

BLUE RIDGE MOUNTAIN ELECTRIC MEMBERSHIP CORPORATION
BOARD MEETING MINUTES

February 11, 2020

The Board of Directors of Blue Ridge Mountain Electric Membership Corporation (BRMEMC) met in Regular Session on February 11, 2020, in the Board Room at the BRMEMC Headquarters building. Board Chairman Ray Cook called the meeting to order at 6:05PM.

After the invocation led by Director Rogers, the Pledge of Allegiance was led Director Trull.

The following Directors were present at Roll Call as noted by Board Secretary Perren and were in attendance during the Board Meeting:

Ray Cook, President/Chair
Danny Henson, Director
Jack Lance, Director
Jeff Ledford, Director
Gene Mason, Director
Cory Payne, Director
Roy Perren, Director
Bert Rogers, Director
Gayland Trull, Director

General Manager Nelms presented a Safety and Logistical Briefing for members in attendance.

The following Staff were recognized by the Chair and were present during Regular Session:

Jeremy Nelms, General Manager
Charles Autry, Board Attorney
Amanda Holdaway, Director of Finance and Accounting
Fred Gray, Director of Operations
Erik Brinke, Director of Administrative Services
Kelly Crawford, Manager of Media and Communications

Upon request of Chairman Cook, the meeting agenda for February 11, 2020 was considered. A motion to approve the agenda was approved by unanimous vote upon motion by Director Rogers, seconded by Director Trull.

Upon request of Chairman Cook, the minutes of the Board Meeting of January 14, 2020, were considered and approved by unanimous vote upon motion by Director Henson, seconded by Director Ledford.

Board Chair Cook asked for any declarations of conflicts of interest by the Directors and none were found.

Director Payne presented the Finance Committee Report of the Committee meeting on February 11, 2020, at 5:00 PM, to the Board, which was noted by the Chair as received and to be filed with the minutes of the meeting for subsequent audit.

Director Rogers presented Policy & Public Relations Committee Report of the committee meeting on February 11, 2020.

The following policies were presented as previously adopted but unsigned: Policy No. 407 – Contract Demand Power Reduction. Policy No. 413 – Member Bankruptcy. Policy No. 415 – Collection. Policy No. 547 – Employee Personal Appearance.

Policy 512 – Sick Leave was edited to include technical changes to the period of time it takes for an employee to accrue the maximum number of sick leave hours, edits that include mid-level practitioners in the list of those who may provide verification of a sick employee, and clarifies the definition of retirement age in the policy.

These policies were presented to the board as a motion of the Policy & Public Relations Committee. The motion was seconded by Director Henson. After discussion the motion was passed unanimously by the board.

Staff Reports were presented in the board packet as available for review by members of the Board.

General Manager Nelms presented the financial report to the board.

Member Comments: Karen Hurtubise

Ms. Karen Hurtubise offered her comments to the Board regarding the spraying that was conducted by the EMC and NC DOT a couple of years ago. She requested that the Board begin dialogue with her about ways to achieve the goal of protecting the electric system while at the same time protecting her bees, her organic farm and the local plant species located in proximity to our rights-of-way. Ms. Hurtubise suggested that she believes in the “team” or “we” concept as regards to the Cooperative, and further believes that a mutually beneficial solution can be achieved if we communicate and work closely together. She stated that she will continue to reach out to the Board and has a PowerPoint on these issues that she would like to share.

Old Business:

None

New Business: None

Director Reports: None

Manager Report:

General Manager Nelms presented the following in the manager’s report:

The strategic planning working group met for an afternoon two weeks ago to review the results

of the CFC-led strategic planning session that was conducted before the holidays last year. The goal of the meeting was to settle on BRMEMC's Mission and Vision Statements as well as pin down strategic elements and goals for the foreseeable future. After much debate, it was concluded that the most appropriate Mission and Vision Statements for BRMEMC are as follows:

Mission: Enhancing the quality of life in our communities.

Vision: To be our communities trusted utility partner and provider that serves the interest of our membership through innovative and sustainable energy and technology solutions.

If the Board agrees these two statements capture both what we are here for now and into the future then Staff will proceed with communicating this information internally and externally to our key stakeholders and members.

A motion was made by the Board to approve the new Mission and Vision Statements.

As for the strategic elements of the plan, the group was able to distill the conversation down to four strategic elements:

First, Employee Training and Development. Considering our employees are the most valuable resource of BRMEMC, it is appropriate for employees to be first on the list. Goals in this element include topics such as improved on-boarding, safety initiatives, succession planning, culture development, and improved internal communications.

Second strategic element focuses on our value-added services. Eighty years ago our sole purpose was the delivery of power across our region to improve the quality of life in our communities. While the purpose of improving lives is unchanged, the methods we use to do that has changed over the years. Whether it's through current programs like high-speed internet or possibly through future offerings in renewables or electric vehicles, we need to ensure we have a relationship with our members that goes beyond the light switch. This strategic element keeps our eyes on that initiative. Our preliminary goal list has a strong focus on broadband, but also includes reviews of current programs and investigation of new programs.

The third strategic element focuses on Community Involvement and Member Engagement. Not only is community one of the main parts of our entire mission statement, concern for community is the seventh cooperative principle. Eighty years ago we were a pillar of this region and our staff and employees feel that we are due to resume that position. Goals focused on this element focus on increasing community involvement through volunteerism, new member on-boarding so everyone that steps through our door knows what we are here for, and formalizing our entire outreach and marketing strategies to communicate across the entire membership.

The fourth strategic element focuses on the core functions of the organization so it is aptly described as system strength. After all, while electricity delivery is not our only purpose, it is certainly the primary purpose for our members. Goals here focus on financial stewardship, reliability, efficiency, technology, and cyber security. As for next steps, our working group will be meeting this Thursday to finalize the list of goals. From there, each member of the working group will take those goals to determine what objectives would need to be accomplished in order

to ensure the goal is met in a timely fashion. We will communicate more about this process as it progresses over the next few months.

To go along with strategic element #2, one exciting technology that has the potential to reshape the electric utility in the future is the proliferation of electric vehicles across the electric grid. Between the Tesla stock increasing by 200% since last October and four electric vehicle ads getting air time during the Super Bowl, some serious momentum is growing in this space. BRMEMC continues to be in a data gathering stage on this particular topic. We have been meeting with various utilities across the valley and region to better understand their positioning with this technology, including Chattanooga EPB in January and Cobb EMC later on this month. The main consideration we are struggling with is that while there is additional energy sales on our system, if all those cars plug in at the same time it has the potential to greatly impact our system demand, which can have negative impacts both operationally and financially on our system. According to several industry studies, 80% of the charging takes place at home. We just need to determine how we encourage our members to charge overnight and not all night at 6 p.m. when everyone gets home. Residential charging programs has been a great focus of ours. Destination charging is still an excellent opportunity for utilities, commercial developers, and other stakeholders. One example of that is the charger that was installed at the Union County Chamber of Commerce just yesterday.

The engineering and assessment group has been collecting bids on drones to assist them with the system assessment efforts that are currently being undertaking across the system. Now that the Operational Manual is in place and all potential operators certified, having the technology in-house is the next and likely final step.

At the end of January, the FCC voted on rules for its proposed plan to allocate \$20.4 billion in funding to broadband providers serving rural areas in the U.S. The fund, known as the Rural Digital Opportunity Fund, will be allocated over the next 10 years. In the first phase, beginning later this year, the FCC will make up to \$16 billion available to areas that are "wholly unserved." It will demand broadband speeds of at least 25 Mbps, and the funding will be made available through a reverse-auction like CAF II funds were in 2018. An estimated six million rural homes and businesses could be eligible for bidding. Phase two will make the remaining \$4.4 billion available to partially served areas, as well as unserved areas that were not awarded in the first phase. Next steps depend on how the maps view our particular territory. With so much high speed fiber across our system, it tends to show the majority of our area as well served. There are a few areas where the funding could be put to good use. Initial reports from the FCC indicate that there are 197,000 locations in Georgia and 169,000 locations in North Carolina that have the opportunity to receive funding. Our understanding is that a location constitutes a census tract. There will likely be some consulting support recommended to help us navigate this reverse auction process since BRMEMC has no experience in this arena. In the meantime, we are tracking updates and attending informational sessions online to learn all we can. More will be updated on this topic in the future.

The BRMEMC website has been recently updated to provide a bit more insight to members as to where fiber is currently available in the five counties served as well as upcoming expansion areas.

http://www.brmemc.com/Broadband_Availability

It was determined the old map we had on the website was insufficient and outdated. The hope is taking it down to street level listings will help to avoid confusion. BRMEMC has recently kicked off marketing campaigns to 1) increase take rates in areas we already have fiber and 2) begin getting signups for expansion areas. The campaign to existing fiber locations hits residences that do not have our fiber internet service with a postcard and an email marketing our fiber service. The campaign to expansion areas is very similar with the messaging changing slightly to "Expanding to Your Area". We have also pushed broadband out on social media and a press release and newspaper ad goes out this week. The response on Facebook was huge and we even reached out to one member that took it upon herself to get enough signups in her neighborhood that we are now including that location in the expansion plan.

The BRMEMC engineering team is currently reviewing the possibility of allowing grid connected lithium-ion batteries into BRMEMC's interconnection agreement. The cost of batteries continues to decline rapidly, and with companies like Tesla pouring money into battery technology development, that trend continues to point downward. Allowing batteries on the system does add a new layer of complexity that we want to make sure we fully understand before we just rubber stamp the change.

The operations group is moving forward with the LED light change out across the Town of Hayesville. BRMEMC has worked closely with the town's leadership to ensure they are satisfied with the solution. This effort has produced opportunities for the town to improve its lighting solution, which has positive safety and financial implications for all parties.

Things are picking up in the Georgia Legislature this year. While last year was a banner year for EMCs with the passage of Senate Bill 2 allowing EMCs to provide broadband services to their respective memberships, this year finds the EMCs facing challenges from the cable industry concerning the joint use attachment fees that are charged by EMCs. EMCs have agreements with cable and telephone providers across the nation that allow those providers to attach to the electric utilities poles below the neutral. By utilizing the existing pole line, it helps offset the cost of maintaining the system for the cooperative but it also helps the cable/telco providers since they are not required to get their own rights of way and construct their own pole lines. The contention by those in the cable lobby are that the fees charged for joint use attachments by the EMCs prevent the cable companies from providing high speed broadband services in the rural parts of Georgia. Therefore, the cable industry is proposing legislation that will require EMCs to charge the FCC attachment rate. This is a rate that investor-owned utilities are required to charge to all attaching entities. The amount is typically lower than what rural cooperatives charge, but the business models are much different and the service areas typically look a lot different. For example, investor-owned utilities serve areas like downtown Atlanta and we serve areas like Suches and Tate City. Just last week, a bill that seeks to promote the deployment of broadband services in the state by imposing the FCC pole attachment rates on all EMC poles was passed out of the House Economic Development Committee. It now sits in the House Rules Committee for additional consideration before going to the full House. Right now, Georgia EMC is working with lawmakers in the state to ensure they all understand what the real ramifications are to the EMCs if these FCC rates are imposed. Ultimately, it appears that BRMEMC will not be directly impacted by this change since TVA also acts as our pole attachment regulator in addition to our

electric rate regulator. In fact, TVA local power companies can sometimes have specific exemptions in the state of GA. We will work with GEMC to ensure that remains the case should this potential legislation come to fruition.

The legislative luncheon scheduled for tomorrow has been postponed due to the unscheduled recess by the House and Senate that came about last week. There will be more details once this has been rescheduled.

Announcements: None.

After a break to thank members for attending the meeting, the board went into Executive Session at 7:20PM.


The board came out of Executive Session.

With no further business the meeting was adjourned at 8:32PM.

Respectfully submitted this the 3rd day of March, 2020.

Roy Perren,
Secretary of the Board of Directors, BRMEMC

ATTEST: The undersigned EMC officers attest that the foregoing minutes of the Board Meeting on the 11th day of February, 2020, were approved in Regular Session of the Blue Ridge Mountain EMC Board of Directors on the 10th day of March, 2020.



Ray Cook, Board Chairman



Roy Perren, Secretary

FINANCE COMMITTEE MEETING

February 11, 2020

The Finance Committee of Blue Ridge Mountain Electric Membership Corporation met at 5 P.M. on February 11, 2020, for the regular meeting. Committee Chairman Cory Payne called the meeting to order. The following were present:

Cory Payne
Jeff Ledford

Roy Perren
Gayland Trull

Also attending: Amanda Holdaway, Director of Finance & Accounting
The following reports were reviewed by the Committee:

- (a) **Operating Statement** for December 2019, giving a net gain of \$677,425.41.
- (b) **Cash Report – Source & Application of Funds**—December 2019.
- (c) **Cash Position** as of February 1, 2020.
- (d) **Disbursements**-December, 2019


A motion was made by Roy Perren, seconded by Jeff Ledford, to accept the reviewed reports. Also reviewed were the following reports:

- (e) **Memberships Issued and Cancelled** – January, 2020
- (f) **Payment Contracts** – None
- (g) **Aged Trial Balance** – January, 2020
- (h) **Accounts Written Off** – January, 2020 in the amount of \$14,448.41
- (i) **Bankruptcy Report**-None
- (j) **Directors**-Account Status


A motion was made by Jeff Ledford, seconded by Roy Perren, to accept the reviewed reports.

The Finance Committee reviewed the General Manager's expense report.

We, the Members of the Finance Committee, do hereby recommend acceptance of the Finance Committee Minutes, the reports and actions contained therein as action by the Board.



Cory Payne, Chairman



Jeff Ledford



Roy Perren



Gayland Trull

EXHIBIT "A"