BLUE RIDGE MOUNTAIN ELECTRIC MEMBERSHIP CORPORATION
BOARD MEETING MINUTES
January 14, 2019

The Board of Directors of Blue Ridge Mountain Electric Membership Corporation (BRMEMC) met in Regular Session on January 14, 2019, in the Board Room at the BRMEMC Headquarters building. Board Chairman Ray Cook called the meeting to order at 6:07PM.

After the invocation led by Director Perren, the Pledge of Allegiance was led Director Ledford.

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 (via Phone)
Roy Perren, Director
Bert Rogers, 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
Daniel Frizzell, Director of Engineering
Amanda Holdaway, Director of Finance and Accounting
Fred Gray, Director of Operations
Byron McCombs, Communications Specialist
Erik Brinke, Director of Administrative Services

Upon request of Chairman Cook, the Meeting Agenda for January 14, 2019 was considered. A motion to approve the Agenda was approved by unanimous vote upon Motion by Director Rogers, seconded by Director Perren.

Upon request of Chairman Cook, the Minutes of the Board Meeting of December 11, 2018 were considered and approved by unanimous vote upon motion by Director Ledford, seconded by Director Henson.

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

Director Perren presented the Finance Committee report of the Committee meeting on January 14,
2018, 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 (See Copy attached as Exhibit “A”).

The Policy and Public Relations Committee presented as a motion to delete Policy 211 -- Director’s Liability Insurance and reserve the number for future use. The motion was seconded by Director Perren. Discussion included the opinion that having language in the policy manual that is either narrower or broader in scope than what is allowed by State law or in the Cooperative’s By-laws would only cause difficulty should such insurance coverage ever need to be utilized. After discussion the motion was passed unanimously.

Staff Reports were presented in the board packet as available for review by members of the Board. General Manager Neims discussed various financial metrics, demand and sales statistics, and other department-focused issues. Staff is available to answer questions board members may have about items in the board package.

Member Comments: None

Old Business: None

The following New Business was considered:

2019 Annual Meeting Date and Venue Change proposed. General Manager Neims presented the Staff recommendation to set the 2019 Annual Meeting date for Thursday, September 26, and the location of the meeting to be the BRMEMC headquarters in Young Harris, GA. In addition, staff recommended the Board allow the office to be closed the second half of that workday. Director Henson made a motion to accept the recommendation of staff. The motion was seconded by Director Rogers. After discussion the motion was approved unanimously.

Updating Certificate of Authority to Submit or Grant Access-RUS Website General Manager Neims presented for approval and signature RUS Form 674 along with Board Resolution to accompany Form 674 to be provided to RUS for updating the Security Administrator for the USDA Rural Development Data Collection System, from Patricia Young to Amanda Holdaway. Director Perren made a motion to accept the recommendation of staff. The motion was seconded by Director Ledford. After discussion the motion was approved unanimously.

Proposal for Tiered Broadband Rates. General Manager Neims and Daniel Frizzell, Director of Engineering, shared with Board members a proposed rate structure for broadband services that will include a two-year, one-year, and no-contract option. The variance between the two-year and no-contract price will be around $10 per package. Director Rogers made a motion to accept the recommendation of staff. The motion was seconded by Director Ledford. After discussion the motion was approved unanimously.
Director Reports:

Director Perren stated all board members are invited to attend the Towns County Civic Association meeting on January 22, at 6PM at the Towns County Civic Center.

Manager Report:

General Manager Nelms reviewed the Fiber Expansion Plan for the 2019 Fiscal Year. BRMEMC staff have created work orders to begin construction on the majority of areas identified as part of the 2019 broadband expansion pilot project. We will market to those services in the area as we build out the new facilities. We are confident once crews begin working and signing up Members others in the area will follow. All five counties in our service territory will have builds taking place in them. As part of our budget year starting in July 2019, we may explore other possibilities of getting Members hooked up through crowdsourcing of interest and other unique marketing strategies. The addition of a Media and Communications Manager in the near future will lead to the development of a strategic marketing effort to ensure the maximum take rate occurs in the areas we build.

General Manager Nelms reported that Georgia State Senator Steve Gooch has pre-filed bill (SB2) which specifically authorizes electric membership corporations and their affiliates to provide broadband services. The passage of this bill will offer clarity for Georgia EMC’s to offer broadband services throughout the state as well as open up opportunities for alternative funding mechanisms such as low interest loans, grants, or a combination of each.

Manager Nelms shared a recent WABE news article concerning newly proposed legislation providing much needed clarity for Georgia’s EMC’s to offer broadband services. GEMC Senior Vice President, Bill Verner and Nelms participated in interviews with the reporter that drafted the article.

BRMEMC staff recently met with House Speaker David Ralston and Senator Steve Gooch in the Capitol to thank them for their support during this past legislative session concerning broadband legislative clarity for electric cooperatives. They also impressed on them the urgency associated with their efforts to pass this legislation during the upcoming session, which began on Monday, January 14. BRMEMC has various grant opportunities in play that are jeopardized because of the lack of clarity.

On December 13, 2018 Agriculture Secretary Sonny Perdue announced that the United States Department of Agriculture (USDA) is offering up to $600 million in loans and grants to help build broadband infrastructure in rural America. Telecommunications companies, rural electric cooperatives and utilities, internet service providers and municipalities may apply for funding through USDA’s new ReConnect Program to connect rural areas that currently have insufficient broadband service. Answering the Administration’s call to action for rural prosperity, Congress appropriated funds in the fiscal year 2018 budget for this broadband pilot program. USDA Rural Development is the primary agency delivering the program, with assistance from other federal partners.
General Manager Nelms said this spring, our Engineering and Metering staff will be making a recommendation to the Board on a new vendor to provide our advanced meter reading solution to BRMEMC’s 53,000+ meter population. Our current vendor, Landis+Gyr, will no longer be offering the product line we have been using for the past several years. Staff has already met with industry-leading meter vendors to learn about the various technology advantages and disadvantages, pricing, and logistical implementation as the transition from the old system to the new system takes place. A decision will need to be made this spring in order for us to appropriately budget for the 2020 fiscal year as well as future budget years.

BRMEMC staff will be working to reissue a banking services request for proposal this spring. The timeline for this next RFP will be longer than the previous RFP timeline. We want to have ample review time in house, and also give the top three selected respondents an opportunity to pitch not only their banking services to management but also to provide a run down on any merchant services, cybersecurity protocols, and any other pertinent services the bank may believe gives it a competitive advantage over its competition. We plan to issue the RFP to banks both inside and outside the service territory.

The tertiary HVAC upgrades in the data center approved in the 2019 capital budget were completed in early January. This provides us the necessary HVAC back-up that was required as part of our service offering to those entities that contract space in our colocation facilities located on the EMC premises.

General Manager Nelms reported that BRMEMC staff participated in a call with the Board of the North Carolina Rural Electrification Authority (NCREA) on Monday morning, January 14, to obtain approval for the portion of the recent RUS loan that was approved by the BRMEMC Board. This brings us one-step closer to obtaining the approved loan package and having loan funds available. We will also be required to go through a similar approval step with the Georgia Public Service Commissions, but that will not occur until we have received the loan documents from RUS.

In an effort to improve the coverage offered by the EMC’s existing radio network, and at the same time improve employee safety and workforce efficiency, we will be implementing a conversion to digital radio transmission throughout the remainder of the 2019 fiscal year budget. These efforts will be performed while still working within the confines of the existing radio capital budget allocation. The old analog radio network from the 1970’s worked well for the EMC for many years. However, following a federally mandated conversion of that technology to narrow-band by January 1, 2013, this network became less effective, and the coverage area significantly diminished. BRMEMC had concerns that such diminished coverage could result in our workers in the field being unable to safely and efficiently perform necessary job functions.

BRMEMC staff have been working to develop a ten-year large fleet replacement plan as part of the annual budgeting process. Digger derrick and bucket trucks carry a $250,000+ price tag. Given each of these trucks offer such a tremendous impact to our capital budget, appropriately planning for their replacement is crucial so that our finance staff can plan accordingly.
Due to a recent vacancy in the facilities group, management has been contacting local and regional cleaning services to investigate the possibility of having a contractor support us with our interior housekeeping efforts. To date, we have contacted two regional cleaning service providers and they have declined to supply pricing. We plan to have a discussion with another local provider before we make our final determination on in-house versus contracted cleaning.

On January 10, a group of local power company managers had lunch with TVA Board Member, A.D. Frazier. The discussion focused on continuing concerns about the future cost viability of TVA electric rates especially if the fall 2019 expected rate increase is approved. In addition, there was discussion on who the successor for Bill Johnson might be, and what impacts there could be to TVA if Memphis Light, Gas, and Water were to leave the Valley. The new manager of the Memphis utility is exploring their wholesale power options and the study is still ongoing. The decision by Memphis could cause ripples that will affect all of the other 153 LPC’s in the Valley.

On January 14, 2019, we released a request for proposal for services associated with our water heater maintenance program. The request for proposal for services was sent to 22 local plumbers.

General Manager Nelms reported the completion of an updated cost of service study by our rate consultant. The analysis revealed a couple of telling points. First, our true “fixed charge” needs to be in the $38 to $40 a month range. Second, without a rate increase, we can expect to see an erosion of our net income starting not this fiscal year, but certainly the next. Staff has no recommendation currently, but we will be watching the financials very closely over the next year. Prior to any action taken, our rate consultant would be invited to attend a Board Meeting to go over his results and answer any questions.

General Manager Nelms updated the Board on the Fiber Project to Walasi-Yi Interpretive Center. The drone project extending fiber up to Neel’s Gap was completed on December 13 and 14. We are awaiting pictures and videos from the Southern Company drone; however, we do have pictures from the ground taken by Byron McCombs. In addition, we have been in contact with Cathy Cash, a writer for Rural Electrification magazine, who plans to run a story on this project as well as cover BRMEMC’s broadband efforts.

Nelms announced his participation in the Leadership Union program, which begins Tuesday, January 15.

Other Business: None

After a break to thank members for attending the meeting, the board went into Executive Session at 7:44 PM.

The board came out of Executive Session.

With no further business the meeting was adjourned at 10:22PM.

Respectfully submitted, this, the 5th day of February, 2019.
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 14th day of January, 2019, were approved in Regular Session of the Blue Ridge Mountain EMC Board of Directors on the 11th day of February, 2019.

Ray Cook, Board Chairman

Roy Perren, Secretary
FINANCE COMMITTEE MEETING

January 14, 2019

The Finance Committee of Blue Ridge Mountain Electric Membership Corporation met at 5 P.M. on January 14, 2019, for the regular meeting. Committee Chairman Cory Payne called the meeting to order. The following were present:

    Cory Payne  Ray Cook
    Roy Perren  Jeff Ledford

Also attending: Jeremy Nelms, General Manager and Amanda Holdaway, Director of Finance & Accounting

The following reports were reviewed by the Committee:

(b)  Cash Report – Source & Application of Funds--November 2018.
(c)  Cash Position as of January 1, 2019.

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

(d)  Disbursements-November, 2018
(e)  Memberships Issued and Cancelled – December, 2018
(f)  Payment Contracts – None
(g)  Aged Trial Balance – December, 2018
(h)  Accounts Written Off – November, 2018 in the amount of $10,641.20
(i)  Directors-Account Status

A motion was made by Roy Perren, seconded by Jeff Ledford, 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.

Via Telephone

Cory Payne, Chairman  Jeff Ledford

Roy Perren  Gayland Trull

EXHIBIT "A"