

Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
August 15, 2022
SUMMARY MINUTES

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on August 15, 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, David Poythress, V. Kay Scurlock-Ferguson, Richal Vanhook, Steven Bailey, Beth Townsend and Steve Long. Also present in person was Steve Hamlin, President and General Manager, Susan Cashion, Vice-President, Compliance and Administrative Officer, Larry Hopkins, Vice-President of Engineering, Mike Parker, Attorney, Angie Jones, Manager of Human Resources and Scott Rowland, Manager of Information Technology. Participating via TEAMS were Lisa Kennedy, Vice-President of Financial Services and Robert Riley, Vice-President of Operations. Also present was Russ Rountree from the accounting firm of McNair, McLemore, Middlebrooks & Company.

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 25, 2022 meeting.
2. Upon motion and second the Board approved the summary minutes from the July 25, 2022 meeting.
3. Upon motion and second the Board approved the Monthly Safety Report.
4. Mr. Rountree discussed the 2021 Key Ratio Trend Analysis (“KRTA”) with the Board, reviewing a cross-section of thirteen of the 144 ratios that compare cooperatives nationally and in North Carolina of similar size. He did not find anything in the KRTA that caused him concern.
5. The Vice-President of Engineering informed the Board that one of our large industrial member has requested additional capacity beginning near the end of 2024 and noted that all capacity issues seemed to be resolved. He noted that another large industrial member is

beginning to do testing and it is anticipated that facility will be load of approximately three megawatts.

He also reported that only two routers remain to be installed and approximately 60% or 20,000 meters are now installed by Landis Gyr. Piedmont will be taking delivery of meters until October.

6. The President & General Manager reported that Piedmont has received delivery of a Ford F150 pickup electric vehicle (“EV”).
7. The Vice President of Operations gave the operations report, informing the Board it was a relatively quiet “business as usual” month with the crews working through an abnormally hot month of numerous days with heat in excess of 90°. Crews have suffered due to the number of people out of work after testing positive for COVID. The intern completed his internship and has indicated he wants to become a service technician when he finishes High School.
8. The Vice-President , Compliance and Administrative Officer gave an update on the Rural Economic Development Loan and Grant (“REDLG”) Program. There are no new loan requests.
9. She further discussed the anticipated funding of a microgrid project for Grassy Creek through the Infrastructure Investment and Jobs Act. She further updated the Board on broadband expansion in the areas of Person, Caswell and Orange Counties Piedmont serves.
10. The President & General Manager presented an Indefeasible Right of Use (“IRU”) for four strands of Piedmont dark fiber. The proposed IRU would be for 35 miles of fiber with a payment of \$147,000.00 in advance for the IRU plus an annual maintenance fee of \$9,625.00 adjusted annually by the CPI after the first three years He requested that the Board authorize him as the President and General Manager to execute the IRU after a couple of minor details are resolved and Piedmont’s current fiber maintenance agreement is aligned with the time limits in the IRU. Upon motion and second the Board approved the IRU and authorize him to execute the final IRU.
11. The Vice President of Financial Services:
 - a. Discussed the need for an entry level position to assist in the warehouse. The new employee could hopefully allow the current warehouse employees to assist with work-order processing. Upon motion and second the Board approved the entry level

warehouse position.

- b. She then presented the AP8 Work Orders for May and June 2022 totaling \$1,954,005.21. Upon motion and second the Board approved the Work Orders for May and June 2022.
- c. Additionally, she presented the Financial Report for July 2022. Equity is 32.03% compared to 2021 year-end equity of 32.40%. Piedmont has connected 255 new services in 2022 compared to 191 new services connected to date in 2021 and has 33,665 net services in place as compared to 33,304 in 2021. Piedmont has added 12.49 miles of line in 2022 and now has a total of 3,632.10 miles of line. Deferred storm recovery costs to date are \$140,845.93 and Piedmont has recovered \$35,423.16 of those expenses through the storm recovery rider leaving \$105,422.77 in unrecovered costs.
- d. In conclusion, she presented the Wholesale Power Cost Adjustment for July 2022. The calculated September 2022 retail WPCA credit related to power cost is \$0.00655 and the calculated WPCA charge related to the coal ash clean-up is (\$0.00472) resulting in a net calculated WPCA charge for September 2022 of \$0.00183.

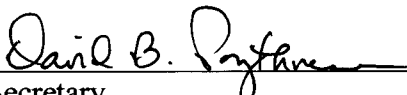
The staff was excused at 4:50 p.m. for an executive session that ended at 5:35 p.m.

Mr. Barber declared the meeting adjourned at 5:35 p.m. since there was no further business to come before the Board.



Chair

Attest:



Secretary

PEMC\Minutes 08/15/22