

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
July 17, 2023
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on July 17, 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 and Randy Kinley; Beth Townsend attended via TEAMS. Also present was Steve Hamlin, President and General Manager, Susan Cashion, Vice-President, Compliance and Administrative Officer, Angie Jones, Manager of Human Resources, 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. Kinley, the Chair, called the meeting to Order.

1. Upon motion and second the Board approved the minutes from the June 19, 2023 meeting.
2. Upon motion and second the Board approved the summary minutes from the June 19, 2023 meeting.
3. Upon motion and second the Board approved the Monthly Safety Report
4. The Vice President of Operations explained an incident that occurred during the month resulting in damage to a pole.
5. The Vice President of Engineering reported that:
 - a. Piedmont's new largest commercial member increased its current load to 1.5 megawatts. Piedmont is still waiting to receive the equipment to upgrade the Mebane Oaks substation.
 - b. 90% of the new meters were installed as of the end of June.
 - c. The successful bid for protective equipment for the North Roxboro substation was from Keystone for \$31,749.14. Upon motion and second the Board approved awarding the contract for the equipment to Keystone.

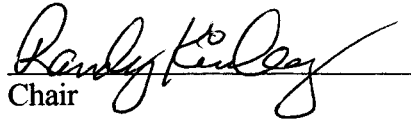
6. The Vice President of Operations gave the operations report, informing the Board it has been a busy month with frequent pop-up thunderstorms resulting in outages and loss of the Little River substation for a while due to a lightning strike.
7. Piedmont promoted Chris Berry as its new Job Training & Safety Coordinator and hired Logan Robinson and Jacob Crabtree as new Line Technicians. Piedmont has a new intern from Cedar Ridge High School.
8. The Vice-President, Compliance and Administrative Officer, presented the Rural Economic Development Loan and Grant (“REDLG”) Program update noting that \$1,803,005 is available for loans under the 5% cap and \$252,927 in the revolving fund. There are no new loan requests.
9. The Manager of Information Technology gave the second quarter update on cybersecurity issues. He explained the NRECA Coops Cyber Goals Program with ten goals to be achieved to become more secure. As a part of these goals, he will do leadership training for the Board at the October meeting that will include a video.
10. Fiber repairs are already over \$100,000 to date for 2023. Staff will investigate the expense of having a Piedmont employee trained to do repairs and the equipment needed.
11. The President and General Manager reported the matter involving damages suffered by a member from power being disconnected to his greenhouse was resolved by Federated without cost to Piedmont.
12. The Manager of Piedmont Energy Services informed the Board that Piedmont would have to refund the \$20,000 branding fee to HomeServe if Piedmont decides to terminate the contract with HomeServe that began in February 2023. There are two mailings that have gone out to date and one is on hold due to concerns and questions the Board raised about HomeServe using the Piedmont brand. Ms. Townsend moved to complete the current year and reevaluate before renewing the contract with HomeServe next February. Mr. Poythress seconded that motion but the motion failed on a vote of three to five with Ms. Townsend, Mr. Poythress and Mr. Vanhook voting in favor of the motion. Mr. Barber then moved to terminate the contract and, upon a second by Mr. Vernon, the Board voted to terminate the contract with HomeServe with Ms. Townsend and Mr. Poythress voted against the motion.
13. The Vice-President of Financial Services presented the Financial Report for June 2023. The updated deferred storm recovery costs to date are \$202,161.38 and Piedmont has recovered

— \$25,225.29 through the storm recovery rider, resulting in an under-recovery of \$176,936.09 of recovered costs. Additionally, she presented the semi-annual charge-offs for the period January 1, 2022 through June 30, 2022 totaling \$59,407.28 for 183 accounts. This is approximately \$15,850.00 less than for the same period last year even though it involves 31 more accounts. Upon motion and second the Board approved the charge-offs for the period January 1, 2022 through June 30, 2022.

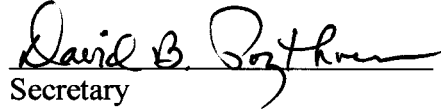
14. The President and General Manager discussed the equity ratio, noting his concern the current trend upward will not continue. He discussed several possible solutions. Stephanie Beauguard of Booth & Associates suggests an adjustment based on TIER combined with the wholesale power cost. Another option would be to defer the next general capital credit retirement until January 2024 and still another would be to delay some planned capital projects. Upon motion by Mr. Barber and second by Ms. Townsend, the Board voted unanimously to notify the membership of a potential adjustment based on TIER necessary to generate sufficient capital to maintain equity.
15. The Human Resources Manager reported on five new hires: two new Line Technicians, an Engineering Technician I, an Engineering Technician II and a Member Service Representative for the Roxboro office.
16. The Board raised concerns about the appearance of nepotism resulting from hiring relatives of current employees. Some cooperatives have policies that prohibit the hiring of people with any familial relationship. Mr. Parker will inquire about anti-nepotism policies for other North Carolina cooperatives.
17. Mr. Bailey reported that the sheriff's office in Person County had warned of a potential scam involving calls telling people they had not paid their Piedmont statements.
18. The Board will receive a list of the members in District 6 to consider possible candidates to replace Ms. Townsend.

— The staff was excused at 5:20 p.m. for an executive session that ended at 5:55 p.m..

Mr. Kinley 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 07/17/23