

**Piedmont Electric Membership Corporation**  
**Hillsborough, North Carolina**  
**Board of Directors Meeting**  
**August 16, 2021**  
**SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on August 16, 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, Steven Bailey and Beth Townsend with Steve Long 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, Kirk Metcalf, Manager of Human Resources 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.

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

The following business was discussed in various levels of detail:

1. Upon motion and second the Board approved the minutes from the July 19, 2021 meeting.
2. Upon motion and second the Board approved the summary minutes from the July 19, 2021 meeting.
3. Upon motion and second the Board approved the Monthly Safety Report.
4. Brian Isgett, CPA of McNair, McLemore, Middlebrooks & Company joined the meeting via TEAMS to discuss a number of the ratios from the 2020 Key Ratio Trend Analysis (KRTA). He concluded that there were no major fluctuations from previous years. The COVID pandemic, while resulting in some savings due to travel and meeting expenses, these were more than offset through safety protocols. COVID has also increased the charge-offs.
5. The President and General Manager informed the Board that a draft of the 2020 Internal Revenue Service Form 990 is on the iPad for their review before filing as is required by the IRS. He also informed the Board that Duke Energy Carolinas and Duke Energy Progress have settled insurance claims from the coal ash spill and Piedmont will receive a refund for

some of its expenses.

6. The Vice-President of Operations reported that an intoxicated driver hit a pole and the Department of Transportation would not block traffic so Piedmont employees had to handle traffic control to make the repairs. He will look into a contractor to handle traffic control during repairs so Piedmont personnel will not be responsible.
7. The Manager of Human Resources presented the 2022 medical and dental plan rate changes from NRECA. The dental premiums will not increase from 2021. Medical premiums will increase an average of 5.3% for PPO and for High Deductible PPO from 2021 levels. The Retirement Security billing rate increased by 3.7%. Upon motion and second the Board unanimously approved the Medical and Dental plans as presented for 2022. He further presented the proposed Competitive Pay Adjustments proposed for October 1, 2021. The administration recommends a 3.0% increase which is what was included in the budget. Upon motion and second the Board approved a 3.0% salary adjustment increase for all employees effective October 1, 2021. Additionally, he announced that the new Manager of Human Resources is Angie Jones and she will begin employment on August 23, 2021.
8. The Vice President, Compliance and Administrative Officer, reported there are no new Rural Economic Development Loan and Grant Program (“REDLG”) requests and \$2,598,581 is available for loans under the 5% cap and \$648,319 in the revolving fund. The Caldwell and Swepsonville Fire Departments plan on closing their loans this fall. Additionally, she noted that the COVID related accounts receivables are down to \$616,289.78 and continue to decrease. Disconnections will resume on September 1, 2021. Also, there was no report from RiverStreet Networks (“RSN”) this meeting. She also noted that the proposed Senate Bill 689 in the legislature would shift the cost of pole replacement to members and Piedmont is strongly opposing this burden on its members.
9. The President and General Manager reported on some interest in lease of Piedmont excess fiber although there has been no interest in leasing at the previously proposed rates. Jamie Starks-Bentham asked the Board offering a five year lease at \$3,000 per month. The Board by consensus authorized him to negotiate on these terms. Additionally, he asked the Board to consider adoption of an eighth cooperative principal of “Diversity, Equity and Inclusion: Piedmont Electric values the contributions of a diverse group of individuals whose shared experiences enrich our cooperative culture. We strongly believe diversity, equity and

inclusion improve upon our ability to be a more resilient and situationally aware institution.”

The Board decided to table this until the September Board meeting. He further reported that the Board retreat in December will include a trip to the Hyco Plant on December 1st.

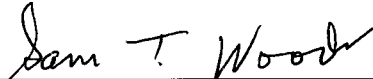
10. The Vice-President of Financial Services informed the Board that Piedmont had collected \$3,964.84 from the Frontier Communications bankruptcy that was previously charged off. Additionally, she presented the AP8 Work Orders for May and June 2021 totaling \$2,226,668.14. Upon motion and second, the Board approved the Work Orders for May and June 2021.
11. The Vice-President of Financial Services also presented the Financial Report for July 2021. She also presented the Wholesale Power Cost Adjustment for July 2021 resulting in a net calculated WPCA credit for September 2021 of (\$0.00523).
12. The President and General Manager reported that the recent increase in the COVID numbers has caused him to delay the decision to return employees to the office to October 1, 2021. He noted the vaccination rate for employees is less than 50% although Mr. Riley suspects some are being vaccinated but not reporting it. The Board expressed concerns that a positive COVID test could result in the quarantine of one or more crews of line technicians.

The staff was excused at 5:35 p.m. for an executive session that ended at 5:55 p.m.

Mr. Barber declared the meeting adjourned at 5:55 p.m. since there was no further business to come before the Board.

  
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Chairman

Attest:

  
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Secretary