

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
August 18, 2025
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 pm on August 18, 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, Jimmy Thomas, and Steve Long. Also present were Jordan Overbee, President and General Manager; Sarah Bohlin, Vice President of Corporate Services; Lisa Kennedy, Vice President of Financial Services; and Mike Parker, Attorney.

Mr. Kinley called the meeting to order and offered an invocation.

1. Upon motion and second, the Board approved the minutes from the July 16, 2025, Board meeting.
2. Upon motion and second, the Board approved the summary minutes from the July 16, 2025, meeting.
3. All Board members affirmed their nominees to the Nominations Committee except one who assured staff they would have a nominee shortly.
4. The attorney discussed proposed bylaw amendments that were sent with the meeting notice to the Board members. These amendments would cut off the roll of members eligible to vote in the elections of directors 30 days before the Annual Meeting. This would avoid issues with very new members not being in the system for Survey and Ballot Systems, which tallies and certifies the election results. Upon motion and second, the Board approved the changes to Section 4.03 and Section 4.07 of the bylaws to limit voting to natural persons who are members on the thirtieth day preceding the annual meeting for the year of the election.
5. The President and General Manager gave the President's Report.
 - a. He thanked the Board members for the time they devoted to strategic planning and announced teams are already working on plans to accomplish the initiatives from the strategic planning.

- b. The budget process is being moved forward one month and the final budget will be presented for review at the October Board meeting with the goal of having it approved at the November meeting.
- c. He has communicated with Duke Energy about transmission outages and blinks and continues to develop a positive working relationship with them.
- d. He announced that the internal employee intranet site will be replaced with a more robust and user-friendly SharePoint site.
- e. Employees have been assigned safety and human resources training through the Learning Center as part of the Performance Review system, to enable better tracking the training through web-based learning.
- f. Piedmont is assessing the costs associated with the lightning strike at the Hillsborough office building to seek reimbursement from insurance.
- g. Safety is implementing Safe Ap through Federated Insurance, enabling electronic recordation of crew visits.
- h. Piedmont continues to review poles with attached lighting fixtures. To date, approximately 5000 poles of a total of 9000 are completed and efforts continue to address lapses in billing associated with them.
- i. The GPS tracking system is now working with the Outage Management System and Piedmont is one step closer to showing the location of trucks on the external public outage map.
- j. He reported successful negotiations for right-of-way for the Moriah Energy Center, and the North Carolina Utilities Commission approved the route for the transmission line. Paperwork for condemning the requisite sites has been filed.
- k. Piedmont installed 38 new services in July for a year-to-date total of 288 new services as compared to year-to-date total of 273 in 2024.
- l. The President and General Manager reported that PEMC and NCEMC have continued negotiations with Duke Energy for the nuclear tax credits and contract credits. Nuclear tax credits are spread through 2031.
- m. The President and General Manager updated the Board on goals, noting that all but three goals were either on target or are already achieved. Capital Budget to Actual Variance with a goal of 15% is below target at 63%. Controllable Cost per Member

is over target at \$556.16 which has a goal of \$550 and a stretch goal of \$545. The Customer Average Interruption Duration Index (“CAIDI”) has a goal of 100 but over target at 126.93.

6. The President and General Manager gave the Monthly Right of Way Report in the absence of the Vice President of Engineering and Operations.
 - a. PEMC finished the Corbetts Store Circuit out of Baynes substation and has started the Byrd Circuit. Crews will be working out of the Baynes substation for several months.
 - b. Edko completed the substation and pole yard herbicide treatment on March 20, 2025, and completed the transmission line herbicide treatment on July 31, 2025.
 - c. Lewis Tree completed 243.35 miles of the 2025 right-of-way maintenance schedule of 514.21 miles and has 270.86 miles remaining. Piedmont requested an updated timeline with additional crews and work times to meet the right-of-way maintenance schedule under the threat of liquidated damages. Piedmont is transitioning to a five-year cycle for some right-of-way maintenance. The President and General Manager, the Vice President of Engineering and Operations and the Right of Way Supervisor will work on an integrated right of way management plan.
 - d. Approximately 180 danger trees have been identified in 2025 with approximately 125 cut. Crews have been working on the NC DOT bridge on NC Highway 86 and had to put the danger trees on hold for other projects.
 - e. The top four things to do are: (1) Finish the NC DOT bridge; (2) Phase 3 of the Timberlake job; (3) Mow all of the no spray zones; and (4) Continue work on danger trees.
 - f. The President and General Manager gave the Operations Pole Project Report. 39 poles were addressed in July with 36 replaced, and 3 others reviewed. 358 poles remain in the workflow.
 - g. The President and General Manager gave the Outage Report reporting that there were 144 outages that resulted in 8,661.85 consumer hours without power for a System Average Interruption Duration Index (“SAIDI”) of 14.90.
 - h. The President and General Manager gave the IT report for July revealing that, for all emails received for the month, 16,877 were blocked at the edge, 6 were malware,

1,194 were phishing, 3,792 were spam, 1,194 were deleted by zero-hour auto purge, with the remainder delivered. The Abnormal Security Attack Trends shows that events are increasing. The KnowBe4 Phishing Campaign report indicated that there was one campaign with 104 recipients. Two people clicked on and 33 people reported the incident. The security system analyzed 83,505,898 events in July generating 10 high alerts, 2 critical alerts, and ten events requiring staff reviews. None of the events were malicious.

- i. Fiber repairs for July included one on Ben Johnston Road in Hillsborough due to tropical storm damage. A temporary repair was done while waiting for the new pole to be installed and now that the new pole has been installed, the final repair is scheduled for August 14, 2025.

7. The Vice President of Corporate Services

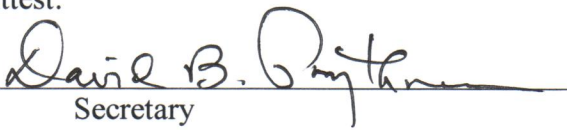
- a. Gave the August Safety Report noting an injury that occurred the day of the meeting so the number of injuries reported for the year is now three. PEMC has an incident rate of 2.00, compared to a rate of 4.04 for all North Carolina Cooperatives in 2024, and a Days Away, Restricted or Transferred (“DART”) rate of 2.00 compared to a rate of 2.04 for North Carolina Cooperatives in 2024.
- b. The Hillsborough, Roxboro, and Caswell offices have passed their facility inspections. The Fire Extinguisher Inspection is scheduled for August 28, 2025. Truck inspections are completed weekly and all have passed.
- c. PEMC has completed twelve crew visits this year. Prior to the injury on the meeting date, only two injuries had been reported year-to-date; one was OSHA recordable and one was not.
- d. There were two vehicle incidents reported year-to-date. One worker’s compensation claim and three liability claims have been filed year-to-date.
- e. Three employees participated in Advanced Line Construction; three employees participated in National Electrical Safety Code (“NESC”) Module 2; and twenty-six employees have participated in American National Standards Institute (“ANSI”) General Aerial Lift and Digger Derrick training.
- f. There have been six near-miss reports filed year-to-date but no new ones the previous month.

- g. Fire Extinguishers were replaced August 11, 2025.
 - h. The Rural Electric Safety Achievement Program (“RESAP”) survey window is now through October, and PEMC has a continuous focus on survey readiness.
 - i. The Vice President of Corporate Services gave the Board an update on the lightning strike to the Hillsborough facility which caused multiple issues, including: (1) faulty switches on the compressor for the water surplus tank to the facility caused issues to the water supply. Due to the faulty switches, air was forced into the plumbing system causing a toilet to fail that resulted in a minor injury to an employee. Staff are compiling invoices, estimates, employee statements and other related documentation to file an insurance claim with Federated for this incident.
 - j. The Vice President of Corporate Services gave the report on the Rural Electric Development Loan and Grant (“REDLG”) loans. There is funding available through the revolving fund and funding available for loans under the 5% goal. The City of Roxboro received their new fire engine and will hold a ceremony at Piedmont on Monday, August 25 at noon. The Anderson Township Volunteer Fire Department closed their loan and received their new fire engine. There will be an event at some upcoming date.
 - k. The Vice President of Corporate Services reported an insurance benefits representative would be at Piedmont on August 19th.
8. The Chair informed the Board that the most recent RE magazine has an article with an excellent explanation of the reasons behind recent increases in the cost of electricity and is a good resource for explain those increases if asked.
9. The Vice President of Financial Services
- a. presented the unaudited financials for July 2025. The actual heating and cooling days for July were 596 or 116 more than the normal of 480, bringing the year-to-date difference to 124 or 4.14% above normal. Piedmont connected 224 new services year-to-date in 2025 as compared to 273 in 2024 and has 34,879 services in place year-to-date compared to 34,508 in 2024. Piedmont added 8.23 miles of line in 2025 and has a total of 3,692.61 miles of line.
 - b. The Vice President of Financial Services presented the Wholesale Power Cost Adjustment for July 2025.

There being no further business to conduct, Mr. Kinley declared the meeting adjourned at 4:05 p.m.


Chair

Attest:


Secretary

PEMC Minutes 08/18/25