

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
February 16, 2026
MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 pm on February 16, 2026, pursuant to notice of date and time of said meeting at the headquarters of the Cooperative in Hillsborough, North Carolina.

Prior to the meeting, the Board went into an executive session that began at 1:00 pm and ended at 2:45 pm.

The following members of the Board were present: Randy Kinley, Steven Bailey, David Poythress, Kim Woods, V. Kay Scurlock-Ferguson, Darren Chalk, Jimmy Thomas, and Steve Long with Cy Vernon participating via TEAMS. Also present were Jordan Overbee, President and General Manager, Sarah Bohlin, Vice President of Corporate Services; Jarrod Kilgore, Vice President of Engineering and Operations; Lisa Kennedy, Vice President of Financial Services; and Mike Parker, Attorney.

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

1. Mr. Long received his Director Gold Credential Certificate, and Mr. Vernon will receive his at a later date.
2. Upon motion and second, with a correction of the January Board meeting date from January 19 to January 20, the Board approved the minutes from the January 20, 2026, Board meeting.
3. Upon motion and second, the Board approved the summary minutes from the January 20, 2026, Board meeting with the same correction of the date.
4. The President and General Manager gave his monthly report.
 - a. He will send an updated report on the goals to correct the Customer Average Interruption Duration Index (“CAIDI”) and the System Average Interruption Duration Index (“SAIDI”) included with the Board materials.
 - b. The details of the new Contribution in Aid of Construction (“CIAC”) per foot charge are complete and revisions are being made to the Service Rules and Regulations. The changes will be easier to calculate and verify that Piedmont is recovering the actual costs.

- c. Piedmont's ACSI score of 90% placed it in the top four of cooperatives in the nation for the 4th quarter. Since Piedmont is no longer a member of Touchstone Energy, they did not recognize it in their quarterly update. This achievement will be communicated to the membership.
 - d. A 'thank you' letter from a member was shared with the Board for the work during Winter Storm Fern.
 - e. The Board was also informed of a member with an EV whose service was not on the EV rate. They spoke with an energy services specialist who fixed the problem within 20 minutes. The member described it as the best customer experience they had ever had.
 - f. There will be a one-day Board retreat on August 18, 2026, that will begin at 8:00 a.m. and should be over by 4:00 p.m.
5. The Vice President of Engineering and Operations
- a. reported that of the 497.40 miles of right of way, 33.14 miles were completed in January. Lewis Tree is planning to put two groups on the work to get the work on schedule. Transmission right of way maintenance for 2026 will be performed by Townsend Tree with their work to begin in March or April. The T/M crew started phase five of the Timberlake planned job on January 14th or 15th. Danger tree work orders are being handled as they come in. Work planned for 2026 includes trimming 497.40 miles of distribution line, clearing Phase 3 and 4 of the Timberlake work, cutting the smaller staking sheets as they come in, continuing removal of danger trees as they are identified, and maintenance of 72 miles of transmission right of way.
6. The Board Chair shared a letter from Donald A. Nolte, Field Accountant with the USDA. The External Compliance Division recently completed an external compliance review of Piedmont EMC for the period from September 01, 2018, through December 31, 2025. That office reviewed Piedmont's receipt of construction funds and disbursement and nothing came to their attention to indicate non-compliance with loan program requirements. He noted their appreciation of the cooperation of the Vice President for Financial Services and the staff in the review.
7. The Vice President of Engineering and Operations

- a. reported 13 pole inspections were conducted in January with 11 replaced, one retired and one reviewed. 284 poles remain in the workflow to be inspected.
 - b. 17 idle services were addressed in January and 12 were retired. 963 idle services are left in the workflow with a goal of addressing all by the end of 2026. Piedmont had a total of 1,194.7 hours of outages in January affecting 49 consumers resulting in a SAIDI of 2.04 and a CAIDI of 69.51.
 - c. The Vice President of Engineering and Operations shared the IT report for January. For all emails received for the month, 32,060 were blocked at the edge, 7 were malware, 1,373 were phishing, 4,298 were spam, 789 were deleted by zero hour auto purge, and the remainder were delivered. The Abnormal Security Attack Trends for January indicated seven attack types: 200 Phishing Credentials; 46 Other; 24 Scam; 3 Social Engineering; 4 Malware; 8 Invoice/Payment Fraud; 0 Reconnaissance; 0 graymail and 475 Untargeted Spam. The KnowBe4 Phishing Campaign had one campaign in January with 104 recipients, one person scanned a QR code, with 28 people reporting. The security system analyzed 101,670,709 events in January, generating 2 critical alerts, 21 high alerts, 6 medium alerts and 10 low alerts. Six required staff review and no events were malicious. There was one fiber-only pole broken on Highway 62 near the Harrelson substation but the fiber was not damaged. River City will replace the pole and rehang the fiber. The fiber ring inspection and maintenance is ongoing.
8. The President and General Manager shared the annual vehicle report, indicating six fewer vehicles in the fleet than a year ago with seven to be replaced during the year and a further reduction of three more vehicles during 2026.
 9. Chris Berry, the Safety Coordinator, joined the meeting at 3:42 p.m. to discuss the Safety Improvement Plan. All employees received a flier to inform them of the Plan. The annual objectives are 1) a commitment to zero contacts; Federated Insurance did a survey that disclosed some issues and it is stressed that all employees must follow appropriate procedures. 2) Strive for zero-time lost time accidents; 3) Strive for zero avoidable vehicle accidents; 4) Increase documented site observations and 5) Assess safety performance and address the key attention areas. The three-year safety improvement goals were shared with

the Board including the planned initiatives, the “owner” of each initiative, a timeline for completion of each initiative and notes as appropriate. Mr. Berry was excused at 4:03 p.m.

10. The Vice President of Corporate Services

- a. reviewed the Monthly Safety Report showing no injuries, three crew visits, no worker compensation claims and one liability claim. Piedmont passed the facility and truck inspections. There were three near misses reported. There was training on zero contacts and active shooter training.
- b. The Vice President of Corporate Services reviewed the process for the Annual Meeting and the timing for election of Directors: 2026- Districts 1, 2 and 5; 2027 – Districts 3,7 and 8 and 2028 – Districts 4,6 and 9. The Nominations Committee, made up of one representative from each directorate district, meets in November or early December to complete their nominations at least 30 days prior to the January 14 deadline each year to submit a nomination by petition. This year they met on November 22, 2025. She announced a plan to pre-record the Annual Meeting to be broadcast on Tuesday, April 21 at 3:00 p.m. She encouraged the Directors to view the pre-recorded Annual Meeting by Central EMC who used the same service Piedmont plans to use.
- c. The Vice President of Corporate Services shared the Rural Electric Development Loan and Grant (“REDLG”) report, noting there are available funds under the 5% goal remainder and funding available in revolving funds. The Caldwell Fire Department and Bethel Hill Charter School REDLG loans both closed since the previous Board meeting. The Mebane Fire Department has extended the time to take delivery of their new fire engine and the Berea and Cedar Grove Fire Departments applications are still under review with the USDA.
- d. The Vice President of Corporate Services shared the resume of Mark Ramey who was nominated for the vacancy on the Piedmont Electric Helping Hands Foundation, Inc. (“PEHHF”) Board. Upon motion and second, the Board voted to appoint Mark Ramey to fill the vacant position on the PEEHH Board.
- e. The Vice President of Corporate Services shared the Employee Benefits Guide with the Board, noting it includes the annual required legal notices along with an explanation of all benefits. She also shared the annual Medical Benefits update for

both the 001 subgroup and the 004 subgroup of employees with those enrolled in the PPO plan and the HDHP (high deductible) Plan.

11. The Vice President of Engineering and Operations

- a. reviewed the Crisis Response Plan. This is a foundation for the response to any crisis encountered by the Cooperative. Priorities include ensuring safety, continued member service, operational continuity, community support, resource optimization, and continuous improvement. He reviewed the Crisis Response Team showing the primary and secondary person in each functional area and outlined the responsibilities for each area. The areas include: Incident Manager, Finance, Operations, Logistics, Safety and Environmental, Administration/Public Information, Resource Liaison, and IT/OT and Data.
- b. The Vice President of Engineering and Operations shared the outline for the timeline and preparations and storm action plan for Winter Storm Fern the weekend of January 24 and 25. Fortunately, the predicted prolonged winter event with significant ice accumulations produced much lower than anticipated and resulted in only a few outages.

12. The President and General Manager presented the proposed changes to the Service Rules and Regulations to reflect the changes in the calculation for CIAC. Upon motion and second, the Board approved changes to the Service Rules and Regulations to reflect these revised CIAC charges.

13. The Vice President of Financial Services

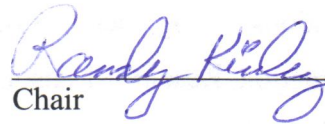
- a. informed the Board of costs for Winter Storm Fern. Summer Storm Chantel costs will mostly be covered by FEMA.
- b. The Vice President of Financial Services presented the November and December 2025 AR 45 Work Orders. Upon motion and second, the Board unanimously approved the Work Orders for November and December 2025.
- c. The Vice President of Financial Services presented the unaudited financials for January 2026. The actual heating and cooling days for January were 775, 59 more than the normal of 716, and thus the year-to-date difference is 59 or 8.24% above normal for the year. Piedmont connected 14 new services in 2026 as compared to 42 in January 2025 and has 35,088 services in place at the end of January 2026 as

compared to 34,687 in January 2025. Piedmont added .55 miles of line in January 2026 and has a total of 3,694.89 miles of line. She also presented a list of all checks and payments for the month in excess of \$50,000.00.

- d. The Vice President of Financial Services presented the Wholesale Power Cost Adjustment for January 2026.

The Board went into an executive session that began at 5:36 pm and ended at 6:05 pm.

There being no further business to conduct, Mr. Kinley declared the meeting adjourned at 6:05 p.m.


Chair

Attest:


Secretary

PEMC Minutes 02/16/26