

# UNION ELECTRIC MEMBERSHIP CORPORATION

Monroe, North Carolina  
Minutes of Board of Directors Meeting  
February 8, 2020

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 February 8, 2020, 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, Theresa Blackwell, Vice President of Finance and Accounting, attended portions of the meeting.

With President Kirk presiding, the following proceedings were held:

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| <b>Invocation</b>                           | 1. | B.L. Starnes gave the invocation.   |
| <b>Approval of Minutes of Board Meeting</b> | 2. | On MOTION and second, the minutes of the December 14, 2019 Meeting were approved.   |
| <b>New Member Applications</b>              | 3. | <p>A total of 961 new members made application for service during the period of December 1, 2019, through January 31, 2020, and those new members are now actively receiving electric service from the Cooperative. A total of 739 members resigned their membership during this same time period. Thereafter, on MOTION and second, the following resolution was approved.</p> <p style="margin-left: 40px;"><b>RESOLVED</b>, 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</p> |
| <b>Finance and Audit Committee Report</b>   | 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 and second, the Board accepted the expense reports.  |
| <b>Financial Report</b>                     | 5. | Ms. Blackwell presented the preliminary Financial Report, highlighting a favorable 2019 end-of-year statement of operations; various labor, revenue and expense statistics; the balance sheet; and other key financial data. Ms. Blackwell further reported on the balance sheet and other  |

metrics for Union Service. On MOTION and second, the Board accepted the financial report.

**Resolution for Sale of Property**

6. On MOTION and second, and by further unanimous written consent, the Board passed the attached RESOLUTION authorizing Mr. Andress to take all actions necessary to close the sale of approximately 30.21 acres of property located on Matthews-Weddington Road in Stallings, North Carolina. A copy of the resolution is attached hereto.

**Resolution to Adopt the 2020 Schedule of Regular Board Meetings**

7. On MOTION and second, the Board RESOLVED to establish the following dates for 2020 Regular Board Meetings:

- April 18, 2020;
- June 13, 2020;
- August 8, 2020;
- October 10, 2020, Lee Park Church, 2505 Morgan Mill Road, Monroe, North Carolina, 28110; immediately following the 2020 Annual Member Meeting and to include the election of officers; and
- December 12, 2020.

Except as noted above, meetings shall be conducted in the Board room at the Cooperative's headquarters facility, 1525 N. Rocky River Road, Monroe, North Carolina, 28110, commencing at 9 a.m.

A copy of the resolution is attached hereto.

**Legal Update**

8. Mr. Christensen reported on regional and national matters affecting the Cooperative industry. On MOTION and second, the Board accepted the legal report.

**Voting Delegates and Alternates**

9. On MOTION and second, the Board approved the following voting delegates and alternates for each of the identified entities:

<u>Entity</u>	<u>Voting Delegate and Alternate</u>
NCEMC	Mr. Andress and Mr. Kirk
NCAEC	Mr. Andress and Mr. Kirk
TEMA	Mr. Andress and Mr. Kirk

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| <b>Executive Session</b>   | 10. | On MOTION and second, the Board entered executive session to discuss legal and strategic matters relating to Union Power and Union Services and various corporate governance issues.  |
| <b>Governance<br/>Transparency</b>                               | 11. | Upon closure of executive session, and on MOTION and second, the Board directed Mr. Andress to post the Cooperative's IRS Form 990 and recent Board meeting minutes on the Cooperative's website.   |
| <b>Statewide, National and<br/>Local Updates</b>                 | 12. | Mr. Andress presented statewide, national and local updates, commenting on solar facilities and related strategic initiatives for the overall wholesale power portfolio, construction progress, general business developments, and other financial matters. |
| <b>Write-offs and<br/>Delinquent Accounts</b>                    | 13. | Mr. Andress reported on net write-offs of delinquent accounts, indicating a "net positive" based on collection of previous write-off accounts.  |
| <b>Safety Reports</b>  | 14. | Mr. Andress presented the Safety Report, reviewing safety performance measures on a monthly and year-to-date basis, reporting that there have been no safety incidents in the last two months.  |
| <b>NRECA In-House<br/>Director Training –<br/>March 20, 2020</b> | 15. | Mr. Andress reported on the upcoming in-house Director training and potential coordination with other cooperatives in the state.  |
| <b>NRECA Director<br/>Conference</b>                             | 16. | Mr. Andress reported on the NRECA Directors' Conference, scheduled for April 4-7, 2020, in Kansas City, Missouri.   |
| <b>Statewide Annual<br/>Meeting</b>                              | 17. | Mr. Andress reported on planning and coordination of the upcoming NCEMC Annual Meeting, scheduled for April 15-16, 2020.  |

There being no further business, then on MOTION and second, the meeting was adjourned at 12:35 p.m.

Respectfully submitted this 8<sup>th</sup> day of February 2020.



Sherise Jones, Secretary-Treasurer

Approved:



Lee Roy Kirk, President