

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
June 17, 2024
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on June 17, 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, Steve Long, Darren Chalk and Jimmy Thomas. Mr. Vanhook was absent due to his attendance at the CFC Forum 2024 for the NCSC District 1 director election. Also present in person were Steve Hamlin, President and General Manager, Susan Cashion, Vice-President, Compliance and Administrative Officer, Angie Jones, Manager of Human Resources, Mike Parker, Attorney, and Scott Rowland, Manager of Information Technology. Participating via TEAMS were Larry Hopkins, Vice President of Engineering, Lisa Kennedy, Vice President of Financial Services and Robert Riley, Vice-President of Operations. Also present was Nelle Hotchkiss, Senior Vice President and COO of the Association Services Division of the North Carolina Association of Electric Cooperatives.

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

1. By consensus, the Board agreed to wait until they returned from the trip to the ABB transformer plant in South Boston, VA on June 18, 2024 to conduct the Board elections so Mr. Vanhook could participate.
2. Upon motion and second, The Board approved the minutes from the May 20, 2024 meeting with one change to indicate Mr. Kinley was not present at a meeting with property owners to discuss concerns and potential alternative routes for a new transmission line.
3. Upon motion and second, the Board approved the summary minutes from the May 20, 2024 Board meeting.
4. Upon motion and second, the Board approved the Monthly Safety Report. There were two incidents during the month resulting in verbal warnings. The Board asked about the review of unscheduled inspections which the report indicated was only 25% complete, however, Mr. Riley explained that all of the safety issues have been addressed.

5. Ms. Hotchkiss updated the Board on legislative issues affecting cooperatives and gave an overview of the upcoming elections. She informed the Board the Mountain Valley Pipeline is now operational. Ms. Hotchkiss was excused at 3:53 p.m.
6. The Vice-President of Engineering reported the following:
 - A. About a meeting with the landowners for right of way to a proposed transmission line.
 - B. The transformers for the Mebane-Oaks substation have been delayed until probably October. The mobile transformer is in use at the Carrboro substation and the mobile substation will be used at Mebane Oaks until the new transformers arrive.
 - C. That the layout for the proposed West Ten substation is complete. He asked the Board to authorize the needed expenditure for a site near Bushy Cook Road in Efland for a new substation there. Upon motion and second the Board voted to authorize the expenditure for a site near Bushy Cook Road for a substation.
 - D. Discussed changes in pricing for labor and materials for contribution in aid of construction. He requested a 7% increase in labor expense, a 1.4% increase in benefits, a 3.9% increase in transportation expense and a 10% decrease in material costs, all based on 2023 pricing. Upon motion and second the Board approved the requested changes in pricing for contribution in aid of construction.
7. The Vice President of Operations reported that the transition of the 44KV line to a 100 KV line is complete. He noted an outage at Eno South on June 3 that lasted about an hour. Otherwise, it was a reasonably normal month in operations.
8. The Vice-President, Compliance and Administrative Officer reported that there are no new Rural Electric Development Loan and Grant ("REDLG") requests. There is \$989,380 in funding available through the revolving fund and \$1,547,865 available for loans under the 5% cap. The Allensville Volunteer Fire Department loan closed on June 7th. The White Cross Volunteer Fire Department has met the necessary financial requirements for their loan. The Orange Rural Fire Department loan request was approved by the North Carolina REA.
9. The Vice President of Financial Services presented the AR45 work orders for March and April 2024 totaling \$1,318,226.52. Upon motion and second the Board approved the March and April 2024 work orders. She also presented the Financial Report for

May 2024. The storm recovery deferred storm costs were reset and are now \$978,935.86 and Piedmont has collected \$55,273.57 through the storm rider leaving a balance of \$923,662.29. Additionally, she presented the Wholesale Power Cost Adjustment for May 2024. The calculated July 2024 retail wholesale power cost adjustment related to power cost is 0.00043; the calculated wholesale power cost adjustment related to the coal ash clean-up is 0.00189, resulting in a net calculated wholesale power cost adjustment charge for July 2024 of 0.00232.

10. The President and General Manager informed the Board that wholesale power negotiations are ongoing with Duke. He and Mr. Kinley met with Joe Brannon of NCEMC to discuss a potential wholesale power purchase contract. Mr. Hamlin asked Enervision to determine if it would negatively affect the other independent cooperatives if Piedmont purchased wholesale power from NCEMC.

The staff was excused at 5:00 p.m. for an executive session that ended at 5:20 p.m. and Mr. Kinley recessed the meeting to the call of the chair.

The Board meeting resumed at the call of the chair at 3:05 p.m. on June 18, 2024.

Mr. Parker conducted the election of officers. 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.

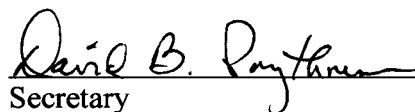
The Department heads then presented their year to date Strategic Plans and their projected budgets for the upcoming year along with an analysis of expenditures as compared to budget to date for 2024.

The staff was excused at 4:20 p.m. for an executive session that ended at 5:05 p.m.

There being no further business to conduct, Mr. Kinley declared the meeting adjourned at 5:05 p.m.


Chair

Attest:


Secretary