

UNION ELECTRIC MEMBERSHIP CORPORATION

Monroe, North Carolina

Minutes of Board of Directors Meeting

December 12, 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 December 12, 2020, at 9:00 am, via electronic conference.

All Directors were present. Also present were Greg Andress, Executive Vice President and General Manager, and Aaron Christensen, General Counsel. David Gross, VP Engineering and Operations; Matt Baucom, Plant Development Engineer; and Theresa Blackwell, Vice President of Finance and Accounting; attended portions of the meeting.

With President Kirk presiding, the following proceedings were held:

Invocation

1. B.L. Starnes gave the invocation.

Approval of Minutes of Board Meeting

2. On MOTION and second, the minutes of the October 7, 2020 Board Meeting were approved.

New Member Applications

3. A total of 1,190 new members made application for service during the period of October 1, 2020, through November 30, 2020, and those new members are now actively receiving electric service from the Cooperative. A total of 844 members resigned their membership during this same period. Thereafter, on MOTION and second, 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

Finance and Audit Committee Report

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.

Financial Report

5. Ms. Blackwell presented the Financial Report, highlighting the balance sheet, statement of operations, and key financial ratios, all as of October 31, 2020. On

MOTION and second, the Board accepted the Financial Report.

**2021 – 2024
Construction Work
Plan**

6. Mr. Gross and Mr. Baucom presented the 2021 - 2024 Construction Work Plan, projecting 2% annual growth, increases in anticipated demand and consumption, and the addition of new overhead and underground services. They further commented on line replacement and upgrade projects, new and upgraded substations, and transmission projects. The cost projection for the work plan is estimated at \$87,224,750.00. On MOTION and second, the Board approved the Construction Work Plan.

**2021 Operating &
Capital Budget**

7. Ms. Blackwell presented the 2021 Operating Budget, highlighting the projected statement of operations, comparisons to prior projections and actual expenses, controllable expenses, and other related matters. On MOTION and second, the Board approved the 2021 Operating & Capital Budget.

Legal Report

8. Mr. Christensen gave a confidential legal update.

Executive Session

9. The Board entered a brief Executive Session. No action was taken.

Employee Benefits

10. On MOTION and second, the Board RESOLVED to extend the death benefit under the Retirement Security Plan and further authorized Mr. Address to take all necessary actions to effectuate the Plan Amendment, including execution of the Plan Resolution.

**General Manager's
Statewide, National and
Local Updates**

11. Mr. Address presented statewide, national and local updates, commenting on solar facilities and related strategic initiatives for the overall wholesale power portfolio, construction progress, potential meeting date conflicts, general business developments, and other financial matters.

**Resolution for 2021
Board Meeting Dates**

12. On MOTION and second, the Board resolved that the 2021 schedule for Regular Board Meetings is as follows:
- February 13, 2021
 - April 10, 2021
 - June 12, 2021
 - August 14, 2021

- October 9, 2021
- December 11, 2021

Resolution Recognizing Director 13. On MOTION and second, the Board passed a resolution recognizing the dedicated service of Mr. Starnes, a copy of which is attached hereto and incorporated as if fully restated.

Appointment of Voting Delegates for 2021 NRECA Virtual Annual Meeting 14. On MOTION and second, the following voting delegates for NRECA and CFC at the 2021 NRECA Virtual Annual Meeting, scheduled for February 22 - March 4, 2021, were approved:

NRECA	CFC
Delegate	Delegate
Mr. Turner	Mr. Turner
Alternate	Alternate
Mr. Kirk	Mr. Kirk

Write-offs and Delinquent Accounts 15. Mr. Andress reported on net write offs of delinquent accounts, the economic impact of COVID-19 on members, expected transition to normal operations and payment plans for delinquent accounts.

Union Services Financial Reports 16. Mr. Andress reported on financial performance metrics for Union Services, the anticipated allocation of cost model, and corresponding business strategy issues.

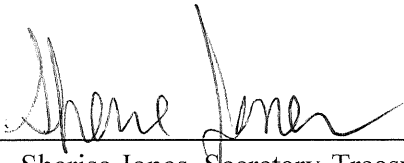
Safety Reports 17. Mr. Andress presented the Safety Report, reviewing safety performance measures on a monthly and year-to-date basis and reporting that there have been no safety incidents in the last two months.

Anticipated Escheats of Unclaimed Capital Credits 18. Mr. Andress reported on anticipated escheat of unclaimed capital credits.

Holiday Gift Project 19. Mr. Andress reported on the holiday gift project.

There being no further business, on MOTION and second, the meeting was adjourned at 11:15 am.

Respectfully submitted this 14th day of December 2020.



Sherise Jones, Secretary-Treasurer

Approved:



Lee Roy Kirk, President