

UNION ELECTRIC MEMBERSHIP CORPORATION

Monroe, North Carolina
Minutes of Board of Directors Meeting
June 15, 2019

Pursuant to due notice thereof, a regular meeting of the Board of Directors of Union Electric Membership Corporation (hereinafter called the "Cooperative") was held on June 15, 2019 at 9:00 a.m., at the Cooperative's headquarters office in Monroe, North Carolina.

All Directors were present. Also present were Greg Andress, Executive Vice President and General Manager, and Aaron Christensen, General Counsel. Additionally, Numa Robertson, Vice President Corporate Services, and Theresa Blackwell, Vice President Finance and Accounting, attended portions of the meeting.

With President Kirk presiding, the following proceedings were held:

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| Invocation | 1. | Mr. Starnes gave the invocation. |
| Approval of Minutes of Board Meeting | 2. | On MOTION by Mr. Turner, seconded by Mr. Porter, the minutes of the April 13, 2019 Board Meeting were approved. |
| New Member Applications | 3. | A total of 1,178 new members made application for service and those new members are now actively receiving electric service from the Cooperative. A total of 982 members resigned their membership. Thereafter, on MOTION by Mr. Turner, seconded by Mr. Porter, the following resolution was approved:

<div style="margin-left: 40px;">RESOLVED, the resignations and/or disconnections of resigning members is hereby accepted and approved. The applications of new members are hereby accepted and approved. A list of resigning members and new members is hereby directed to be filed in the official records of the Cooperative.</div> |
| Finance and Audit Committee Report on Review and Acceptance of Expenses | 4. | Mr. Kirk presented the Finance and Audit Committee report, indicating the Committee reviewed and approved all expenses for the Executive Vice President and General Manager. On MOTION by Mr. Starnes, seconded by Ms. Threat, the Board accepted the expense reports. |
| Financial Report | 5. | Ms. Blackwell presented the Financial Report, highlighting the balance sheet, statement of operations, and key financial ratios, as of April 30, 2019. On |

MOTION by Mr. Turner, seconded by Mr. Starnes, the Board accepted the financial report, a copy of which is attached to the minutes.

Legal Report

6. Mr. Christensen presented the Legal Report, including a review and summary of the affirmative action programs. On MOTION of Mr. Porter, seconded by Mr. Caudle, the Board adopted the affirmative action programs. There was further discussion of other legal matters. The Board agreed to proceed with a self-assessment survey regarding the internal governance and performance of the Board.

**Selection of Voting
Delegates for NRECA
Regional 1 & 4
Meeting, Sept. 4-6,
2019.**

7. Mr. Andress reported on the NRECA Regional 1 & 4 Meeting, scheduled for Sept. 4-6, 2019. On MOTION of Mr. Porter, seconded by Mr. Caudle, the Board appointed Mr. Andress as the voting delegate and Mr. Turner as the alternate delegate.

**CEO Evaluation and
Salary Adjustment**

8. On Motion and second, the Board moved to executive session for the discussion of personnel matters. After adjourning the executive session, upon due consideration and deliberation, and on MOTION and second, the Board increased the salary of Mr. Andress by eight percent (8%) for the next 12-month period, for an annual increase of \$32,640.00 over current salary.

**Union Services
Financial Reports**

9. Mr. Andress reported on financial performance metrics for Union Services and planning for a report on allocation of costs.

**Write-Off Summary of
Delinquent Accounts**

10. Mr. Andress presented a summary of write-offs for delinquent accounts, commenting on trends and the impact of bankruptcy proceedings.

Rate Protests

11. Mr. Andress reported on member requests for rate changes and credits retroactive to 1997 for an "all electric" status, explaining the process for correcting billing errors and the procedures for initial rate assignment to accounts. Rate changes have been implemented but retroactive credits were not provided. The Board declined to take further action on the matter.

**Safety Reports –
April/May 2019**

12. Mr. Andress presented the Safety Report, reporting on an employee injury involving the loss of a fingertip.

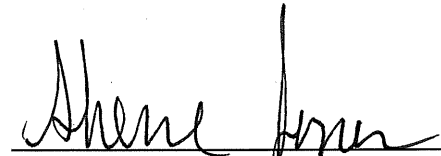
There being no further business, on MOTION by Mr. Turner, seconded by Mr. Porter, the meeting was adjourned at 1:00 p.m.

Respectfully submitted this 15th day of June 2019.

Approved:



Lee Roy Kirk, President



Sherise Jones, Secretary