

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
March 21, 2022
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on March 21, 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: Steven Bailey, Bill Barber, V. Kay Scurlock-Ferguson, Randy Kinley, Steve Long, David Poythress, Beth Townsend, Richal Vanhook, Cy Vernon and Sam Woods. Also present were Steve Hamlin, President and General Manager, Susan Cashion, Vice-President, Compliance and Administrative Officer, Larry Hopkins, Vice-President of Engineering, Lisa Kennedy, Vice-President of Financial Services, Robert Riley, Vice-President of Operations, Mike Parker, Attorney, Brandon Reed, Manager of Member Services and Public Relations, and Scott Rowland, Manager of Information Technology. Also present were Randy Nichols and Bryan Isgett of the accounting firm of McNair, McLemore, Middlebrooks & Co., CPA's.

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

The following business was discussed in various levels of detail.

1. Mr. Barber encouraged all of the Board to listen to a speech given at the NRECA national meeting by Robert Bryce on the state of the electrical industry.
2. Upon motion and second the Board approved the minutes from the February 21, 2022 meeting.
3. Upon motion and second the Board approved the summary minutes from the February 21, 2022 meeting.
4. Upon motion and second the Board approved the Monthly Safety Report.
5. Mr. Nichols and Mr. Isgett presented the 2021 annual audit report for the Cooperative. There were no significant audit adjustments, no uncorrected material or immaterial misstatements and no disagreements with management and the staff was very cooperative. They indicated that the 2022 audit would be performed by a different member of their firm
6. The staff was excused at 3:32 p.m. and the Board and Mr. Parker met in executive session

with Mr. Nichols and Mr. Isgett. The executive session ended at 3:40 pm. Mr. Nichols and Mr. Isgett were excused with the thanks of the Board.

7. Upon motion and second the Board approved the employment of McNair, McLemore, Middlebrooks & Co to do the audit for 2022.
8. Stephanie Beauregard of Booth & Associates, LLC joined the meeting at 3:40 pm and presented the results of a cost-of-service study by Booth & Associates, LLC. The study is performed to determine what the costs are to serve a class of consumers in order to determine what and how to charge for service, to avoid rate discrimination among classes of consumers and to design non-discriminatory rates. She outlined the changes recommended necessary to meet the financial target. Upon motion and second, the Board unanimously approved the recommended changes effective May 1, 2022. Ms. Beauregard was excused from the meeting.
9. The Vice-President of Engineering likewise presented proposed changes to contributions-in-aid charges. Upon motion and second the Board unanimously approved the recommended changes effective May 1, 2022.
10. The Vice-President of Operations reported on a storm that occurred on March 12 that resulted in six broken poles. He attended a career fair at Orange High School and had a number of students inquiring about opportunities as line technicians.
11. Mr. Vernon reported that damage done on a farm in Caswell County by a Lee Electric contract crew was now repaired.
12. The Vice-President, Compliance and Administrative Officer gave an update on the Rural Economic Development Loan and Grant Program.
13. The Manager of Member Services and Public Relations presented a proposed new full-time position of Public Relations Specialist. The employee who has performed this role for Piedmont and Wake EMC was working part-time but resigned when they could no longer work from home. Upon motion and second the Board approved the new full-time CSC position of Public Relations Specialist.
14. The Vice-President of Engineering presented the following:
 - a. A contract bid for a 100 KV circuit breaker for the Eubanks substation. Upon motion and second, the Board approved awarding the contract to General Electric.
 - b. Reported that 67% of the routers and 4% of the new meters were now installed.

Piedmont received a big shipment of meters recently so these numbers should improve dramatically. He noted that the routers look like street lights.

- c. Reported on a Form 300 audit of the engineering policies and practices. He requested the Board adopt a resolution for Piedmont's Distributed Generation Interconnection policy. Upon motion and second the Board unanimously approved the Distributed Generation Interconnection policy.
 - d. Reported on investigation of a potential site for a new substation and indicated the expected cost for the property to be between \$400,000 and \$500,000.
15. The Vice-President of Financial Services presented the Financial Report for February 2022. Equity is 31.94% compared to 2021 year-end equity of 31.40%. She also presented the Wholesale Power Cost Adjustment for February 2022. The calculated April 2022 retail WPCA credit related to power cost is (\$0.00247) and the calculated WPCA charge related to the coal ash clean-up is (\$0.00472) resulting in a net calculated WPCA credit for April 2022 of (\$0.00719). Also, on January 28, 2022 Piedmont borrowed \$3,000,000 at an interest rate of 2.068% to be repaid over a period of for 32.9 years
16. Some Board members have received complaints about the proposed changes to office hours.
17. The recent death of a long time Piedmont employee was noted by the Board with appreciation for his devotion to Piedmont. His wife expressed to the Board how important working for Piedmont had been to her late husband.


Staff was excused at 6:00 for an Executive Session of the Board that ended at 6:15 p.m.

Mr. Barber declared the meeting adjourned at 6:15 p.m. since there was no further business to come before the Board.



Chairman

Attest:



Secretary