

Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
July 25, 2022
SUMMARY MINUTES

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on July 25, 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 (who arrived at 3:15 p.m.), 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, Brandon Reed, Manager of Member Services and Public Relations, Mike Parker, Attorney, and Scott Rowland, Manager of Information Technology. Participating via TEAMS were the following staff members: Larry Hopkins, Vice-President of Engineering and Lisa Kennedy, Vice-President of Financial Services. Robert Riley, Vice-President of Operations, was on vacation.

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 June 20, 2022 meeting.
2. Upon motion and second the Board approved the summary minutes from the June 20, 2022 meeting.
3. Upon motion and second the Board approved the Monthly Safety Report.
4. The President and General manager thanked the Board for postponing the meeting a week for his vacation.
5. The Vice President of Engineering reported that Duke Energy has determined it can provide adequate power to our new industrial member by October 2023. Piedmont will need to provide transformers and a number of capacitors.
6. He also reported that 95.3% of the routers have been installed and that Landis Gyr

will begin the installation of the remaining routers in two weeks. To date 43.9% of the new meters are installed.

7. The Vice-President Compliance and Administrative Officer:

- a. Gave an update on the Rural Economic Development Loan and Grant (“REDLG”) Program. The North Central Alamance Fire Department REDLG loan closed at the end of June.
- b. She discussed the five projects she presented at the June Board meeting with cost projections anticipated to be funded by the Infrastructure Investment and Jobs Act (IIJA). She reported that the maximum annual grant for energy efficient distribution transformers is capped at \$25,000 with a five-year cap of \$125,000. There is an emphasis on microgrid projects. The staff recommends discussing costs with the Ferguson Group for a grant proposal for a microgrid project in the Grassy Creek area to increase reliability and to pursue grants for energy efficient distribution transformers. The Board, by consensus, agreed to pursue these projects,
- c. She further discussed some Electric Vehicle (EV) opportunities with the Board. An application is submitted for an EV charging station addition at Carrboro Plaza.
- d. She will also investigate the current status of broadband expansion projects in Piedmont territory and report to the Board at the next meeting.
- e. Additionally, a Community Engagement Event is scheduled for September 23 at Carrboro Plaza to showcase member EVs and provide education to prospective EV purchasers. Ms.
- f. And, in conclusion she reported that the Brightleaf Hoe Down in Yanceyville is scheduled for September 24, Hog Day in Hillsborough is September 16 and 17 and the Personality event in Roxboro is scheduled for October 1. Piedmont will participate in all three festivals.

8. The Manager of Member Services and Public Relations updated the Board on the use of the drive-thru windows at the three offices, noting the use of all three continues to decline. Drive-thru use is greatest between 8:00 a.m. and 10:00 a.m. Each member services representative serves approximately 4,000 members. He

reminded the Board of the change as of July 1st in the hours of operation in Hillsborough and Roxboro to Tuesday, Wednesday and Thursday between 8:00 a.m. to 5:00 p.m. Appointments in the offices are still available for matters other than paying bills. The Electel staff is still operating the drive-thru in Hillsborough Monday through Friday. Piedmont's section in the September Carolina Country will include instructions on the various methods members may use to pay their monthly statements.

9. He additionally reported that the ACSI rating for consumer satisfaction score of 89% for the second quarter of 2022 was the highest to date for Piedmont.
10. The President and General Manager presented a Resolution of the Board of Directors Authorizing the Amendment and Restatement of the Retirement Security and 401(K) Pension Plan required by NRECA. This resolution essentially continues the current plans Piedmont offers in compliance with the NRECA requirements for the plans and authorizes the Manager to execute any documentation necessary to carry out the amendment and restatement of the plan. Upon motion and second the Board approved the Resolution of the Board of Directors Authorizing the Amendment and Restatement of the Retirement Security and 401(K) Pension Plan as presented.
11. The Vice-President of Financial Services:
 - a. Presented the semi-annual charge-offs for the period January 1, 2021 through June 30, 2021 totaling \$75,254.65 for 152 accounts which is approximately \$30,150 more and 3 more accounts than last year this time. The increase of \$30,150 includes approximately \$18,000 due primarily to member accounts that made arrangements to catch up arrearages but eventually defaulted. Upon motion and second the Board approved the charge-offs for the period January 1, 2021 through June 30, 2021.
 - b. She also presented the Financial Report for June 2022 and the Wholesale Power Cost Adjustment for June 2022. The calculated August 2022 retail WPCA credit related to power cost is \$0.00257 and the calculated WPCA charge related to the coal ash clean-up is (\$0.00472) resulting in a net calculated WPCA credit for August 2022 of (\$0.00215). Also, she reported

that Piedmont has received the annual power cost true-up since the prior Board meeting and that the annual true-up with Duke Energy for Wholesale Power Cost resulted in a small credit, mostly due to the coal ash recovery adjustment. The credit adjustment members have received for a number of months will soon be a charge on their statements each month.

- c. She also discussed the general retirement of capital credits for this year. Upon motion and second the Board approved the general retirement of all unretired capital credits for 100% of the remainder of 1995 and half of 1996 in addition to the 2022 estate retirements.

12. The President and General Manager:

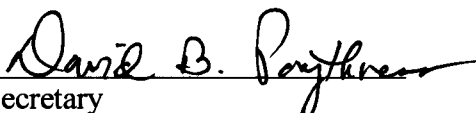
- a. The Board asked the HR Manager to get comparative information on pay for line technicians for the area for VA, SC, NC and contractor information to present at the next Board Meeting.
- b. He also informed the Board of the retirement of Brian Isgett of the accounting firm of McNair, McLemore, Middlebrooks & Co., the accountants who perform the annual audit for Piedmont. The lead auditor for the next audit will be Russ Roundtree from that firm.
- c. Additionally, the Key Ratio Trend Analysis (KRTA) outside review report to the Board will be provided by Hampton Oxendine and Leslie Ebert of CFC.

13. The Board discussed the diversity training from the Board Retreat in June. The Board, by consensus, agreed that the training was beneficial and there are benefits in future training and the comments on the post retreat survey were positive. The next budget will include more funding for training.

Mr. Barber declared the meeting adjourned at 5:00 p.m. since there was no further business to come before the Board.


Chair

Attest:


Secretary