

**Piedmont Electric Membership Corporation  
Hillsborough, North Carolina  
Board of Directors Meeting  
October 17, 2022  
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on October 17, 2022 pursuant to notice of date and time of said meeting at the headquarters of the Cooperative in Hillsborough, North Carolina.

The following members of the Board were present in person: Randy Kinley, Cy Vernon, David Poythress, V. Kay Scurlock-Ferguson, Steven Bailey, Richal Vanhook, Steve Long and Beth Townsend. Bill Barber participated via TEAMS. Also present in person was Steve Hamlin, President and General Manager, Susan Cashion, Vice-President, Compliance and Administrative Officer, Mike Parker, Attorney, Ed Durham, Director of Marketing for Piedmont Energy Services, and Scott Rowland, Manager of Information Technology. Participating via TEAMS were Lisa Kennedy, Vice-President of Financial Services, Robert Riley, Vice-President of Operations and Larry Hopkins, Vice-President of Engineering.

Mr. Barber asked the Vice-Chair, Mr. Kinley, to preside over the meeting since Mr. Barber was participating via TEAMS. Mr. Kinley called the meeting to Order.

Mr. Kinley presented Mr. Bailey with his Director's Certification.

The following business was discussed in various levels of detail.

1. Upon motion and second the Board approved the minutes from the September 19, 2022 meeting.
2. Upon motion and second the Board approved the summary minutes from the September 19, 2022 meeting.
3. Upon motion and second the Board approved the Monthly Safety Report unanimously.
4. Representatives of HomeServe joined the meeting via TEAMS. They did a follow-up session to respond to questions raised at the September Board meeting about HomeServe, a home repair service program. Ms. Dailey and Mr. Bowen were excused from the meeting. The Board discussed their concerns including use of the Piedmont brand in the event or problems with contractors of HomeServe. They also noted that many of the areas in the Piedmont territory have trouble finding contractors for home repairs and this could help. Mr. Durham has worked with HomeServe while he was employed elsewhere before

Piedmont and the relationship between HomeServe and its partner were positive. Upon motion and second the Board voted by majority to proceed with offering the HomeServe product to the members.

5. The Vice-President of Engineering informed the Board that:
  - a. Thermo Fisher was informed they would need to inform all members within 3,000 feet of the Mebane Oaks substation before installing a generator and he has not heard their response. He has been working with Thermo Fisher on a Memorandum of Understanding about system upgrades and expenses. He asked the Board to approve permitting Mr. Hamlin to sign a MOU once the details were completed and the Board agreed by consensus. Thermo Fisher will be on a large power rate and it should be a good load.
  - b. Approximately 81% of the new meters were installed as of September 30. The shortage in computer chips is causing issues with delivery but 1,000 more are expected in December and another 3,000 in April 2023. There are still some communications issues they are working to resolve.
  - c. He also presented a lease to extend an existing lease with Duke University on a buffer area around the Eubanks substation and a contract providing for the release of a Piedmont easement in return for a substituted easement. Piedmont is waiting on a survey from Orange County for the delivery point for the 100 KV line to bypass Eno substation.
6. The Vice President of Operations gave the operations report, informing the Board Piedmont had 165 outages from Hurricane Ian with a total of 8,773 members affected. Piedmont crews worked with several Georgia cooperatives and subcontractors and had all power restored by Sunday evening at 5:00 p.m. following the storm.
7. The Manager of Information Technology updated the Board on cybersecurity.
8. The Compliance and Administrative Officer gave an update on the Rural Economic Development Loan and Grant (“REDLG”) Program. She discussed several projects that may be funded under the Infrastructure Investment and Jobs Act.
9. Mr. Hamlin informed the Board that the first day of the Board Retreat on December 1 will consist of a trip to see the microgrid and storage battery at Wake EMC The second day of the Retreat on December 2 will include a political update and department presentations.

10. Vice-President of Financial Services:

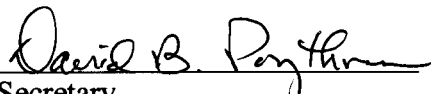
- a. Presented the Financial Report for September 2022. Equity is 32.25% compared to 2021 year-end equity of 32.40%. Piedmont has added 14.80 miles of line in 2022 and now has a total of 3,634.41 miles of line. Deferred storm recovery costs to date are \$140,845.93 and Piedmont has recovered \$63,213.85 of those expenses through the storm recovery rider leaving \$77,632.08 in unrecovered costs. These numbers are annualized and do not include any from Hurricane Ian. She additionally presented the Wholesale Power Cost Adjustment for September 2022. The calculated November 2022 retail WPCA credit related to power cost is \$0.00590 and the calculated WPCA charge related to the coal ash clean-up is (\$0.00472) resulting in a net calculated WPCA credit for November 2022 of \$0.00118.
- b. She noted the reduced margins as compared to 2021 are due in part to the ongoing meter project at an expense of approximately \$275,000 that will be moved to capital expenditures. Also, material expenses are up \$250,000 while right of way expenses and depreciation have increased by approximately \$250,000. Still another factor are the employee raises granted by the Board due to the high inflation.
- c. Additionally she presented the AP8 Work Orders for July and August 2022 totaling \$8,559,395.62. Upon motion and second the Board approved the Work Orders for July and August 2022.

The Board was reminded of the upcoming Personality Festival in Roxboro on October 29. The staff was excused at 5:00 p.m. for an executive session that ended at 5:25 p.m.

Mr. Kinley declared the meeting adjourned at 5:25 p.m. since there was no further business to come before the Board.

  
Chair

Attest:

  
Secretary