

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
February 19, 2024
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on February 19, 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, Larry Hopkins, Vice-President of Engineering, Steve Jones, General Plant Supervisor, Leslie Brooks, Supervisor of Financial Accounting, Angie Jones Manager of Human Resources, Mike Parker, Attorney, and Scott Rowland, Manager of Information Technology. Participating via TEAMS were the following staff members: Lisa Kennedy, Vice-President of Financial Services and Brandon Reed, Manager of Member Services and Public Relations.

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

1. Mr. Kinley recognized Mr. Vanhook and Mr. Vernon for receiving Director Gold certificates.
2. Upon motion and second the Board approved the minutes from the January 16, 2024 meeting.
3. Upon motion and second the Board approved the summary minutes from the January 16, 2024 meeting.
4. Upon motion and second the Board approved the Monthly Safety Report.
5. The President & General Manager reported that a member posted a message on the website complaining about the TIER adjustment on the monthly bills. A staff representative sent her a written explanation of the reason for the TIER adjustment that seems to have resolved her concerns.
6. Staff presented the annual vehicle inventory report which resulted in questions that will be researched and answered at the March Board meeting.

7. The Vice-President of Engineering reported that the transformer that will ultimately be necessary to serve our new large industrial member when they are running at capacity will not be delivered until next August. When Duke Energy completes the transmission upgrades, Piedmont will move the mobile transformer to serve this load pending delivery of the new transformer. He also reported that all of the gateways for the new meter project are installed.
8. The Board discussed the process of re-energizing a premise when an electrician pulls the meter. After a long discussion, Mr. Bailey moved to allow a maximum of three business days to get the service re-inspected when the meter is pulled but require the member to sign a waiver and indemnification agreement at one of the offices if they are open and, in the field, if they are not, providing photo identification that Piedmont will copy when they sign it. Mr. Thomas seconded the motion and it passed with Ms. Scurlock-Ferguson voting against the motion.
9. The Vice-President of Engineering reported he has met with Dominion Energy to discuss the Moriah Energy Center and there is general consensus on how to proceed. They hope to have an agreement in writing soon. There will be a significant up-front contribution in aid of construction.
10. Operations reported that it was a relatively quiet month. The pole top rescue event is planned for April and the Board members are invited to attend.
11. Manager of Member Services and Public Relations updated the Board on activity by the Political Action Committees ("PAC"), noting they have donated funds to support five candidates for the North Carolina legislature who have positions favorable to cooperatives. Piedmont territory includes portions of three congressional districts and the PACs have supported those legislators too.
12. He also discussed a new position to be known as a Member Relations Specialist that would be a promotion from within of an existing Member Services Representative rather than adding an additional employee. This specialist would be more proactive in member relations. The Board decided to table consideration until the job description is complete.
13. The Rural Economic Development Loan and Grant ("REDLG") Program update noted that \$2,287,573 is available for loans under the 5% cap and \$580,314 in the revolving fund. The White Cross Volunteer Fire Department submitted a new loan request of \$778,000 to be

used to purchase a new Four Guys Spartan Engine fire truck with a total cost of \$973,000. It will take 900 to 1080 days to receive the new fire truck once ordered. Upon motion and second the Board approved the \$778,000 loan request from the White Cross Volunteer Fire Department.

14. The President and General Manager presented the revised Policy No. 317 to add the provision regarding the use of artificial intelligence. Upon motion and second the Board approved Policy No. 317 as revised.
15. The Vice-President of Engineering and the Vice-President of Financial Services presented the four-year workplan. RUS Form 740-C is essentially a spreadsheet of carryover projects in progress, expenses related to the basic operation of the electrical system, projected growth requiring expansion of the physical plant. It projects financial requirements of approximately \$81 million. Piedmont will submit a loan package seeking RUS approval of a \$72 million loan. Upon motion and second the Board unanimously approved the work plan and submission of the RUS loan package as presented.
16. Additionally, as part of the four year workplan, the President and General Manager requested the Board increase the debt ceiling, currently at \$250 million to \$350 million. RUS considers the original face value of any outstanding loan even if it has been substantially repaid. Upon motion and second, the Board approved increasing the debt ceiling to \$350 million.
17. The Vice-President of Financial Services presented the AP8 work orders for November and December 2023 totaling \$2,600,018.36. Upon motion and second the Board approved the November and December 2023 work orders. Additionally, she presented the Financial Report for January 2024 which are also the year-to-date financials. Equity is 32.08% compared to 2023 year-end equity of 31.88%. Deferred storm recovery costs to date are \$202,161.38 and Piedmont has recovered \$148,329.56 of those expenses through the storm recovery rider leaving \$53,831.82. The costs of the storm the second week of January will be added to the deferred costs in May.
18. She also presented the Wholesale Power Cost Adjustment for January 2024. The calculated March 2024 retail WPTA charge related to power cost is \$0.01103; the calculated WPTA charge related to the coal ash clean-up is \$0.00189; the calculated WPTA related to TIER adjustment is \$0.00817 resulting in a net calculated WPTA charge for March 2024 of

\$0.02109.

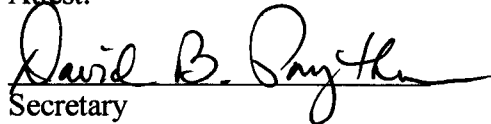
19. The President and General Manager reported that Enervision is still analyzing the wholesale power proposals that were submitted.

The staff was excused at 5:00 for an executive session that ended at 6:05 p.m.

Mr. Kinley declared the meeting adjourned at 6:05 p.m. since there was no further business to come before the Board.


Chair

Attest:


Secretary

PEMC\Minutes 02/19/24