

**Piedmont Electric Membership Corporation**  
**Hillsborough, North Carolina**  
**Board of Directors Meeting**  
**June 21, 2021**  
**SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on June 21, 2021 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, Sam Woods, Randy Kinley, Cy Vernon, David Poythress, V. Kay Scurlock-Ferguson, Richal Vanhook and Steve Long in person with Steven Bailey and Beth Townsend participating via TEAMS. Also present in person was Steve Hamlin, President and General Manager, Susan Cashion, Vice-President, Compliance and Administrative Officer, 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, Robert Riley, Vice-President of Operations, and Chuck Lee, Manager of Energy Services.

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

The following business was discussed on various levels of detail:

1. Mr. Parker then conducted the election of officers. Mr. Barber was elected as Chair of the Board, Mr. Kinley was elected as Vice-Chair, Mr. Vanhook was elected as Treasurer and Mr. Woods was elected as Secretary.
2. Upon motion and second the Board approved the minutes from the May 17, 2021 meeting.
3. Upon motion and second the Board approved the summary minutes from the May 17, 2021 meeting .
4. Upon motion and second the Board approved the Monthly Safety Report. The Board was updated on the status of the employees listed in the Monthly Safety Report.
5. Bill Shillito and Greg Coltrane of RiverStreet Networks (“RSN”) joined the meeting via TEAMS to discuss the current status of deployment of broadband services. They have added five new accounts in Person County. They discussed pending legislation in North Carolina including changes to the proposed House Bill 947, The G.R.E.A.T. Broadband Expansion Act. He noted the movement toward funding predominately fiber projects and towards requiring reliable internet speeds of 100:100 symmetrical service or 100:20 scalable to

100:100 in the future for funding. No other legislation to improve internet accessibility is currently moving in the legislature.

6. The President and General Manager reported the revision to the factor to reduce the coal ash over-recovery will result in a credit of .00472 per kwh to the members. Blaine Atkins of Duke Energy informed him Duke Energy Carolinas will owe Piedmont approximately \$770,000 as a true-up credit for wholesale power purchases but Piedmont will owe Duke Energy Progress approximately \$38,000 to true-up wholesale power purchases.
7. The Vice-President of Operations reported that previously four employees were out of the Roxboro office but one had returned to work. Piedmont collaborated with the Department of Transportation for a planned outage on Mebane Oaks Road that affected several of the restaurants near I-40/I-85. The outage began at 3:00 a.m. and work was completed in time for the restaurants to open for breakfast. There was damage to the underground service at Treyburn on June 2 that interrupted service. Additionally, he reported on a contract that Piedmont put out for bids for pole and line inspection. There were three bidders and Bellwether submitted the low bid of \$71,250 annually. Piedmont needs a contractor to perform this work since Piedmont has two employees out and this expense was not included in the budget. He noted that the contract cost is roughly the same as the cost of a single employee with salary and benefits. Upon motion and second, the Board approved the award of the contract for line and pole inspection to Bellwether.
8. Staff reported that there are no new Rural Economic Development Loan and Grant Program ("REDLG") requests and \$2,202,225 is available for loans under the 5% cap and \$406,566 in the revolving fund. The Efland Volunteer Fire Department is paying off their loan.
9. The President and General Manager discussed the general retirement for 2021 with the Board. The oldest unretired full year is 1994 and he informed the Board that they could retire all of 1994 and one-half of 1995 by returning approximately \$1,362,000.00 to the members with some small changes in those numbers between now and the December 2021 retirement. Upon motion and second, the Board approved the retirement of the unretired capital credit for 1994 and half of 1995.
10. Additionally, he informed the Board that staff is attempting to convince the management at EnergyUnited to share Human Resources services with Piedmont. They have some reluctance since they have not shared services with other cooperatives. The Benefits

Administrator for Piedmont is retiring later this year and Piedmont is investigating software that will streamline the hiring process. The benefit software is already in place with the enhanced NISC Financial Connect which will provide even more benefit options with the next NISC release.

11. The Vice-President, Compliance and Administrative Officer noted that the accounts receivables are down slightly from the previous Board meeting and are now \$709,609.61. The mandate for accommodating long term arrangements will expire on August 31. Piedmont plans to bill the unpaid amounts and will allow three to eighteen months to pay depending on the amount of arrearage. The Piedmont Electric Helping Hands Foundation has disbursed \$141,958.26 in assistance to members.
12. The Manager of Energy Services reported that Landis+Gyr found a solution to the issues at the Red Mountain substation collector at no cost to Piedmont. Piedmont plans to give Landis+Gyr orders to proceed with the production of meters which are billed as they are shipped with payment made when they are operational. They hope to get the project close to the original schedule with completion by the end of 2022. Additionally he reported the charging station at Arby's should be operating by late July or August with the station at Carrboro Plaza to be completed later.
13. The Vice-President of Engineering reported that Piedmont had signed an estoppel agreement with Evensol for the Upper Piedmont Landfill project to assist with their financing. They plan to pay the construction-in-aid fee shortly.
14. The Manager of Information Technology discussed cybersecurity issues with employees working from home. It will cost \$30,000 to have the employees working remotely to do so through the cloud rather than the internet. Ransomware is another concern and it would cost \$50,000 for an outside provider to monitor every email for potential malware threats. He will continue to look for security solutions.
15. The President and General Manager informed the Board that assuming the cybersecurity issues can be fully dealt-with he is considering some combination of employees working from home and in the offices as a return to normal operations. The Board questioned whether there could be morale issues between those working from home and those who do not.
16. The Vice-President of Financial Services presented the AP8 Work Orders for March and

April 2021 totaling \$2,463,520.34. Upon motion and second the Board approved the Work Orders for March and April 2021. She also presented the Financial Report and the Wholesale Power Cost Adjustment for May 2021 noting that Piedmont paid \$3,080,085.51 in Wholesale Power Cost for the month. The calculated July 2021 retail WPCA credit related to power cost is (\$0.00160) and the calculated WPCA charge related to the coal ash clean-up is (\$0.00472) resulting in a net calculated WPCA credit for July 2021 of (\$0.00632).

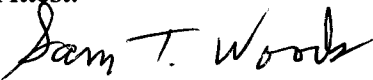
17. Mr. Parker discussed the memorandum he sent to the Board on a proposal to allow new members to elect to receive a discounted capital credit when they leave the cooperative to save the expense of locating them each time there is a general retirement. He recommended that Board not adopt the proposed policy for several reasons.
18. The Board continues to receive complaints that Electel at the Caswell office is only open one day a week and some people use it for all their banking. The Board requested updates of usage of the Caswell office and the costs associated with it.

The staff was excused at 5:00 p.m. for an executive session that ended at 5:20 p.m.

Mr. Barber declared the meeting adjourned at 5:20 p.m. since there was no further business to come before the Board.

  
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Chairman

Attest:

  
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Secretary