

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
January 16, 2024
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on January 16, 2024 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: Randy Kinley, Cy Vernon, Steven Bailey, David Poythress, V. Kay Scurlock-Ferguson, Richal Vanhook, Steve Long, Darren Chalk and Jimmy Thomas. Also present in person were Steve Hamlin, President and General Manager, Angie Jones, Manager of Human Resources, Brandon Reed, Manager of Member Services and Public Relations, Mike Parker, Attorney, and Scott Rowland, Manager of Information Technology. Participating via TEAMS were the following staff members: Larry Hopkins, Vice-President of Engineering, Lisa Kennedy, Vice-President of Financial Services and Robert Riley, Vice-President of Operations.

Mr. Kinley, Chair, called the meeting to Order and offered an invocation.

1. Mr. Parker administered the oath of office to the new Board members, Darren Chalk and Jimmy Thomas and all directors signed their annual recertifications of Director Qualifications.
2. Upon motion and second, the Board approved the minutes from the December 18, 2023 meeting.
3. Upon motion and second, the Board approved the summary minutes from the December 18, 2023 meeting.
4. Upon motion and second, the Board approved the Monthly Safety Report . The employee injured when he lost his footing on a backhoe was at work the next day.
5. The Manager of Information Technology:
 - A. Gave the cybersecurity report for the 4th quarter. He also reported on two fiber repairs; one on Dairyland Road from a squirrel and one due to a gun shot. Piedmont spent over \$300,000 on fibers repairs in 2023.
 - B. He also reviewed the current IT projects and the funds that are potentially available

from the infrastructure legislation.

- C. Additionally he presented a proposed amendment to Policy 317 to require the President and General manager to approve any use of Artificial Intelligence (“AI”). Under the proposed change the employee would still be responsible for the accuracy of any AI and any employee who repeatedly violated the policy could be subject disciplinary action and loss of access to the AI engines at the Piedmont firewall. The Board suggested that the last two sentences regarding the penalties be removed and the policy be brought back to the Board for consideration.
- 6. The Manager of Human Resources discussed a proposed revision to Personnel Policy 223 regarding tattoos. Upon motion and second the Board voted to leave the policy as it is currently written except to require tattoos be covered while on duty and to remove the last two sentences regarding grandfathering employees with tattoos.
- 7. The Manager of Member Resources informed the Board that a Cooperative Services Center, Inc. (“CSC”) employee retired at the end of the year and staff would like to make it a Piedmont position since this employee works exclusively for Piedmont. Upon motion and second, the Board voted to move the position from CSC to Piedmont. Additionally he reported that a member complaint has been resolved.
- 8. The Vice-President of Engineering reported that:
 - A. There is nothing new to report on Thermo Fisher; their load remains at 1.2 to 1.3 megawatts. Duke Energy is in the process of upgrading their transmission.
 - B. That all of the gateways for the new meter project are installed.
 - D. He also presented a proposed contract for 2024 with Electrical Consulting Engineers (“ECE”) as the designated consulting engineer with RUS with their labor rates increasing by approximately 3.8% over the 2023 contract. Upon motion and second, the Board approved the contract for 2024 with ECE as the designated consulting engineer.
 - E. Lastly he reported that Piedmont should be hearing something soon on the grant proposals for the ERA-IIJA application.

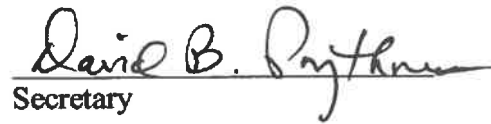
9. The President and General Manager asked the Board of their interest in a possible Indefeasible Right of Use (“IRU”) through ECC Technologies. The Board asked that he make inquiry as to whether the Operations and Maintenance fees can be adjusted for inflation. The Board, by consensus, indicated they wanted to proceed with the possible IRU. Additionally, he presented the Rural Economic Development Loan and Grant (“REDLG”) Program update. There were no new loan requests.
10. The Vice President of Operations gave the operations update noting the storm that occurred the second week of January caused 5,000 members to lose power but all power was restored in one and one-half days. Four Lee Electric crews were called in to assist with the restoration effort.
11. The Vice-President of Financial Services:
 - A. Presented the semi-annual charge-offs for the period from July 1, 2022 to December 31, 2022 noting a total of \$45,196.09 for 178 accounts. Upon motion and second, the Board approved the charge-offs as presented.
 - B. She also presented the AP8 work orders for September and October 2023 totaling \$1,993,690.56. Upon motion and second, the Board approved the September and October 2023 work orders.
 - C. She also presented the Financial Report for December 2023.
 - D. Finally, she presented the Wholesale Power Cost Adjustment for December 2023. The calculated February 2024 retail WPTA charge related to power cost is \$0.01314; the calculated WPTA charge related to the coal ash clean-up is \$0.00183; the calculated WPTA related to TIER adjustment is \$0.00816 resulting in a net calculated WPTA charge for February 2024 of \$0.02313.
12. The President and General Manager reported that the wholesale power proposals that were submitted are still being analyzed.
13. Mr. Vernon asked about the email the Board members received regarding DEI training and Ms. Jones informed the Board that it was sent to them by accident. It is required for employees.

The staff was excused at 5:15 for an executive session that ended at 7:00 p.m.

Mr. Kinley declared the meeting adjourned at 7:00 p.m. since there was no further business to come before the Board.


Chair

Attest:


Secretary

PEMC\Minutes 01/16/24