

Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
June 20, 2022
SUMMARY MINUTES

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on June 20, 2022 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, Randy Kinley, Cy Vernon, Steven Bailey, David Poythress, V. Kay Scurlock-Ferguson, Richal Vanhook, Steve Long and Elizabeth Townsend. 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, Ed Durham, Manager of Energy Services, 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 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 May 16, 2022 meeting.
2. Upon motion and second the Board approved the summary minutes from the May 16, 2022 meeting.
3. Upon motion and second by the Board approved the minutes from the special Board meeting on May 2, 2022 meeting unanimously.
4. Upon motion and second the Board approved the Monthly Safety Report.
5. The President and General Manager informed the Board that Piedmont has not received the anticipated annual true-up for wholesale power purchases from Duke Energy for the year 2021.
6. The Vice President of Engineering reported:

- a. That they have had several meetings with representatives from a new industrial member and Duke Energy and have another meeting planned on June 29 where Duke will give its timeline for the transmission upgrades necessary to serve the requested load. Duke has managed to shift load so it can deliver 5 megawatts. The new member has requested that Duke interconnect diesel generators to boost its capacity but it has not yet agreed.
 - b. He additionally informed the Board that Piedmont is in negotiations with Orange County for a possible substation site near the landfill on Eubanks Road.
 - c. Also, he presented a lease with Duke University for a .8-acre site adjacent to the Eubanks substation used as a buffer. The lease is for a 25-year term at \$2,000 annually with a 20-year renewable option. Upon motion by Mr. Kinley and second by Mr. Vernon, the Board unanimously approved the 25-year lease at \$2,000 annually with a 20-year renewable option.
 - d. He also reported that 95.3% of the routers and 24% or approximately 8,048 of the new meters were now installed.
 - e. He further reported in response to an inquiry from the Board, that the three-phase upgrade to serve Mayo Farms should be completed in three to four weeks.
 - f. He also reported that Piedmont was making every effort to give better estimates on power restoration but noted that it is virtually impossible to do that without visually inspecting the actual damage causing the outage.
7. The Vice President of Operations gave an update on operations, noting the line crews worked through the intense summer heat. An intern from Carrboro High School is working with Piedmont through the Summer Career Academy. A safety training was held on June 14 on safe responses to tornadoes and straight-line winds. Portions of Piedmont territory were hit with a major thunderstorm on June 17 resulting in outages. All power was restored by Sunday, June 19 with some assistance from crews from other cooperatives.
8. Mr. Kinley informed the Board that seven representatives from Piedmont attended the legislative rally in Raleigh and legislators were very receptive to cooperative

concerns. Broadband expansion remains a hot topic for the legislators.

9. Vice-President Compliance and Administrative Officer gave an update on the Rural Economic Development Loan and Grant (“REDLG”) Program noting that \$3,418,457 is available for loans under the 5% cap and \$377,244 in the revolving fund. Cherry Grove and Leasburg Fire Departments paid off their REDLG loans. She informed the Board that the Moriah Fire Department has inquired about a \$500,000 REDLG loan to construct a new fire station.
10. She further presented a request from the North Central Alamance Fire Department for a \$175,000 REDLG loan to purchase a demo fire engine that will cost \$341,280 total. The engine is a 2021 fully equipped model they have the opportunity to purchase if they can act quickly. Their fire department only serves 43 members but they provide mutual aid to the fire departments of Cherry Grove, Altamahaw Ossippee, Anderson and Pleasant Grove which covers a lot of Piedmont territory and members. They have one full time person and 27 volunteers. Upon motion by Mr. Vernon and second by Ms. Townsend, the board unanimously approved the REDLG loan request.
11. She also reported Piedmont had worked with NCEMC to identify five projects with cost projections anticipated to be funded by the Infrastructure Investment and Jobs Act. They are 1) preventing outages and enhancing resiliency of the grid through upgrades of transmission poles to steel structures, 2) energy efficient substation transformers rebate program, 3) preventing outages and enhancing resiliency of the grid through building a micro grid in Grassy Creek at Duke Energy delivery point, 4) addition of new technology (Landis-Gyr) to reduce load during critical peak load times (new ALM switches/RF load control) and 5) RF security lighting with disconnects.
12. Additionally she asked the Board if they would consider sponsoring a softball tournament with Piedmont employees participating voluntarily. After the discussion, the Board agreed by consensus to proceed if enough employees are interested and they understood that this was recreational only and not part of their job.
13. Staff updated the Board on the Brightleaf Hoe Down in Yanceyville and the bucket

truck rides they are planning to have. The plan is to be the lead sponsorship of other similar events in other counties with hopefully some sponsorship costs assistance from NCEMC.

14. The Manager of Energy Services presented some possible EV charger opportunities.

There was \$30 million in Phase One of the Volkswagen settlement and \$61 million in Phase Two. Grants for EV school busses and chargers are available to local governments to cover 100% of the installation costs. The Department of Public Instruction is handling EV buses grant applications for Orange, Person, Caswell and Durham Counties and Mr. Durham is working with the transportation directors in those counties to get one or more EV buses installed at schools served by Piedmont.

If funded, the replaced combustion engines will be destroyed. Grant applications for expanding DC charging stations are due by July 11, 2022 and will be awarded in the 3rd quarter of 2022. The charging station at Carrboro Plaza is the most utilized one installed by a cooperative statewide and the one at Arby's in Mebane is 8th.

Carrboro is number two in energy use, averaging about \$400 in margins per month and Arby's is number four. He is looking to expand the Carrboro station, hopefully with some assistance from the Town of Carrboro. The anticipated cost to Piedmont with the grant, if received, would be about \$26,305.34. Upon motion by Mr. Poythress and second by Ms. Townsend, the Board unanimously approved proceeding with the EV charging grant application.

15. The President and General Manager reminded the Board that they will participate in diversity training on the second day of the Board Retreat. He additionally reminded the Board of the change in the date for the July Board meeting to July 25.

16. The Vice President of Financial Services presented the AP8 Work Orders for March and April 2022 totaling \$1,921,383.19. Upon motion and second the Board unanimously approved the March and April 2022 Work Orders. She additionally presented the Financial Report for May 2022. The calculated July 2022 retail WPCA credit related to power cost is (\$0.00082) and the calculated WPCA charge related to the coal ash clean-up is (\$0.00472) resulting in a net calculated WPCA credit for July 2022 of (\$0.00554). She additionally reported Piedmont had received loan funds from RUS of \$5 million at an interest rate of 3.011% over the 30-year

amortization period.

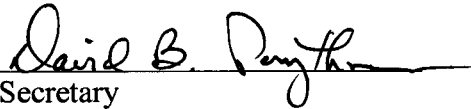
17. Further she announced that Piedmont has received inquiries from three cooperatives about shared services, Delaware Electric Cooperative has asked for training on how they can better utilize their computer services. Lumbee River EMC inquired about handling their Board presentations and budget preparation.
18. Staff will continue to monitor the hours of operation and utilization of the offices in Hillsborough, Person and Caswell.

The staff was excused at 4:40 for an executive session that ended at 4:45 p.m.

Mr. Barber declared the meeting adjourned at 4:45 p.m. since there was no further business to come before the Board.


Chair

Attest:


Secretary

PEMC\Minutes 06/20/22