

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

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

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 Sarah Bohlin, Vice President of Corporate Services; Jarrod Kilgore, Vice President of Engineering and Operations; Lisa Kennedy, Vice President of Financial Services; and C. P. Stewart, Attorney. Also present was Russ Rountree, of the audit firm of McNair McLemore Middlebrooks & Co.

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

1. The Chair informed the Board that one sentence was added to the January minutes to reflect the executive session held prior to the Board meeting on February 16, 2026.
2. Incorporating this change, upon and second, the Board approved the minutes for the February 16, 2026, Board meeting.
3. Incorporating the same change, upon motion and second, the Board approved the summary minutes for the February 16, 2026, meeting.
4. Mr. Rountree reviewed the audit report with the Board. He noted it was an unmodified, “clean” audit for 2025 with no major issues, exceptions or audit adjustments. He reviewed the timeline for the audit and comparison of the change in assets, member equity and liabilities, equity as a percentage of total assets, annual growth in TUP, consumers per mile of line, TUP investment per mile, operating expenses, power costs based on kWh sold, total cost less power cost, residential kWh as a percent of total kWh sales and residential revenue. He reviewed the mortgage covenants for RUS, CFC and CoBank and the notes on significant disclosures, accounting estimates, audit risks, adjustments, noting there were no audit adjustments or significant uncorrected statements, no disagreements with staff over audit statement and no compliance issues to report. Finally, he reviewed the

deliverables, including the Form 990, the Piedmont Services Holding, LLC Federal and state tax returns and the Piedmont Electric Helping Hand Foundation (“PEHHF”) audit and Form 990. Upon motion and second, the Board approved the audit report. Mr. Rountree was excused from the meeting.

5. The Vice President of Corporate Services presented the Board with proposed changes for service to the Treyburn HOA. She informed the Board that PEMC provides electricity to the country club, but PEMC does not have a service agreement with them. She informed the Board that the goal is to enter a general service contract with Treyburn that increases PEMC’s ability to provide services. PEMC has a contract with Treyburn’s HOA that expires in November of 2026, and the issue goes before the Treyburn Board in two days. She reported that current Treyburn contract includes varying fees for post-top lights and wall-top lights and no fees for wiring and fixtures. She also reported that the light poles are owned by Treyburn, not PEMC, resulting in conflict when the poles require service. She indicated that the proposed general service agreement would remove the varying rates for the lights and enable PEMC to take over and service the poles, should the need arise. Upon motion and second, the Board approved the Treyburn HOA general service agreement, removing the varying rates for the lights and permitting PEMC to assume servicing the light poles.
6. Brandon Reed, Manager of Member Services, presented proposed rate changes to the Board. He stated that the strategy for the rate change was to reduce the peak demand costs for the co-op; inform members that they must shift usage to lower bills; to remain revenue neutral in the process; and ease transition for mandatory demand rates. He indicated that the presentation’s numbers were based on what happened in 2025, and not on what is anticipated to happen in 2026. He presented proposed changes to the demand rate, the time-of-day rate, and the electric vehicle rate for residential members. He informed the Board that existing rates contain varying kWh rates for summer and winter and include an off-peak charge. He informed the Board that the proposed changes include the same rate for both summer and winter, remove the off-peak charge, and will be easier to both explain and understand. Upon motion and second, the Board approved the proposed changes unanimously.
7. The President and General Manager gave his monthly report.

- a. He announced that PEMC staff will be recommending a few minor rate changes in the Time-of-Day and Residential Demand areas to align the rates with other coops and reflect costs that Piedmont incurs from the wholesale power supplier.
- b. He also announced that Piedmont will be donating through PEHHF to Habitat for Humanity and sending employees to assist with a home building project on May 22nd for the first time.
- c. He reported that significant grading and clearing has been completed for the Moriah Energy Center substation, and construction will soon begin.
- d. Performance reviews are completed for 2025, and he commended the Piedmont leadership on a job well done.
- e. The President and General Manager informed the Board that PEMC and Electel have signed an agreement that protects both companies.
- f. He also informed the Board that PEMC continues to strategically manage its assets and has sold some transformers to other cooperatives recently.
- g. The President and General Manager updated the Board on goals, noting that all but four are on target.

8. The Vice President of Engineering and Operations

- a. Gave the monthly Right-of-Way Report. He reported that of the 497.40 total distribution miles, 70.39 miles are complete, 427.01 miles remain and crews are estimated to be approximately 9.21 miles behind schedule to date. Lewis Tree Service indicates they are trying to get two (2) crews on site, but have no progress yet. He also reported that 2026 transmission maintenance will be worked by Townsend Tree, and the project is set to start around March or April. He informed the Board that the T/M Crew completed Phase 3 of the Timberlake job on February 5, 2026, and completed the Berry Pearce Road reconductor job on February 24, 2026. The crew is currently cutting danger trees and executing work orders. He further informed that Board that he aims to trim the 497.40 miles of distribution lines, to cut smaller staking sheets as they come in; to continue removing danger trees as found; and to execute 72 miles of transmission maintenance.
- b. The Vice President of Engineering and Operations gave the monthly Inspection/Pole Replacement Report. He reported that PEMC retired thirty-one

(31) poles during February. He further reported that PEMC inspected 651 poles and 507 pads during the month, of which fifty-three (53) poles were rejected. Since April 2025, PEMC has inspected a total of 10,597 poles/pads.

- c. The Vice President of Engineering and Operations gave the monthly Idle Service Project Report. He informed the Board that of the twelve (12) idle services were addressed in February, of which seven were retired and five placed in idle rate, bringing the total addressed to 673 and the total remaining to 951.
- d. The Vice President of Engineering and Operations delivered the monthly Outage Report. He reported that there were eighty-four (84) outages for 13,594.73 consumer hours without power resulting in a SAIDI of 23.25 and a CAIDI of 135.08. A Duke Power Supplier outage at Jonathan's Crossroads accounted for 9.35 minutes of SAIDI for the month.
- e. The Vice President of Engineering and Operations gave the monthly IT report. He informed the Board that for all emails received in February, 16,786 were blocked at the edge, 13 were malware, 1,443 were phishing, 4,523 were spam, 787 were deleted by zero hour auto purge, and the remainder were delivered. He also informed the Board of the Abnormal Security Attack Trends for February: 260 Phishing Credentials; 70 Other; 30 Scam; 0 Social Engineering; 0 Malware; 2 Invoice/Payment Fraud; and 517 Untargeted Spam. He further informed the Board there was one KnowBe4 Phishing Campaign in February with 102 recipients, zero people clicking, and thirty-three (33) people reporting. The security system analyzed 89,666,430 events in February generating fourteen (14) high alerts, five (5) medium alerts, thirteen (13) low alerts and 5 events requiring staff reviews. He reported that none of these events was malicious. He also reported that fiber ring inspection and maintenance is ongoing, and River City replaced a broken fiber-only pole on Highway 62 near the Harrelson Substation.

9. The Vice President of Corporate Services

- a. Gave the February Safety Report and reported an Incident Rate of 0.00 and a DART Rate of 0.00 as compared to an Incident Rate of 3.68 and a DART Rate of 1.80 for North Carolina cooperatives in 2025. She reported that Hillsborough, Roxboro, and Caswell all passed the facility inspections, trucks are passing the weekly

inspections, and seven (7) crew visits have been completed year-to-date. She also reported no injuries have been reported year-to-date. She informed the Board that the Worker's Compensation for 2026 Modifier is 1.12, with zero (0) Worker's Compensation filed year-to date and three (3) liability claims filed. She also informed the Board that four (4) near-miss incidents have been filed year-to-date. She further reported that an unannounced JT&S crew and facility inspection occurred on February 19 at the Roxboro facility with six minor issues identified and resolved. She also reported thirty-two (32) employees participated in Hand Line Requirements and thirty-six (36) participated in Hazard Communications. She informed the Board that two employees are on light duty from 2024 and 2025 claims, and the Operations Safety Day Training will be held April 24th at the Roxboro facility.


- b. The Vice President of Corporate Services gave the monthly report on the Rural Electric Development Loan and Grant ("REDLG") loans. She received a request from Olive Branch Baptist Church to assist with the cost of replacement of the roof structure on the church. It was noted that, while REDLG loans and grants are for eligible entities and nonprofit corporations to provide for community facility needs in their areas, they are designed for the general welfare of the community. Thus, the Board, upon motion and second, voted unanimously to deny the request from Olive Branch Baptist Church. There are funds available through the revolving fund and funds available for loans under the 5% cap.

10. The Vice President of Financial Services


- a. Presented the unaudited financials for February 2026. The actual heating and cooling days for February were 599, 37 more than the normal of 562, bringing the year-to-date difference to 96, 7.51% above normal. Piedmont connected 98 new services year-to-date in 2026 as compared to 84 in 2025 and has 35,086 services in place year-to-date compared to 34,712 in 2025. Piedmont added 4.07 miles of line in 2026 and has a total of 3,698.41 miles of line.
- b. The Vice President of Financial Services presented the Wholesale Power Cost Adjustment for February 2026.

Staff was excused for an executive session that began at 5:42 pm and ended at 6:15 pm.

There being no further business to conduct, Mr. Kinley declared the meeting adjourned at 6:16 pm.


Chair

Attest:


Secretary

PEMC Minutes 03/16/26