

Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
March 20, 2023
SUMMARY MINUTES

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on March 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, Cy Vernon and Randy Kinley. Also present in person was Steve Hamlin, President and General Manager, Susan Cashion, Vice-President, Compliance and Administrative Officer, Mike Parker, Attorney, 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. Also present was Russ Roundtree of the accounting firm of McNair, McLemore, Middlebrooks & Co and Stephanie Beauregard of Booth & Associates, LLC.

Mr. Barber called the meeting to Order.

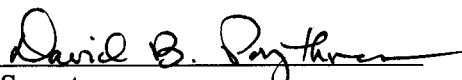
1. Mr. Kinley was recognized for achieving Director Gold status.
2. Mr. Roundtree presented the 2022 annual audit report for the Cooperative:
 - a. He reviewed the generally accepted auditing standards, noting that it was “clean audit” with no major issues, exceptions or audit adjustments. He concluded by stating there were no significant audit adjustments, no uncorrected material or immaterial misstatements and no disagreements with management; the staff was very cooperative.
 - b. The Board met in executive session with Mr. Roundtree beginning at 3:35 and ending at 3:40 and Mr. Roundtree was excused.
3. Ms. Beauregard presented the 2023 rate updates. She noted:
 - c. That wholesale power costs are up 11% since June 2022. Thus, she is recommending increasing facility charges by 5.5%

- a. Ms. Beauregard concluded by discussing changes due to increasing power costs and other expenses as well.
- b. Upon motion and second, the Board unanimously approved the recommended changes effective May 1, 2023. Ms. Beauregard was excused from the meeting at 4:00 p.m.
4. Upon motion and second, the Board unanimously voted to make Martin Luther King Jr. Day a paid holiday for employees beginning in 2024.
5. Upon motion and second, the Board approved the minutes from the February 20, 2023 meeting.
6. Upon motion and second, the Board approved the summary minutes from the February 20, 2023 meeting.
7. Upon motion and second the Board approved the Monthly Safety Report. Mr. Hamlin reported that Safety Manager has resigned and he is exploring the possibility of shared services with Wake EMC for safety management.
8. The Vice-President of Engineering reported that:
 - a. There is nothing new on meter installation and the Piedmont's new large industrial member. Upgrades are delayed due to building power distribution panels. The Town of Chapel Hill has approved the first of several steps necessary for the Genestu Transmission substation property.
9. The Vice-President of Operations reported that:
 - a. Operations had no major outages during the month and Pike agreed to a 4% increase in their contract price.
 - b. The insurance company has finally settled the claim by the Person County hog farmer.
 - c. Additionally, he reported that Lewis Tree has made great progress in right-of-way maintenance and has completed the work they were scheduled to complete in 2022 and could finish the work scheduled for 2023 by November.
10. The Vice-President, Compliance and Administrative Officer gave an update:
 - a. The Rural Economic Development Loan and Grant ("REDLG") Program noting that \$2,308,820 is available for loans under the 5% cap and \$375,650 in the revolving fund. No new requests came in during the month.

- b. She further reported that there is nothing new on the infrastructure application.
11. Mr. Hamlin presented a revised Policy 220 – Wage and Salary Plan. Upon motion and second, the Board unanimously approved the changes to Policy 220.
12. Mr. Hamlin informed the Board that ACRE is changing its name to America’s Electric Cooperative PAC due to confusion over what group ACRE was representing.
13. The Chief Financial Officer presented:
- a. The Financial Report for February 2023. Equity is 31.91% compared to 2022 year-end equity of 30.75%.
14. b. Additionally, she presented the Wholesale Power Cost Adjustment (“WPCA”) for February 2023. The calculated April 2023 retail WPCA credit related to power cost is \$0.01383 and the calculated WPCA charge related to the coal ash clean-up is \$0.00297 resulting in a net calculated WPCA charge for April 2023 of \$0.01680.
15. Mr. Hamlin reported that the independent cooperatives are forming a group to study the existing Power Purchase Agreement with Duke Energy due to the expected change from a summer peaking measurement to another peaking measurement.
16. The staff was excused at 4:45 p.m. for an executive session that ended at 5:50 p.m.
17. Mr. Barber declared the meeting adjourned at 5:50 p.m. since there was no further business to come before the Board.


Chair

Attest:


Secretary