

**Piedmont Electric Membership Corporation**  
**Hillsborough, North Carolina**  
**Board of Directors Meeting**  
**June 19, 2023**  
**SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on June 19, 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: Bill Barber, David Poythress, V. Kay Scurlock-Ferguson, Steven Bailey, Richal Vanhook, Steve Long, Cy Vernon, Randy Kinley and Beth Townsend. Also present was Steve Hamlin, President and General Manager, Angie Jones, Manager of Human Resources, 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, Larry Hopkins, Vice President of Engineering and Mike Johnson, Supervisor of Right of Way.

Mr. Barber, the Chair, called the meeting to Order.

1. Mr. Parker conducted the election of officers. Mr. Barber announced that he would not be seeking the position of Chair. Mr. Kinley was elected as Chair of the Board, Mr. Bailey was elected as Vice-Chair, Mr. Vanhook was elected as Treasurer and Mr. Poythress was elected as Secretary. Mr. Kinley asked that Mr. Barber conduct this meeting as his last as Chair.
2. Upon motion and second the Board approved the minutes from the May 15, 2023 meeting.
3. Upon motion and second the Board approved the summary minutes from the May 15, 2023 meeting.
4. Upon motion and second the Board approved the minutes from the April 20, 2023 Annual Meeting unanimously.
5. Upon motion and second, the Board approved the Monthly Safety Report. The President & General Manager reported on two very minor accidents.
6. The Vice-President of Operations gave the operations report, informing the Board of outages in the Efland community from a storm on June 16th with all power restored

within two and a half hours. An operations employee has been promoted to Job Training & Safety Coordinator. Two new line technicians were hired this month and crew leader retired.

7. The Vice President of Engineering reported:

- a. That the power usage by our largest commercial member dropped significantly during the month. Piedmont is monitoring their demand to ensure it stays within the constraints from Duke Energy for wholesale power delivery. Piedmont expects the first new transformer to be delivered in December 2023 and the second in August 2024.
- b. 30,595 new meters are now installed and the project is 89% complete.
- c. The Board inquired about prioritizing power restoration to businesses at risk. Piedmont maintains a list of priority members and the Board suggested it be reviewed and updated.

8. The Vice-President of Engineering reported:

- a. That Federated Insurance has agreed to cover the damages suffered by a member from power being disconnected to his greenhouse. An offer was submitted and they are waiting on the paperwork.
- b. That Lewis Tree has completed the right-of-way trimming scheduled for 2022 and it appears they will finish the 2023 work schedule before the end of this year.

9. Mr. Parker and Mr. Hopkins updated the Board on the ongoing discussions with a member with reference to requested change in the route of a distribution line and a planned upgrade and installation of underground service to her residence.

10. The President and General Manager:

- a. Presented the Rural Economic Development Loan and Grant (“REDLG”) Program update noting that \$1,668,263 is available for loans under the 5% cap and \$245,211 in the revolving fund.
- b. He also presented a new loan request from the Hurdle Mills Volunteer Fire Department for a \$507,000.00 loan to purchase a new fire truck that will cost between \$700,000.00 and \$750,000.00. This will require a loan since there are not enough funds in the revolving account to fund the loan. Upon

— motion by Mr. Kinley and second by Mr. Vernon, the Board approved the loan request from the Hurdle Mills Volunteer Fire Department.

- c. He presented a Certificate of Incumbency and Borrowing Resolution requested by First Horizon Bank to authorize Mr. Hamlin to borrow money and sign the appropriate documentation. Upon motion and second the Board approved the Certificate of Incumbency and Borrowing Resolution for Frist Horizon Bank.

11. The Supervisor of Right of Way :

- a. Reviewed the right-of-way maintenance plan. Piedmont maintains 72 miles of transmission 100' right of way plus removal of danger trees on a five-year cycle and 1,880 miles of 30' distribution right of way on a three-year cycle. The substations and pole yards are treated annually with herbicides. Transmission lines are treated with herbicides every three years. Piedmont cuts and treats stumps in the distribution lines and mows all no-spray zones every three years. Piedmont will provide "no spray" signs if the member notifies Piedmont they object to the use of herbicides.
- b. Because of a member inquiry he further discussed the issues with treating right of way as native prairie. This would require ownership and not easements for right of way or the landowner's permission and that be problematic with 33,000 members. Additionally, there are significant costs involved in maintenance of native prairie due to the removal of large vegetation growth and preparing the soil for planting. Also, there is the issue of keeping vehicles and recreational vehicles out of the native prairie area.

12. The Vice-President of Financial Services:

- a. Presented the AP8 work orders for March and April 2023 totaling \$1,763,106.03. Upon motion and second the Board approved the March and April 2023 work orders.
  - b. Presented the Financial Report for May 2023. Equity is 31.23% compared to 2022 year-end equity of 30.75%. The updated deferred storm recovery costs to date are \$202,161.38 and Piedmont has recovered \$12,376.16 through the storm recovery rider, resulting in an under-recovery of
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\$189,785.22 of recovered costs.

- c. Presented the Wholesale Power Cost Adjustment (“WPCA”) for May 2023  
The calculated July 2023 retail WPCA charge related to power cost is  
\$0.01386 and the calculated WPCA charge related to the coal ash clean-up is  
\$0.00297 resulting in a net calculated WPCA charge for July 2023 of  
\$0.01683.

13. The President & General Manager discussed possible field trips for upcoming Board retreats. He informed the Board of the opportunity to tour the Rose Acre Farms microgrid for a chicken operation but it would have to be in October. The Board suggested a possible tour of Thermo Fisher instead since they had visited a microgrid hog operation previously. He suggested that they wait until Thermo Fisher was in full operation next year.

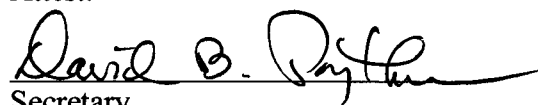
14. The Board questioned the recent mailing of promotional material from HomeServe using Piedmont’s logo on both the letter and the return envelope due to their concerns over the association with Piedmont’s name and brand.

The staff was excused at 3:50 p.m. for an executive session that ended at 6:20 p.m.

Mr. Barber declared the meeting adjourned at 6:20 p.m. since there was no further business to come before the Board.

  
Chair

Attest:

  
Secretary