

Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
February 20, 2023
SYMMARY MINUTES

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on February 20, 2023 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: Bill Barber, David Poythress, V. Kay Scurlock-Ferguson, Steven Bailey, Richal Vanhook, Steve Long and Beth Townsend with Cy Vernon and Randy Kinley 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, Manager of 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 called the meeting to Order.

1. Upon motion and second, the Board approved the minutes from the January 16, 2023 meeting.
2. Upon motion and second, the Board approved the summary minutes from the January 16, 2023 meeting.
3. Upon motion by Mr. Vanhook and second by Mr. Long, the Board approved the Monthly Safety Report unanimously.

The staff was excused at 3:05 p.m. for an executive session that ended at 3:37 p.m.

1. The Vice President of Engineering reported that:
 - a. Piedmont has almost completed upgrades needed for the Thermo Fisher load and Thermo Fisher is behind schedule.
 - b. Landis+Gyr approved the seventeen additional gateways and 45

routers but will not get the equipment until this coming Fall.

c. He presented three contracts for approval. The first is a contract with Trachte for the Eubanks substation control facility for \$105,496.00.

Upon motion and second, it was approved. The second is a contract with Keystone for a relay panel to protect the transformers at the Eubanks substation for \$28,289.00. Upon motion and second it was approved unanimously. The last is a contract with ALCAD for station battery equipment for the Eubanks substation for \$26,860.00. Upon motion and second it was approved.

d. He reported that he was searching for property for a new substation to replace Buckhorn and asked the Board for authority to offer an agreed upon amount for the five or six acres needed. Upon motion and second, the Board authorized offering up to this agreed upon amount for the needed property.

e. Lastly, he reported that he is also searching for property for a new substation in the West Ten Road area due to the load growth in that area and asked the Board for authority to offer up to an agreed upon amount for the five or six acres needed there as well. Upon motion and second the Board authorized offering up to the agreed upon amount for the needed property.

2. The Manager of Energy Services reported on the loan program offered through Piedmont Electric. Since the program began in 1994, it has made 1,090 loans totaling \$6,442,523.45 and currently there are 148 outstanding loans totaling \$499,369.56. There have been only nine loans written off for \$12,629.79. Members who own their property and have a credit score of 680 or better are eligible for loans to install electric heat pumps, replacement doors and windows, solar panels and central air conditioning. Terms are up to seven years at an interest rate of 5% with a maximum loan of \$10,000.00. He is recommending adding new products including whole house or stand-by generation, level 2 EV charging stations with 240 V outlets, electric water heaters, well pumps, insulation, ductless mini-split systems and sealed crawl

space with an increase in the loan cap to \$15,000.00 and retain the 5% interest rate and seven-year term. Upon motion second, the Board approved the recommended changes to the PES loan program. Additionally, he reported that 46 members have signed up for the HomeServe Program. The Board asked that staff ensure that Piedmont not do any advertising for HomeServe.

3. The Vice President of Operations reported that:
 - a. Pike is requesting a 7% increase in their contract billing rate for 2023 due to increased labor costs, fuel costs and inflation. The Board by consensus agreed to offer 5%, the same increase Piedmont gave their employees.
 - b. He gave the update from operations, informing the Board that an employee has retired after 38 years and another is recovering from health issues.
 - c. He has threatened Lewis Tree with liquidated damages due to their being behind schedule for right of way clearing that was initially due to be completed by Mid-March of 2022. Lewis Tree asked that they be given 5 business days to get back on schedule and has brought in outside crews to assist Lewis with the work.
 - d. Lastly, he noted that Piedmont needs two additional line technicians but there are several good internal candidates.
4. There is an ongoing claim between Allegiant's insurance company and a local hog farmer.
5. The President & General Manager presented Policy 325 – Remote Work Guidelines with several technical corrections. Upon motion and second the Board approved the revisions to Policy 325 – Remote Work Guidelines.
6. The Compliance and Administrative Officer:
 - a. Gave an update on the Rural Economic Development Loan and Grant (“REDLG”) Program noting that \$4,514,975 is available for loans under the 5% cap and \$604,906 in the revolving fund.
 - b. The Efland Volunteer Fire Company is requesting a loan for the expansion of its main fire station. The Compliance and Administrative

Officer reported that the Eno Fire & Emergency Services, Inc. submitted a loan request for a loan to assist in the purchase of a 2023 4Guys Fire Engine. Upon motion and second, the Board approved a loan to Eno Fire & Emergency Services, Inc provided they pay the existing loan in full.

c. She presented a proposed change in the bylaws for the Piedmont Electric Helping Hand Foundation, Inc. (“PEHHF”) to allow remote meetings and consent to action without a meeting if all members consent in writing or electronically. It would also expand the definition of “churches” ineligible to receive contributions from PEHHF to include synagogue, mosque, temple or other religious organizations. Upon motion and second, the Board unanimously approved the recommendation bylaw changes for PEHHF.

d. Based on information received it is recommended that Piedmont EMC and PEHHF acquire solicitation licenses and applications will be submitted for both.

e. She reported a resignation from the PEHHF Board and recommended an appointment of a replacement. Upon motion and second the Board approved the appointment of a replacement to the PEHHF Board.

f. She further reported the EV charging station at Carrboro Plaza will be installed in March.

7. The Vice-President of Financial Services:

a. Presented the AP8 work orders for November and December 2022 totaling \$4,693,645.68. Upon motion and second the Board approved the work orders.

b. She then presented the Financial Report for January 2023.

c. January 2023 margins were approximately \$300,000 compared to January 2022 margins of approximately \$300,000 and margins as projected by the budget of \$400,000.

d. She then presented the Wholesale Power Cost Adjustment

(“WPCA”) for January 2023 The calculated March 2023 retail WPCA credit related to power cost is \$0.01368 and the calculated WPCA charge related to the coal ash clean-up is (\$0.00) resulting in a net calculated WPCA charge for March 2023 of \$0.01368.

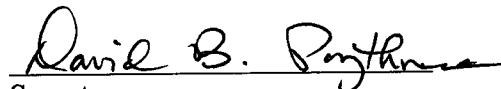
8. Mr. Hamlin reported that Duke Energy wants to switch from a summer peaking system to a winter peaking system due to changes in energy usage. This would have significant effects on the existing load control programs at Piedmont and could be considered as a material adverse ruling and trigger the process to allow a party to void the existing Power Purchase Agreement.

The staff was excused at 5:30 p.m. for an executive session that ended at 5:55 p.m.

Mr. Barber declared the meeting adjourned at 5:55 p.m. since there was no further business to come before the Board.


Chair

Attest:


Secretary

PEMC\Minutes 02/20/23