

BLUE RIDGE MOUNTAIN ELECTRIC MEMBERSHIP CORPORATION
BOARD MEETING MINUTES

January 19, 2021

The Board of Directors of Blue Ridge Mountain Electric Membership Corporation (BRMEMC) met in Regular Session on January 19, 2021. Board Chairman Ray Cook called the meeting to order at 5:51PM.

The invocation was led by Director Cook, followed by the Pledge of Allegiance led by Director Payne

The following Directors were present 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

The following Staff were recognized by the Chair and were present during Regular Session:
Erik Brinke, Interim General Manager
Charles Autry, Board Attorney

The following Staff were recognized by the Chair and were present during Regular Session via Zoom:
Amanda Holdaway, Director of Finance and Acct.
Fred Gray, Director of Operations
Daniel Frizzell, Director of Engineering
Kelly Crawford, Manager of Communications
Sonny Mahan, Director of Member Services

Upon request of Chairman Cook, the Meeting Agenda for January 19, 2021 was considered. A motion to approve the Agenda was approved by unanimous vote upon Motion by Director Payne seconded by Director Trull.

Upon request of Chairman Cook, the Minutes of the Board Meeting of December 8, 2020 were considered. A motion to approve the minutes was approved by unanimous vote upon Motion by Director Henson, seconded by Director Rogers.

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

Director Payne presented the Finance Committee report of the Committee meeting of January 19, 2021, 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 committee also reviewed first quarter financials

Director Rogers presented the Policy and Public Relations Committee report of the committee meeting of January 19, 2020. The Committee presented as a motion **Policy Bulletin No.528 – Wage and Salary Administration**. At the request of the Board of Directors this policy is being amended to include the Board of Directors' approval of salary, merit or bonus pay for employees in Pay Grade 12 and above when such pay is above the allotted percentage cost of labor increase approved in the annual budget or specific salary caps. The motion was seconded by Director Perren. After much discussion the motion was passed by unanimous vote of the Board.

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

Interim GM Brinke provided the financial report. As of November, we were 41.66% through the budget beginning with fiscal year July, 2020. Operating margins are strong and purchased power is right on target and on budget. We were at \$286 million in total utility plant. Purchased kWh was down year-over-year and kWh sold was down slightly, too. Operating margins were right in line with what we expected. Overall, YTD operating margins and expenses are very healthy for BRMEMC even with the major storm outages we experienced in the fall.

Member Comments:

None

Old Business:

RFP for Temporary Broadband Assistance

BRMEMC received bids back from the RFP announcement in December. From the pool of submitted RFPs it has been narrowed down to two local companies due to their bids being the lowest. Director of Operations Fred Gray and Director of Engineering Daniel Frizzell have scheduled meetings with each company on Wednesday, January 20, to confirm the bid pricing process each used. Fred and Daniel will be using two live projects to determine how each vendor prices the job, and determine how each plans to charge for the job. These two companies will be bidding on labor only and not materials at this time. From that live bidding process, a determination will be made on the lowest responsible bidder. Director of Operations Fred Gray would like to make an announcement soon in order to get the lowest bidder started working on projects as soon as possible. The Board approved allowing Management to award the bid upon completion of this final piece of due diligence.

New Business:

Community Connect Grant

The USDA Community Connect Grant in the Hanging Dog/Grape Creek area that will build out fiber optic internet service has been stalled for two plus years due to archaeological issues with the Trail of Tears and Unicoi Turnpike located in close proximity to the project. USDA will require BRMEMC to perform an archaeological study on portions of the underground sections,

but has committed to paying for the majority of the study. BRMEMC has received two bids to complete this archeological study. USDA has agreed to allocate additional funding to cover the cost of this study minus the matching portion. USDA will pay 85% of the total cost of \$82,025 leaving BRMEMC to pay the remainder at just over \$12,000. Director Payne made a motion, seconded by Director Lance, to approve the increase in the grant match previously approved by the Board. After discussion the motion was approved by unanimous vote of the board

Hanging Dog Substation Transformer Bids

Director of Engineering, Daniel Frizzell, stated that transformers and their associated bids, have a long lead time and we need to move forward getting these ordered. Construction on this substation will not begin until 2022, but we need approval from the Board to approve the bids at this time so that we get the transformers delivered in a timely fashion. Several detailed bids were provided to the Board, but the Waukesha bid was recommended to the Board for approval. Director Henson made a motion, seconded by Director Ledford, to move forward with the purchase of the Waukesha transformer bid. After discussion the motion was approved by unanimous vote of the board,

NRECA Annual Meeting and Regional Meeting Voting Delegate(s)

NRECA requires certification of a voting delegate and alternate voting delegate for their upcoming Regional and Annual Meetings. Previously, Interim General Manager Erik Brinke was listed as Voting Delegate and Board Director Danny Henson as the Alternate Voting Delegate. Director Rogers made a motion, seconded by Director Ledford, to certify Erik Brinke and the Voting Delegate and Danny Henson as the Alternate Voting Delegate for NRECA Annual and Regional Meeting. After discussion the motion as approved by unanimous vote of the Board.

RUS Form 7 Certification

Director Henson made a motion seconded by Director Lance to approve resolutions for Interim General Manager Brinke to be added to the list of those employees authorized to submit Form 7 and related financial information to RUS. After discussion the motion was passed by unanimous vote of the board.

USDA-RUS Audit

We had a positive result from our RUS Loan Fund and Accounting Review (LFAR) audit this year. These audits are conducted ever 4-5 years, and review all of the paperwork associated with RUS funding requests. The auditor was complimentary of the work Director of Finance and Accounting, Amanda Holdaway, Director of Engineering Daniel Frizzell, and their teams invested in the audit. Only one issue was identified with regard to a specific form that certain purchases need to be made on, but BRMEMC was told by the auditor that this should be considered exemplary given the long period of time between audits to only have a single issue identified.

Federated Insurance Renewal

The Board was presented information on the renewal of the Federated Insurance Workers Compensation premium for the year. The invoice from December 2020 is actually much less than last year's invoice, largely due to a reduction in our experience rating. The invoice was

paid in early January as it had a short payment window.

NRTC Voting Delegate Certificate

Director Rogers made a motion seconded by Director Henson to approve Erik Brinke to serve as NRTC voting delegate, with Danny Henson serving as Alternate Voting Delegate. After discussion the motion was approved by unanimous vote of the board,

Director Report:

Director Cook spoke about his contact with Pat Malone at WJUL about board summary will be sent to him monthly. The board summary is sent Shawn Jarrard at Towns County Herald/North Georgia News and Laurie Ross at the Clay County Progress

Manager Report:

1. Cost Allocation Manual to Georgia PSC
On January 12, 2021, BRMEMC received some good news. FEMA has declared Tropical Storm Zeta eligible for reimbursement under its Hazard Mitigation Grant Program for Towns, Union, and Fannin Counties in Georgia. What this means is that at least a portion of the storm restoration expenses suffered by BRMEMC during this event will be reimbursable to BRMEMC.
2. NRECA Debt Re-Pricing Push
On January 7, NRECA announced that it would be gearing up to press the new Congress and incoming Biden administration to support legislation that could save electric cooperatives more than \$10 billion by allowing them to reprice Rural Utilities Service loans at current low interest rates. Board members may recall that efforts late in 2020 focused on this exact effort, but the bill was not included in a year-end package passed in December by the last Congress. However, the Flexible Financing for Rural America Act has strong bipartisan support and is expected to be reintroduced in the 117th Congress. It could become part of a larger COVID-19 relief package that President-elect Joe Biden is urging lawmakers to pass early this year.
3. TVA STEM Grants to BRMEMC-served Schools
TVA recently announced that they have awarded another round of STEM grants to BRMEMC –served local schools. Towns County Schools was awarded \$1,500 for its robotics program in this most recent round, and Hiwassee Dam School has also been awarded funding for STEM.
4. Washington Youth Tour (WYT) Alternate Plans
Due to the pandemic, NRECA has decided to cancel the in-person Washington Youth Tour this year, but GEMC has scheduled a virtual event with guest speakers and other offerings for the students that would otherwise participate. This option allows us to stay on the local radar with students and our school systems while at the same time keeping us well below our budgeted amount for WYT expenditures. We believe strongly that we need to have a continued presence this year with our local students. Director Henson raised the question about why we would not use the full amount budgeted to increase the local scholarship

money to each participant. With consensus of the full Board, following Director Henson's suggestion, Staff will increase the amount of the scholarships awarded to each participant up to the total budgeted amount.

5. Broadband Technical Support Transition

The transfer to our new broadband technical support has been completed, and we are very pleased with the initial results. Alex King to provide a summary comment on our progress and experience thus far. Alex stated, "We officially transitioned our technical support services over to our new group of service representatives on December 28th. Two weeks in, and we are already receiving very positive feedback from our fiber optic members. As a reminder, with this technical support transition, our members now have access to 24/7/365 support and higher quality of support that is needed with the exponential growth of our fiber optic network". Daniel Frizzell echoed this sentiment, and said that he is very pleased with the quality of service we are receiving. BRMEMC remains excited about this new, high-quality service, and expects it will improve our competitive position in the community in terms of broadband sales.

6. FERC Complaint Filed Against TVA

On Monday, January 11, four TVA-served LPC's filed a complaint with FERC which, if successful, would require TVA to wheel transmission services to them. The four LPC's involved are Volunteer Energy Cooperative (VEC), Jo Wheeler EMC, Athens Utilities Board and Gibson EMC. Each of these individual LPC's has been wrestling with TVA over the long-term partnership program, alleged high-cost wholesale power fees charged by TVA, and assumed legal right to access TVA's grid for their own uses locally. TVA is mounting a robust legal fight on the matter, believes that TVA will prevail with FERC, and that the changes requested by the four LPC's are really more a matter for Congress and not FERC. TVA expects this fight to continue for quite a while, and we will just have to wait to see what impacts it might have on the overall TVA grid.

7. Finally, Interim GM Brinke thanked the Board for their support during his recent extended illness. Brinke reminded the Board that we have many employees and their family members who continue to struggle with various illnesses and challenges, and in particular several caused by COVID. Brinke pointed out that many have lost loved ones to this virus lately, and he asked that the Board join him in remembering, in a moment of silence, those in our community and beyond who have or continue to struggle against this virus and its terrible effects.

Other Business:

None

The board adjourned at 7:15PM before going into Executive Session

They came out of Executive Session. With no further business the meeting was adjourned at 8:05 PM.

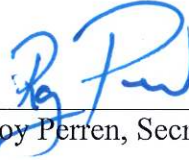
Respectfully submitted this the 3rd day of February, 2021.

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 19th day of January 2021, were approved in Regular Session of the Blue Ridge Mountain EMC Board of Directors on the 9th day of February 2021.



Ray Cook, Board Chairman



Roy Perren, Secretary