

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
May 19, 2025
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 p.m. on May 19, 2025 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: Randy Kinley, Steven Bailey, David Poythress, Kim Woods, V. Kay Scurlock-Ferguson, Darren Chalk, Cy Vernon and Jimmy Thomas; Steve Long was absent. Also present were Jordan Overbee, President and General Manager; Sarah Bohlin, Vice President of Corporate Services; Lisa Kennedy, Vice President of Financial Services; Mike Parker and C.P. Stewart, Attorneys. Jarrod Kilgore, Vice President of Engineering and Operations was absent to attend a conference.

Mr. Kinley called the meeting to order.

1. Mr. Parker administered the oath of office as a Director to Ms. Woods and the Board members welcomed her.
2. Mr. Parker conducted the election of officers. Mr. Kinley was elected as Chair of the Board, Mr. Bailey was elected as Vice-Chair, Mr. Long was elected as Treasurer and Mr. Poythress was elected as Secretary.
3. Mr. Kinley offered an invocation.
4. Upon motion and second, the Board approved the minutes from the April 21, 2025 Board meeting.
5. Upon motion and second, the Board approved the summary minutes from the April 21, 2025, Board meeting.
6. Upon motion and second, the Board approved the minutes from the Annual Meeting held on April 16, 2025.
7. The President & General Manager gave the President's Report.
 - a. Piedmont has begun setting up the Min/Max Inventory system.
 - b. Finance has begun a review of the Contribution in Aid of Construction to simplify the estimates to allow future members better estimates of the costs.
 - c. Engineering has set up a schedule for the new design implementation.

- d. Human Resources has scheduled Leadership training through NRECA in June.
- e. Energy Solutions will make a presentation to the Board on light poles at a later meeting.
- f. Technology is in the final stages of backup communication protocols for all substations.
- g. The new idle service policy has been implemented, and Piedmont is making progress determining where idle services are located. Member Services is working with Engineering to communicate with members who have idle services.
- h. Accounting is implementing the new electronic expense system to eliminate paper statements and receipts and save administrative time.
- i. Federated Insurance will be at Piedmont in June for their annual meeting and inspection.
- j. And, finally, Piedmont has changed the conduit used on large jobs and will realize 50% material savings for conduit from that change.
- k. The President & General Manager gave the update on goals, noting that all are on or over target except capital budget to actual variance. That goal is 15% with a stretch goal of 10% and is currently at 60%.
- l. He updated the 2025 right of way maintenance schedule with 514.21 total miles, of which 136.39 miles are complete and 377.82 remaining. Herbicide treatment of the substations and pole yards is complete and Edko will commence treating transmission lines in the June-July time period. To date 85 members have called in danger trees with over 140 identified to be cut and around 85 already removed.
- m. He gave the outage report for April. There were 58 outages for 3,201.13 consumer hours without power resulting in a System Average Interruption Duration Index (SAIDI") of 5.52.

8. The VP of Corporate Services

- a. Presented the Monthly Safety Report. There were no new injuries and one near miss reported for April and three near misses to date for May, two for the same incident. There was one very minor auto accident with no injuries and minimal property damage. The Annual Safety Day was held on April 23 and the Emergency Action Plan was reviewed at the Leadership meeting on April 7.

- b. She gave the report on the Rural Electric Development Loan and Grant (“REDLG”) loans. There is funding available through the revolving fund and for loans. There is one new loan request. The Cedar Grove Volunteer Fire Department requested a loan to purchase a new fire engine. They have an existing REDLG loan from 2018 which is their only indebtedness. Upon motion and second, the Board unanimously approved the loan request for the Cedar Grove Volunteer Fire Department.
- c. She then presented two policies that staff recommend updating. Those policy updates are as follows:
 - i. Revision to Policy 112 – Use of Cooperative Vehicles. Upon motion and second, with a change in the policy as presented to change the time period for the limit of three moving violations from within one year to within a 24 month period, the Board approved the revised Policy 112.
 - ii. Changes to Policy 220 – Wage and Salary Plan. Upon motion and second, with one change in the policy as presented to delete the 5% requirement in Section 3.q. the Board approved this change.

9. The Senior Energy Services Specialist

- a. Joined the meeting at 4:02 to discuss proposed changes in the lighting rates. He reviewed the cost of poles and the charges for which Piedmont has been “under-collecting.” He was excused at 4:14 p.m. Upon motion and second the Board approved the changes.

10. The VP of Financial Services

- a. Discussed the reasons for an increase in the capitalization threshold which was set in 1993. She informed the Board that Piedmont is increasing the threshold, adjusted for inflation, and plans review it every five years.
- b. The Board discussed the dissolution of Piedmont Energy Services, LLC (“PES”). PES was formed in 2000 to include an electrical repair business servicing both members and non-members. It transitioned to a staffing company in 2008 with Piedmont as its sole customer to realize some labor cost benefits. Now PES is down to one full-time and two part-time employees and there is no benefit to having some employees as PES employees and others as Piedmont Electric Membership employees. Piedmont will realize savings to move the PES employees to

Cooperative Services Center, Inc. ("CSC") or Piedmont EMC. Staff recommend moving the PES employees to CSC and dissolving PES. Upon motion and second, the Board voted to move the PES employees to CSC then dissolve PES.

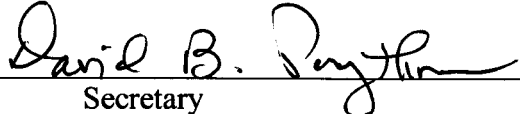
- c. She presented the unaudited financials for April 2025. Piedmont experienced 235 normal degree days and 249 actual degree days for a monthly variance of 14 and a cumulative variance of -144 or -7.40%. Piedmont connected 131 new services in 2025 as compared to 165 new services connected year-to-date in 2024 and has 34,785 net services in place compared to 34,402 net services year-to-date in 2024. Piedmont added 8.02 miles of line in 2025 and now has a total of 3,692.40 miles of line.
 - d. She presented a list of all of the checks and payments for the month in excess of \$50,000.00.
 - e. She presented the Wholesale Power Cost Adjustment for April 2025.
11. The President & General Manager discussed the use of contract crews to save on costs since they do repetitive work more cheaply than Piedmont crews.
12. The President & General Manager discussed a new major subdivision in the Mebane area that is partially in Duke territory and partially in Piedmont territory. He informed the Board that the construction schedule for the Moriah Energy Center is on time and pole replacement is progressing with all due speed

Staff was excused for an executive session that began at 5:10 p.m. and ended at 5:30 p.m.

There being no further business to conduct, Mr. Kinley declared the meeting adjourned at 5:30 p.m.


Chair

Attest:


Secretary