million to more than \$171 million. The financial reports show Piedmont is strong financially and, although providing power to the membership is expensive, even with the growth of membership, there has been no rate increase since 2014. A rate study is planned for later this year to determine if rates need to change in 2021. Staff is working on a four-year work plan to further strengthen our already strong system and to improve reliability, to make maintenance easier and to give members more information about energy usage.

One major component of improvements to the system is the replacement of the meters that record energy usage in more than 32,000 homes, businesses, churches, and other facilities served by Piedmont. The manufacturer will no longer provide service for the old meters and the new meters will provide more information, allow identification of issues on the system more rapidly, help spot outages even before members can report them and give more information to the members.

Mr. Hamlin reported an internet pilot program with RiverStreet Networks in an effort to give high speed internet service to unserved and underserved communities. He noted the ongoing survey of interest and encouraged those who have not responded to do so since the more interest that is shown, the more likely RiverStreet will invest to bring internet to that community. RiverStreet is

seeking state and federal grants to assist with the cost of deploying these internet solutions.

Mr. Hamlin concluded by thanking the membership for their support of the Cooperative and stated that Piedmont will continue to make every effort to be their trusted energy provider through any challenges that might come. He then reintroduced Mr. Parker.

Mr. Parker announced the results of the balloting for each directorate district with an expiring term. David Poythress received 857 votes for District No. 1; Randy Kinley received 866 votes for District No. 2; Steven P. Bailey received 870 votes for District No. 5 and Richal Vanhook received 886 votes for the At-Large District. Thus, David Poythress in District No. 1; Randy Kinley in District No. 2; Steven P. Bailey in District No. 5 and Richal Vanhook in the At-Large District were elected to serve as directors for their respective districts for a three-year term or until their successors are elected.

There being no further business to conduct, Mr. Parker declared the meeting adjourned. After the adjournment Susan Cashion, Vice-President, Chief Compliance and Administrative Officer for the Cooperative announced the two winners of the \$100 bill credits from among those who submitted ballots.

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Chairman

Attest:

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Secretary

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