

BLUE RIDGE MOUNTAIN ELECTRIC MEMBERSHIP CORPORATION
BOARD MEETING MINUTES

July 21, 2020

The Board of Directors of Blue Ridge Mountain Electric Membership Corporation (BRMEMC) met in Regular Session on July 21, 2020, via Zoom. Board Vice- Chairman Bert Rogers called the meeting to order at 6:10PM.

The invocation was led by Director Rogers.

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

Danny Henson, Director
Jack Lance, Director
Jeff Ledford, Director
Gene Mason, Director
Cory Payne, Director
Roy Perren, Director
Bert Rogers, Director
Gayland Trull, Director

Ray Cook, President/Chair was absent from the meeting

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

Jeremy Nelms, General Manager
Charles Autry, Board Attorney
Amanda Holdaway, Director of Finance and Acct.
Fred Gray, Director of Operations
Daniel Frizzell, Director of Engineering
Sonny Mahan, Director of Member Services
Erik Brinke, Director of Administrative Services
Kelly Crawford, Manager of Communications

Upon request of Vice-Chairman Rogers, the Meeting Agenda for July 21, 2020 was considered. A motion to approve the Agenda was approved by unanimous vote upon Motion by Director Perren, seconded by Director Ledford.

Upon request of Vice-Chairman Rogers, the Minutes of the Board Meeting of June 9, 2020 were considered and approved by unanimous vote upon motion by Director Ledford, seconded by Director Trull.

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 of July 21, 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.

The Policy & Public Relations Committee did not meet this month.

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

General Manager Nelms presented the Financial Report

Member Comments:

Pat Malone presented via Zoom. Mr. Malone asked about the motion that was made at the May Board meeting to raise the customer charge \$3, but more specifically during the pandemic. Mr. Malone went on to say he would be supportive from a member perspective if the KWH rate was decreased and for part-time residents to pay their fair share of the customer charge along with full-time residents. Mr. Malone also said this motion was an example of why he had worked so hard to open board meetings to our members.

Old Business:

None

New Business:

Alternate Strategy for the Annual Meeting

General Manager Nelms submitted a recommendation to the Board to move the 2020 Annual Meeting to a drive-in style meeting at the headquarters of BRMEMC. Director Henson made a motion seconded by Director Ledford to hold a drive-in style annual meeting this year. After discussion the Board approved the motion by unanimous vote.

Director Reports:

Director Henson brought up the idea of going back to running a background check on candidates for the Board. Discussions were had and it was discussed to possibly present a bylaw amendment to be considered by the members in 2021.

Manager Report:

Disconnects and COVID Repayment Loans:

In compliance with Gov. Cooper's most recent executive order for utility disconnects, electric disconnects started this week for all members in Georgia and North Carolina. Additionally, Member Records staff has been working hard over the past two weeks to complete the setup of over 1,300 COVID Repayment Loans to ensure proper payback of any outstanding balances. The first installment of this repayment loan is set to hit affected members' statements starting in September.

Flexible Financing for Rural America Act:

Members of the Senate and House of Representatives have introduced the Flexible

Financing for Rural America Act of 2020 to reprice electric cooperative loans from the U.S. Department of Agriculture's Rural Utilities Service. Electric co-ops could realize \$10.1 billion in net present value savings from repricing \$42 billion in RUS loans. More than 500 electric co-ops in 41 states hold outstanding RUS debt. Repricing these loans without penalty would help manage consumer electric bills during this difficult economic period. As our current long term debt expense exceeds \$4.3 Million each year, this change could have significant financial implications for BRMEMC. Savings are estimated to be at least \$2 Million each year, depending on what interest rate is locked in at the time of amortization.

General Liability, Property, and Auto Insurance Renewal

Our general liability, property, and auto insurance renewal is up for renewal August 1. We have been with Federal Rural Electric Insurance Exchange (Federated) for the past three years. Prior to that we were with a broker through Regions Bank for many years. Since we have been with Federated for the past three years it was decided to allow others to have an opportunity seek to provide coverage. Federated's most recent quote reflects a 2.8% increase over the quotes from 2018. After reviewing the quotes from Regions, now McGriff Insurance, management proceeded with extending its relationship with Federated.

Healthcare Renewals

Initial indications of the upcoming healthcare renewal have not been promising according to our insurance broker, Austin Jett. He has shopped our most recent loss runs and many of the main providers have not shown any interest in bidding. His initial indications to staff are that we would be well served to stay with NRECA for another year. NRECA's renewal proposal will be coming out in September.

Partial Release of Lien Documentation submitted to RUS for GDOT Purchase

GDOT provided all the necessary closing documents for the six parcels they will be purchasing as part of the right of way acquisition that will impact the EMC property in Young Harris. All necessary paperwork for the release of lien from RUS, CFC, and CoBank has been submitted to the government. Once we have those documents, we can proceed with closing.

FY2020 Audit with Jackson Thornton

Jackson Thornton has indicated they will begin the FY 2020 audit starting next week. This audit will be done remotely in its entirety. We are hopeful we can have Woody on-site at the September Board meeting to review his report with the Board. If on-site is not possible, I am confident Woody will gladly conduct the review via conference call with the Board.

Post Retirement Benefit Obligation Analysis for FY 2020

NRECA recently sent over their FY 2020 analysis of the accumulated postretirement benefit obligation. The liability that the EMC carries for this benefit did increase this year. Two main reasons, first, the interest rates have lowered since the last analysis making the present value calculation larger than it was previously. Additionally, the recent early out ensured that more of this liability was recognized quicker, triggering this liability to increase. Will be scheduling a call with NRECA to ensure staff has a full understanding of these changes in the coming days.

Aska Fiber Extension

Per the Board's request, staff took another look at the potential fiber expansion for the Aska area of Fannin County. Instead of just focusing on the areas where people made the request, we looked at the potential for serving all consumers along this line. Staff will get back with board regarding price of phasing in construction.

Other Business:

None

The board adjourned at 7:35 before going into Executive Session

The came out of Executive Session. With no further business the meeting was adjourned at 8:20PM

Respectfully submitted, this, the 3rd day of August 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 21st day of July, 2020, were approved in Regular Session of the Blue Ridge Mountain EMC Board of Directors on the 11th day of August 2020.



Ray Cook, Board Chairman



Roy Perren, Secretary

FINANCE COMMITTEE MEETING

July 21, 2020

The Finance Committee of Blue Ridge Mountain Electric Membership Corporation met, via Zoom, at 5 P.M. on July 21, 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: Jeremy Nelms, General Manager, Amanda Holdaway, Director of Finance & Accounting, Sonny Mahan, Director of Member Services

The following reports were reviewed by the Committee:

- (a) **Operating Statement** for May 2020, giving a net gain of \$329,274.27.
- (b) **Cash Report – Source & Application of Funds—**May 2020.
- (c) **Cash Position** as of July 1, 2020.
- (d) **Disbursements**-May, 2020


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, 2020
- (f) **Payment Contracts** – Kurt L Carlson, 62 Blood Mountain Cove Rd, Blairsville, \$3,322.41, for Fiber construction
- (g) **Aged Trial Balance** – June, 2020
- (h) **Accounts Written Off** – None-due to suspension of disconnects for COVID-19 pandemic
- (i) **Bankruptcy Report**-June 2020 in the amount of \$53,799.65
- (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