BLUE RIDGE MOUNTAIN ELECTRIC MEMBERSHIP CORPORATION
BOARD MEETING MINUTES
May 13, 2019

The Board of Directors of Blue Ridge Mountain Electric Membership Corporation (BRMEMC) met in Regular Session on May 13, 2019, in the Board Room at the BRMEMC Headquarters building. Board Chairman Ray Cook called the meeting to order at 6:04PM.

After the invocation led by Director Cook, the Pledge of Allegiance was led Director Payne.

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 via Phone
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
Daniel Frizzell, Director of Engineering
Amanda Holdaway, Director of Finance and Accounting
Fred Gray, Director of Operations
Erik Brinke, Director of Administrative Services
Byron McCombs, Communications Specialist
Sonny Mahan, Director of Member Services

Upon request of Chairman Cook, the Meeting Agenda for May 13, 2019 was considered. A motion to approve the Agenda was approved by unanimous vote upon motion by Director Rogers, seconded by Director Ledford.

Upon request of Chairman Cook, the minutes of the Board Meeting of April 15, 2019 were considered and approved by unanimous vote upon motion by Director Henson, seconded by Director Payne.

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 May 13, 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 and Public Relations Committee discussed Policy 336 – Charges and Fees, and Policy 403 – Outdoor Lighting Rates. The policies set rates for the offer of LED outdoor lighting and fees for service. These changes also incorporate new/updated fees for facilities and update language regarding energy charges consistent with TVA’s LS rate schedule, taking into account newer LED lighting technologies. Director Cook asked the board to hold action on the policies until the board reached Item 6 under new business, LED lighting.

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:
Randy Mazie – Requested that confirmation of approval to present to the board be sent in writing. Mr. Mazie requested that the board agenda and new business be posted before board meetings. Mr. Mazie asked that board put member comments after new business. Mr. Mazie asked that consultant reports be made public. Mr. Mazie discussed the service charge. He stated that the proposed increase in the service charge is not revenue neutral to those who use less power. He stated that those who use the most should pay the most; stating that the increased customer charge will hurt low income members.

Old Business:
Appointments to the Nominating and Credentials Committee. General Manager Nelms asked that board members let him know if there were changes from last year and if their selections were the same as last year, do they have new contact information. General Manager Nelms asked new board members about their selection. Director Trull stated he would email General Manager Nelms his selection. Director Lance selected Luke Colwell for the Nominating Committee and Matthew Collins for the Credentials Committee. All other members’ selection remained the same.

New Business:
A proposed Bylaws addition and edit were presented by Board Attorney Autry. It is recommended that Section 14.01 will make clear that the board can delete or revise provisions in the bylaws that are in violation of Georgia statutes. It is recommended that Section 4.03 be revised to provide that board members be elected by a majority of votes cast. To address the situation created by multiple candidates for the same seat, it is recommended that rank choice voting be added.

Director Henson presented a motion for the board to adopt the bylaws addition and changes of Section 14.01 and Section 4.03. The motion was seconded by Director Perren. After discussion the motion was passed by unanimous vote of the board.
General Manager Nelms presented a proposal that the Contract with Survey and Ballot Systems for the 2019 annual meeting be amended to include rank choice voting. General Manager Nelms explained how rank choice voting works and how it would be used in the annual board elections.

Director Rogers presented a motion for the board to approve the staff recommendation regarding the contract with Survey and Ballot Systems for the 2019 Annual Meeting. The motion was seconded by Director Ledford. After discussion the motion was passed by unanimous vote of the board.

General Manager Nelms presented a resolution and supporting documentation to create the BRMEMC Broadband Affiliate. The resolution would establish EMC Broadband LLC. Documentation was presented to create the LLC Operating Agreement.

Director Henson presented a motion for the board to approve the resolution to establish EMC Broadband LLC and to approve the LLC Operating Agreement. The motion was seconded by Director Ledford. After much discussion the motion was approved by unanimous vote of the board.

General Manager Nelms presented a resolution that will allow General Manager Nelms and Director of Engineering, Daniel Frizzell, to have access to the USDA ReConnect Program Online Application System.

Director Mason presented a motion for the board to approve the USDA ReConnect Program Online Application Resolution. The motion was seconded by Director Rogers. After discussion the motion was approved by unanimous vote of the board.

Director of Engineering Frizzell presented information on LED Lighting Rates. Outdoor lighting rates have been unchanged since 2008. The change will reflect LED lighting rates. This came before the board in the form of a motion from the policy committee to adopt changes to Policies 336 and 403. The motion was seconded by Director Henson. After discussion the motion was approved by unanimous vote of the board.

General Manager Nelms presented options for BRMEMC to take as a result of the expected TVA rate action to be effective in October 2019. General Manager Nelms explained four options. 1) Absorb the increase. 2) Add this to the variable part of the bill. 3) Split the increase with part being on the variable part of the bill with the rest being added to fixed cost. 4) To add the increase to the fixed cost part of the bill. General Manager Nelms recommended that BRMEMC select option 4.

Director Trull presented a motion for the board to approve the staff recommendation of adding the increase to the fixed part of the bill. The motion was seconded by Director Rogers. After much discussion the motion was approved by a 7 - 1 vote of the board, with Director Perren voting against the motion.

General Manager Nelms presented the FY2020 Budget. General Manager Nelms explained the proposed budget in great detail. The board will review the budget and make a decision on the
budget at the June board meeting.

Director Reports:
Director Perren invited board members to the Hamilton Gardens fundraiser on Saturday, May 18, at 5:30 PM at Hamilton Gardens, next to the Georgia Mountain Fairgrounds in Hiawassee.

Manager Report:
On April 26, 2019 Manager Jeremy Nelms, Erik Brinke, Daniel Frizzell, Byron McCombs and BRM EMC Attorney Charles Autry attended the Senate Bill 2 signing event held at the campus of the University of North Georgia in Dahlonega. Georgia Governor Brian Kemp signed the EMC broadband legislation championed by Senator Steve Gooch (R-Dahlonega) which gives electric co-ops legal authority to provide broadband services. This legislation is an important step toward bridging the digital divide that exists in many parts of the state and certainly in our service territory.

Manager Nelms along with Erik Brinke, Daniel Frizzell, Fred Gray and Byron McCombs participated in the Neels Gap Fiber Optic Dedication that took place on April 24th at the Mountain Crossing. Union County Commissioner Lamar Paris, Blairsville Mayor Jim Conley, Union County Fire Chief David Dyer and other local leaders made remarks highlighting the benefits of broadband connectivity to Mountain Crossing. Also in attendance were representatives from the Unmanned Aircraft Systems group at Southern Company and Georgia Power who were recognized for their contributions to the project. A nice reception hosted by the Blairsville-Union County Chamber of Commerce took place afterwards.

Manager Nelms reported attending the USDA’s Reconnect Technical Workshop with Erik Brinke and Daniel Frizzell last week in Alabama. Representatives from the USDA discussed items critical to the application process, such as engineering and financial guidelines, environmental concerns, and how to ensure your application meets the necessary compliance requirements. This information will allow BRM EMC to make a more informed decision about what direction to take with this potential application. Presently, we are evaluating our labor resources to ensure we are not over extending ourselves with the annual middle mile expansions, Community Connect Grant deployment in Cherokee County, NC, and the various electric work plan and DOT road move projects that are coming down the pipeline in the future.

On April 30th, Manager Nelms and Director of Finance, Amanda Holdaway toured a lock box facility belonging to one of the banks being reviewed as part of the on-going banking services RFP process. Nelms explained that a lockbox is a secured facility run by a banking institution in which the bank receives, processes, and deposits all of a company’s receivables. This would eliminate BRM EMC from handling thousands of check payments received each month, and in addition, funds get in the account quicker allowing the co-op quicker access to these funds. This service will be evaluated further once a decision has been made about BRM EMC’s banking provider.

Manager Nelms mentioned in preparation for an upcoming retirement at the end of 2019, BRM EMC would be transitioning to electronic time entry for the remaining portion of this year. CSA, the co-op’s current software solutions provider, will be on-site the first week of June to
provide training to all supervisors. This will prepare them for the transition and how it will affect everyone going forward.

From April 28-30, a contingent of 2,000 directors, managers and representatives with electric cooperatives across the nation, including more than 100 from Georgia, spent time on Capitol Hill educating members of Congress and administration officials on priority issues that could adversely affect EMCs and their ability to provide safe, reliable and affordable electricity and related service. With a focus on investing in rural America, the three-day event included remarks from Federal Energy Regulatory Commission Chairman Neil Chatterjee, while U.S. Sen. Johnny Isakson (R-GA) was presented with the NRECA Distinguished Service Award to recognize his outstanding record of service not only to Georgia, but also to all of the nation’s electric cooperatives. The conference also provided attendees with opportunities to meet with key members of Congress, officials with the Rural Utilities Services (RUS) and other Washington opinion leaders.

BREMEMC’s IT staff has been working closely with our outage texting vendor to perform the necessary integrations between our outage management system and their texting interface, Manager Nelms reported. He hopes we can roll this service out to all members in early summer. Initially all members will be enrolled that have provided a cellphone number to the co-op. From there, members will have the opportunity to opt-out of the service. More details will be provided, as this solution gets closer to final roll out.

During the last week of May, all EMC staff members will be undergoing cybersecurity training provided by our IT Security consultant. Senior staff will also be receiving a full debrief by these consultants on the results of our recently conducted penetration test, along with a report on a vulnerability assessment and phishing effort results.

Manager Nelms shared an update on the TVA Board meeting held on May 8 in Franklin, TN. This was the first meeting with Jeffrey Lyash as the CEO. During this meeting, Skip Thompson from Alabama took over as Board Chairman. The content for the meeting was light, and there was no indication what direction TVA is going with the expected October 2019 rate increase. However, perhaps in a bit of foreshadowing, Mr. Lyash was quoted as saying, “Power rates are among the lowest I’ve seen, economic development efforts are above and beyond other utilities and there is a strong commitment to environmental stewardship, both in our day-to-day operations and in managing the public lands and waters entrusted to our care.”

EMP’s and the mitigation of impacts associated with those efforts has been an interest to some of our Members in recent months, Manager Nelms shared. He noted that President Trump has taken some interest on this topic as well. In fact, he signed an executive order in late March, ordering a review of electromagnetic pulse (EMP) and geomagnetic disturbance (GMD) risks to the electric grid and other critical infrastructure. EMP risks are defined as man-made sources, such as a high-altitude nuclear bomb detonation, and natural sources such as solar disturbances. A high-intensity surge of energy from these events has the potential to damage power delivery assets and impact bulk power system reliability. The order requires the Homeland Security, Energy, Defense, State, and Commerce departments, intelligence communities and other agencies to identify recommendations on available strategies and technologies to improve resilience and
protect against EMPs. The executive order encourages agencies to engage with private-sector partners and provide incentives for them to strengthen critical infrastructure against EMPs.

Along the same lines, Manager Nelms informed the Board that the Electric Power Research Institute had issued a report showing a high-altitude electromagnetic pulse (EMP) is unlikely to cause nationwide transmission grid failures or blackouts. The study found that existing resiliency on the grid likely would prevent catastrophic failure, but the initial pulse could damage or disrupt some transmission electronics. EPRI’s report identifies potential EMP threats to the transmission grid and possible ways transmission owners/operators can reduce impacts. EPRI’s report, the result of a three-year study on impacts of a high-altitude EMP on the grid, gives a less dire assessment of potential EMPs threats than outlined in other reports.

Fred Gray, Director of Operations, has been working with the supervisors in his Operations group to draft an Apprenticeship program to provide line personnel with a clear path for employee development, Manager Nelms shared. This will provide employees with clarity on what is expected of them and what it takes to be “topped out” in their classification. This guideline will also remove the subjectivity that has existed in the past. The hope is to have the plan in place by this summer.

Manager Nelms mentioned that BRMEMC participated in the 2019 Georgia Lineman’s Rodeo held on May 4th at Camp John Hope in Perry, GA. Byron McCombs, along with BRMEMC coaches, Eddy Partin and Fred Gray, and judges, Ryan Garrett and Randy Curtis, attended the popular family-friendly event, which celebrated its 25th year. The journeyman team members were Jason Cobb, Roy Hardman, and Derrick Lovingood. In addition, two lineman, Bradley Nuckolls and Steven Murphy participated as Apprentices. This year, there were 76 apprentices competing in four events: hurt-man rescue, tank mount arrester change and two mystery events. A total of 29 EMC journeyman teams battled each other in four events: hurt-man rescue, switch relocation and two mystery events.

BRMEMC’s Fleet staff was recently notified by our Ford dealers that they are no longer able to get F350 and F550 models due to an issue with a fuel tank supplier. The next time those trucks will be available is at the model year change. That said, we had several in this year’s budget that were in the process of being purchased. Due to the delay, management substituted the funds earmarked for those larger models in FY 2019 and instead bought the majority of the FY 2020 F150’s with those funds.

BRMEMC staff has been in contact with the property owners adjacent to the old EMC water tank on Mineral Springs Road in Young Harris. All those involved are aware of the proposed demolition plan and each have approved of the proposed plan and schedule. Our EMC equipment operators and crewmen will perform the work associated with this demolition. Fred Gray will oversee the work and also act as lead equipment operator. The plan will be to have this work completed by the end of June.

Manager Nelms informed the Board that the first meeting of the Nominating Committee is scheduled for 5 PM on May 23. Director Candidate Forms are due to the committee by June 26. The final meeting of the Nominating Committee is scheduled for June 27. Nominees will be
finalized at that meeting. After that, the only way to be included on the ballot is through the petition process. Petitions are due to Manager Nelms on July 15.

Other Business: None

Announcements:
None

After a break to thank members for attending the meeting, the board went into Executive Session at 8:57PM

The board came out of Executive Session

With no further business the meeting was adjourned at 10:13PM

Respectfully submitted, this, the 10th day of June 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 15th day of April 2019, were approved in Regular Session of the Blue Ridge Mountain EMC Board of Directors on the 13th day of May, 2019.

[Signatures]
Roy Perren, Secretary

Ray Cook, Board Chairman
FINANCE COMMITTEE MEETING

May 13, 2019

The Finance Committee of Blue Ridge Mountain Electric Membership Corporation met at 5 P.M. on May 13, 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 March 2019, giving a net loss of $534,224.96.
(c) Cash Position as of May 1, 2019.
(d) Disbursements-March, 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 – April, 2019
(f) Payment Contracts – Wolfgang & Tina Raffler $1,412.00 for Fiber Construction
(g) Aged Trial Balance – April, 2019
(h) Accounts Written Off – April, 2019 in the amount of $15,440.47
(i) Bankruptcy Report-March 2019 in the amount of $390,313.75
(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"