

Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
July 19, 2021
SUMMARY MINUTES

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on July 19, 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, Steve Long and Steven Bailey with 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, Larry Hopkins, Vice-President of Engineering, Lisa Kennedy, Vice-President of Financial Services, Brandon Reed, Manager of Member Services and Scott Rowland, Manager of Information Technology. Participating via TEAMS were 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. Upon motion and second the Board approved the minutes from the June 21, 2021 meeting.
2. Upon motion and second the Board approved the summary minutes from the June 21, 2021 meeting.
3. Upon motion and second the Board approved the Monthly Safety Report. The Safety Improvement Plan delayed by COVID 19 is now being implemented.
4. Bill Shillito and Greg Coltrain of RiverStreet Networks (“RSN”) joined the meeting via TEAMS to discuss the current status of deployment of broadband services. They have added six new accounts in Person County since the meeting last month. All of the towers in Person County are operational except one frequency at Bushy Fork and the Whitt tower which should be operational by mid-August. The full marketing plan will be out shortly with newspaper ads, radio spots, billboards and yard signs. In Caswell County there are 2,918 potential households in the Great Grant award area. The total cost of that project is large with a substantial match by RSN. The FCC is in the process of creating new updated maps that better define the areas that are unserved and underserved.

5. There is little new in the North Carolina legislature front for broadband. The U.S. House of Representatives approved \$43 billion in funding for broadband expansion in HR 4374 and it now goes to the Senate. Also, there is \$65 billion in funding in the infrastructure legislation now pending in Congress.
6. The VP of Engineering reported that he is meeting with Charter to discuss pole attachments for fiber as a part of the Spectrum Rural Digital Opportunity Fund award.
7. The President and General Manager updated the board on power supply. Piedmont has over-collected \$4.8 million for coal remediation that will be returned to the members through the adjustment factor. He reported the life of the Catawba Nuclear plant may be extended an additional 20 years.
8. The VP of Operations reported on the following items:
 - a. A training session with the service technicians to demonstrate stretching exercises to help reduce injuries.
 - b. There was a transmission outage by Duke Energy on July 4 that affected Piedmont members served by the Buckhorn and Mebane Oaks substations and thunderstorms on July 9 and this past weekend resulting in outages.
 - c. While Piedmont currently has not experienced any materials shortage, there have been delivery delays.
9. The VP of Engineering reviewed the Transmission & Distribution System Enhanced Reliability Study performed by McCall-Thomas Engineering Company, Inc. The study found that Piedmont has implemented reasonable practices to address potential system weaknesses and vulnerable places and has proactively replaced equipment and facilities that have reached their useful life. Piedmont has also provided for distribution substation transformer spares to permit ready installment as an interim measure until a suitable spare transformer is in service and has spare transformers available in an emergency at the two 230 KV substations. Piedmont has taken preventative maintenance activities, migrating away from oil circuit breakers and upgrading protection systems. The study found Piedmont has taken reasonable measures when considering the loads being serviced and radial transmission line exposure. The study encouraged Piedmont to continue possible distribution level tie lines among its distribution substations to potential migrate radial service exposures and to provide emergency backup in the event of a transformer failure.

— Furthermore, Piedmont is looking for a possible switching site in the New Hope and Eubanks area to address system growth. Piedmont is already considering use of fiber to detect outages.

10. Staff noted that there are no new Rural Economic Development Loan and Grant Program (“REDLG”) requests and \$2,482,051 is available for loans under the 5% cap and \$552,341 in the revolving fund. The Efland Volunteer Fire Department has paid off their loan making a total of seven REDLG loans that are fully repaid.
 11. Staff reported that the accounts receivables related to COVID are down \$71,615.81 from the previous Board meeting. Beginning in August Piedmont will term out past due balances over time depending on the total amount due and will disconnect if the current charges plus the applicable percentage of the past due amount go unpaid in accordance with policy.
 12. Staff reported work will begin in August on both EV charging stations.
 13. Staff further discussed a program that will fund local community solar programs for low-income families by leasing solar panels to yield a \$15 credit for 10 years. Piedmont was awarded \$19,623.60 from the NC Clean Technology Center (that is part of NC State University) to fund this program. The recipients are to be selected by a third party.
 14. The President and General Manager has met with Wayne Wilkins of EnergyUnited to discuss shared services for Human Resources but he was not interested in pursuing it. Also, a Board Retreat is being scheduled for December 1 and 2 and may include a visit to the Hyco plant in Person County. Tom Laing will do a session on strategic planning.
 15. The Vice-President of Financial Services discussed trends in the manner members pay their bill. Credit card payments are up about 9% and about half of all members pay with a credit card. She noted that neither any of the North Carolina electric cooperatives nor Duke Energy Carolinas currently charge a fee for payments by credit cards while Duke Energy Progress charges a \$1.50 fee. The most expensive method for Piedmont is payment in person and the number of people paying that way has been steadily declining over time. Processing a payment by credit card costs various amounts per transaction and those charges add up to about \$220,000 annually. Payment in person costs an estimated \$4.50 per transaction by comparison although it is difficult to quantify since someone has to be available to cover the drive through, making it difficult to do other tasks.
 16. Furthermore, the Manager of Member Services reported that payments in person declined
-

- during COVID. Between October and June, the number of customers using the Caswell office drive-through varied between 69.8 and 84.5 customers per month with 5.5 to 10.5 Electel customers per month. He noted that less than half pay in cash and those who pay in cash have the option to use Western Union or Money Gram in lieu of cash at a cost of \$1.50.
17. The Manager of Member Services presented several positives for a hybrid remote work policy and also presented recommendations from staff on credit card use and a hybrid remote work policy.
 18. The Vice-President of Financial Services presented the Financial Report for June 2021 as well as the Wholesale Power Cost Adjustment for June 2021. The calculated WPCA charge related to the coal ash clean-up is (\$0.00472) resulting in a net calculated WPCA credit for August 2021 of (\$0.00883).
 19. The Vice-President of Financial Services presented the semi-annual delinquent accounts charge-offs for the period from January 1, 2020 through June 30, 2020. These total \$45,105.53 for 149 accounts. Upon motion and second the Board approved the charge –offs for the first half of 2020. She also presented the semi-annual charge-offs for damages that remain uncollected in the amount of \$9,069.46 for invoices ranging from September 1, 2017 through April 30, 2019. Upon motion and second, the Board approved the charge –offs for damages that have been determined to be uncollectable.

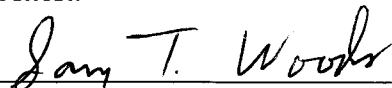
The staff was excused at 6:10 p.m. for an executive session that ended at 7:30 p.m.

Mr. Barber declared the meeting adjourned at 7:30 p.m. since there was no further business to come before the Board.



Chair

Attest:



Secretary