BLUE RIDGE MOUNTAIN ELECTRIC MEMBERSHIP CORPORATION
BOARD MEETING MINUTES
July 15, 2019

The Board of Directors of Blue Ridge Mountain Electric Membership Corporation (BRMEMC) met in Regular Session on July 15, 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 Cook, the Pledge of Allegiance was led by Director Henson.

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
Sonny Mahan, Director of Member Services
Kelly Crawford, Manager of Media and Communications

Upon request of Chairman Cook, the Meeting Agenda for July 15, 2019 was considered. A motion to approve the Agenda was approved by unanimous vote upon motion by Director Perren, seconded by Director Lance.

Upon request of Chairman Cook, the minutes of the Board Meeting of June 17, 2019, were considered and approved by unanimous vote upon motion by Director Payne, seconded by Director Rogers.

Chairman 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 July 15, 2019, 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.

The Policy & Public Relations Committee offered one (1) policy amendment for consideration and approval discussed at their meeting held at 5 p.m. This sole amendment was simply an edit to the Wage & Salary Administration Schedule, which is an addendum to Policy Bulletin #528, yet is ratified and signed separately from that policy. This amendment reflects an increase to the salary ranges commensurate with the Board's action in approving the EMC's annual budget, contemplates four (4) new job classifications, and amends classification titles in two (2) existing positions to more accurately reflect job duties. The policy committee presented the amendment in the form of a motion. The motion was seconded by Director Henson. After discussion the policy amendment was approved unanimously by the board.

In addition to this action, the Committee also discussed Policy Bulletin #534: Group Insurance – Hospital, Medical, Dental & Life, but recommended no specific changes at this time.

Staff Reports were presented in the board packet as available for review by members of the Board. General Manager Nelms 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:
General Manager Nelms presented to Board Members information regarding the Rural Development Loan for Chatuge Regional Hospital. 0% interest loan for 10 years. Chatuge Regional Hospital pays their monthly payment to the EMC and we in turn pay directly to RDL. Last year, it was brought to the Board and approved. This does show up on the balance sheet but it is not BRMEMC debt. BRMEMC is protected and there is no exposure to membership. There is individual commitment to pay on part of Chatuge Regional Hospital. Director Lance asked why it has to be passed through BRMEMC. Mr. Brinke explained the grant/loan process through RDL and stated it goes back to the principle of the EMC being economic development to rural communities.

New Business:
General Manager Nelms presented to the Board a RUS Loan Resolution and accompanying documents. A motion to approve the resolution was made by Director Henson and seconded by Director Rogers. After discussion the motion was approved unanimously by the Board.

General Manager Nelms provided Board Members with a TVA Joint Cost Study update.

General Manager Nelms presented a revised Survey and Ballot contract to the Board for consideration. No petitions were received for new board members as of end of day July 15, 2019, the third Monday of July. Since the election is not contested, no ballots will be mailed this year.
saving the membership the cost of mailing ballots. Voting will be done via online voting, absentee voting and in-person voting on the day of the annual meeting.

Director Reports:
Director Payne expressed his concern that under current practice, BRMEMC members cannot have battery storage.

Manager Report:
General Manager Nelms reported that during a presentation at the Tennessee Municipal Electric Power Association (TMEPA) Annual Meeting, Jeff Lyash, TVA’s new CEO, discussed his intentions for the expected October 2019 rate increase. He was quoted as saying, “TVA has previously indicated it would not raise rates in the final three years of this 10-year plan, and given the significant progress we’ve made on reducing cost and beginning to pay down debt, I plan to recommend to the TVA Board that the 2020 increase also be foregone. If we take the right actions now, I foresee the possibility of a decade of stable rates.” This is obviously excellent news for our Members as well as the nearly 10 million consumers served by TVA across the Valley. During this meeting he also committed to working closely with LPCs to address some of the issues and concerns he’s heard from us. Those items he touched on specifically are:

Improve the clarity about TVA’s regulatory role
Support and enable the deployment of broadband
Evolve the integrated grid, including solar and energy storage
Shrink the environmental footprint of electrical generation
Promote electrification as a path to reducing carbon
Expand low-carbon energy’s role as an economic advantage for our region

As part of some recent organizational changes at TVA, the entire Regulatory Department now reports up through the Customer Service and External Relations group instead of TVA’s Office of General Counsel. This appears to be in direct response to what Jeff Lyash has been hearing from the many LPCs he has visited since taking over the top role at TVA back in April.

On June 25, General Manager Nelms and Director of Operations, Daniel Frizzell, were invited to Sawnee EMC to participate in the CEO’s monthly Supervisor and Coordinator meeting. They discussed BRMEMC’s experience with fiber optics and our retail broadband service. The event was well attended by the Sawnee staff and the feedback we received was very positive. It is always a great opportunity to share the story of what BRMEMC has been working to accomplish on behalf of its members over the past 17 years with our broadband business.

In reference to CFC’s Key Ratio Trend Analysis, the 2018 KRTA was released at the first of July. General Manager Nelms provided a copy for the Board to review at their convenience. BRMEMC continues to improve in several key financial and operational metric areas, most notably the BRMEMC’s equity ratio. In 2012, BRMEMC's equity position fell to 22.15% and in 2018 BRMEMC finished the year at 34.37, a 55%+ improvement over that time period. BRMEMC continues to struggle with poor energy sales, which is the consequence of low usage per consumer coupled with minimal large commercial and industrial load across the system. However, this year we did see a 10% improvement in our ratio 61, average residential usage
kWh per month. This metric moved from 843 per meter per month in 2018 to 932 per meter per month. Even with this improvement, we still find ourselves well into the lower quadrant when compared to the nation and dead last in the Valley. Nelms stated that he plans to ask CFC to come in this fall to present the results of the KRTA to the Board and Staff during a Board meeting.

General Manager Nelms reported that he has been tapped to represent the Southeast District on the Solar Advisory Committee for the Tennessee Valley Public Power Association (TVPPA). Given the amount of solar that BRMEMC has on the system, especially in North Carolina, Nelms believes the District leadership felt that BRMEMC should have a seat at the table. Nelms said he looks forward to the opportunity to help mold the solar framework for the Valley in the future. TVA has begun to warm up to the idea of self-generation at the local power company level where there is a need for such an installation. The pilot Flexibility Research Project is a strong indicator of TVA’s willingness to consider such installations.

On August 1, BRMEMC plans to push out a mass communication to all Members alerting them of our new outage texting service. This message will go to all Members whose cell phone numbers we have on file at the EMC. There will be an opt-out option available at the time of that communication in case our Members do not want to participate. This new service is being implemented in an effort to help our Members better communicate outages to the EMC, and to minimize the frustration of having to call in and be put on hold during a large outage event. This process will also allow for two-way communication so a member can be alerted via text when service has been restored.

On July 16, General Manager Nelms, along with our Member Services personnel, will be meeting with representatives from both TVA and TVPPA concerning electric vehicle car chargers and BRMEMC’s role in assisting Members with understanding this new technology better. Industry studies are showing that electrified transportation could offer a tremendous benefit to electric utilities. Given that electric sales are so low across the entire system, Nelms stated that he is a firm believer that we need to be exploring any program that results in helping to promote and deliver more energy to Members in this community. Interest in EV’s has been increasing in our Membership recently with a local community leader reaching out to the EMC to see how we can support them in the installation of a public charger. In addition, a residential Member, who recently purchased his first EV, called us to find out how we can support the installation of a Level 2 charger in his garage.

General Manager Nelms also welcomed Kelly Crawford as the EMC’s new Manager of Media and Communications. Kelly comes to the EMC from Young Harris College where she served as Director of Communications and Marketing. Kelly has 20+ years of experience in marketing and communications, which includes strategic marketing planning, campaign development, social media, communication flows, web design, graphic design and paid media marketing. Kelly also serves on the Board of Education for Clay County Schools. Kelly and her husband, Kevin, live in Hayesville and have three children: Madison, Morgan and Colton.

On August 3, 2019, the Union County Farmers Market will be hosting an EMC Day that will include bucket and digger derrick truck displays as well as information on BRMEMC’s various
electric programs and broadband offerings. This will provide a great learning opportunity for community members with regard to the EMC. Information will be available to take home on the many services that BRM EMC offers its members.

General Manager Nelms reported that two weeks ago he had the opportunity to attend the CFC Forum. This event was billed as CFC's signature event that provides exceptional educational and networking opportunities for rural electric cooperative CEOs, CFOs and Directors. The general and breakout sessions featured customized content from industry experts and prominent thought leaders. The panel of speakers was impressive, and the content of the both the general and breakout sessions was very informative and timely. Some of the speakers included Ari Fleischer, former George W. Bush White House Press Secretary, and General John Kelly, former White House Chief of Staff. Nelms has included for Board review, three presentations that he thought were of particular interest from the Forum event. While attending the CFC Forum, Nelms also took the opportunity to sit for his KRTA Level 3 Certification. As the Board may recall, Manager Nelms obtained his Level 1 and 2 certifications at a previous conference.

General Manager Ne.m.s and Finance staff have reviewed the banking services proposals that were received as part of the banking request for proposal process that took place over this past spring. Staff is proposing that we make our initial cut down from nine to four: Bank of America, Wells Fargo, JP Morgan Chase, and United Community Bank. Nelms stated that he believes the most prudent next steps are to establish an ad hoc Board subcommittee along with some Staff that will hear from each of these four banking institutions in person. Once the interview process is complete, the Committee can then come back to the full Board for a final recommendation. Finance committee along with any other board members who wish to participate and EMC directors will take part in ad hoc committee.

Other Business: None
Announcements: None

After a break to thank members for attending the meeting, the board went into Executive Session at 8:01PM. The board came out of Executive Session.

With no further business the meeting was adjourned at 10:00 PM

Respectfully submitted, this, the 4th day of August 2019.

Roy Perren,
Secretary of the Board of Directors, BRM EMC

ATTEST: The undersigned EMC officers attest that the foregoing minutes of the Board Meeting on the 15th day of July 2019, were approved in Regular Session of the Blue Ridge Mountain EMC Board of Directors or the 12th day of August, 2019.

Ray Cook, Board Chairman

Roy Perren, Secretary
FINANCE COMMITTEE MEETING

July 15, 2019

The Finance Committee of Blue Ridge Mountain Electric Membership Corporation met at 5 P.M. on July 15, 2019, 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: Jeremy Nelms, General Manager, and, Amanda Holdaway, Director of Finance & Accounting

The following reports were reviewed by the Committee:

(a) Operating Statement for May 2019, giving a net loss of $463,375.87.
(c) Cash Position as of July 1, 2019.
(d) Disbursements-May, 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 – June, 2019
(f) Payment Contracts -- Jordan T Hicks, 156 Rolling Acres Rd, Hiawassee, GA, $500.00 for Fiber Construction
(g) Aged Trial Balance – June, 2019
(h) Accounts Written Off – June, 2019 in the amount of $16,608.62
(i) Bankruptcy Report-None
(j) Directors-Account Status

A motion was made by Jeff Ledford, seconded by Gayland Trull, 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"