

UNION ELECTRIC MEMBERSHIP CORPORATION

Monroe, North Carolina
Minutes of Board of Directors Meeting
October 12, 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 October 12, 2019, immediately following the Annual Meeting at Lee Park Baptist Church, 2505 Morgan Mill Road, Monroe, North Carolina.

All Directors were present. Also present were Greg Address, Executive Vice President and General Manager; Aaron Christensen, General Counsel; and Numa Robertson, Vice President Corporate Services.

With President Kirk presiding, the following proceedings were held:

Invocation

1. Mr. Starnes gave the invocation.

Election of New Officers for 2019/2020

2. The Board entered executive session, whereupon Mr. Address and Mr. Robertson excused themselves from the meeting for the duration of the executive session. Thereafter, the following Directors were elected by secret ballot to serve as officers for 2019/2020:

President - Lee Roy Kirk
Vice-President - Dent Turner
Secretary-Treasurer - Sherise Jones
Asst. Secretary-Treasurer - David Hyatt

The regular meeting resumed upon conclusion of the executive session.

Approval of Minutes of Board Meeting

3. On MOTION by Mr. Turner, seconded by Mr. Porter, the minutes of the August 10, 2019 Board Meeting were approved.

New Member Applications

4. A total of 1257 new members made application for service and those new members are now actively receiving electric service from the Cooperative. A total of 1074 members resigned their membership. Thereafter, on MOTION by Mr. Starnes, seconded by Mr. Caudle, the following resolution was approved:

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.

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| Review of 2019 Annual Membership Meeting | 5. | The Board reviewed the conduct of the annual meeting, commenting on the favorable facilities and staff performance. Mr. Address is directed to express the Board's appreciation for staff's efforts. |
| Finance and Audit Committee Report | 6. | 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 the Executive Committee, seconded by Mr. Turner, the Board accepted the Expense Reports. |
| Financial Report | 7. | Ms. Blackwell reviewed the Financial Report, highlighting the Balance Sheet, Statement of Operations, and Key Financial Ratios as of August 31, 2019. On MOTION by Mr. Porter, seconded by Mr. Starnes, the Board accepted the Financial Report, a copy of which is attached to the minutes. |
| Solar Installation | 8. | Mr. Address reported on a 399kw solar installation demonstration and training project on the roof of the new office facilities. On MOTION by Mr. Caudle, seconded by Mr. Hyatt, the Board approved the solar installation proposal and authorized Mr. Address to take all steps necessary for proceeding with the installation. |
| Legal Report | 9. | Mr. Christensen presented the Legal Report. On MOTION by Mr. Turner, seconded by Mr. Porter, the Board accepted the Legal Report. |
| Statewide, National and Local Updates | 10. | Mr. Address reported on various statewide, national and local matters. Mr. Robertson summarized progress on the building projects. |
| Write-Off Summary of Delinquent Accounts | 11. | Mr. Address commented on write-off of bad debts and delinquent accounts, as provided in the Board Packet. |
| Union Services Financial Reports | 12. | Mr. Address reported on financial performance metrics for Union Services. |
| FERC Ruling Update | 13. | Mr. Address reported on the FERC ruling in favor of the Cooperative, requiring Duke to pay the costs of a |

transmission line to the Larkhaven Substation in the vicinity of I-485 and Highway 24/27 and maintained as part of its bulk system

Safety Reports

14. Mr. Andress presented the Safety Report, reviewing safety performance measures and corresponding scorecard performance measures.

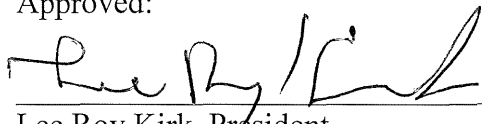
NRECA National Meeting and Director Education

15. Mr. Andress reported on the upcoming NRECA National Meeting scheduled for March 1-4, 2020, in New Orleans, LA and the pre-meeting educational programs, scheduled for February 27 – March 1, 2020.

There being no further business, on MOTION of Mr. Turner, seconded by Mr. Porter, the meeting was adjourned at 12:30 pm.

Respectfully submitted this 12th day of October 2019.

Approved:



Lee Roy Kirk, President



Sherise Jones, Secretary