

Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
June 15, 2026
MINUTES

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 pm on June 15, 2026, 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; Mike Parker and C. P. Stewart, Attorneys. Jarrod Kilgore, Vice President of Engineering and Operations was on vacation.

Mr. Kinley called the meeting to order at 3:00 pm and offered an invocation.

1. 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.
2. Upon motion and second, the Board approved the minutes from the May 18, 2026 Board meeting.
3. Upon motion and second, the Board approved the summary minutes from the May 18, 2026, meeting.
4. The IT report indicated that, for all emails received in May 2026, 24,112 were blocked at the edge, 27 were malware, 1,334 were phishing, 3,284 were spam, 452 were deleted by zero-hour auto purge, and the remainder were delivered. He also informed the Board of the Abnormal Security Attack Trends for May: 299 Phishing Credentials; 48 Other; 28 Scam; 4 Social Engineering; 4 Malware; 0 Reconnaissance; and 510 Untargeted Spam. He further informed the Board of the KnowBe4 Phishing Campaign: there was one campaign in May with 105 recipients, two (2) people clicked on a test phishing link, with twenty-eight (28) people reporting. There was also a cyber-security incident involving another cooperative that CSC provides shared services for. The two employees that clicked the KnowB4 phishing campaign and the CSC employee involved in the cyber-

security incident all received additional training. The security system analyzed 105,260,877 events in May generating 114 alerts; of which 2 were critical alerts; 45 were high alerts; 13 were medium alerts; 54 were low alerts and fourteen (14) required staff review. No events were malicious.

5. The President and General Manager gave the President's Report.
 - a. Piedmont had one major outage at the Carrboro substation.
 - b. Piedmont conducted a successful First Lineman Academy Day, giving local students the chance to learn more about opportunities in this field; an increase in interest over the course of the day was noted.
 - c. Due to recent retirements, the Financial and Energy Services group has diligently documented processes and procedures and looked for efficiencies in the Office Services area and for opportunities for Member Services Representatives to expand their knowledge base.
 - d. All IT employees have signed non-disclosure agreements to protect internal data.
 - e. Human resources completed the updated AAP plan which will be shared with employees.
 - f. The President and General Manager requested a restructuring of Cooperatives Services Corporation ("CSC") at its board meeting on May 26 to more fairly compensate Piedmont for the work it performs and the risks it takes. His request was well received. A proposal has been submitted to Delaware County to do some of their work through CSC with a 25% fee increase.
 - g. The President and General Manager updated the Board on goals, noting that all but three are on target with eight on target to meet the stretch goal and one on target to meet the goal.
6. The President and General Manager gave the reports the Vice President of Engineering and Operations normally gives in his absence, beginning with the monthly Right-of-Way Report.
 - a. He reported that of the 962.06 total distribution miles: 161.78 miles are complete; 800.28 miles remain. With 30 weeks remaining in the year, it would require cutting 26.67 miles per week to timely complete. Lewis Tree proposed an increase in the cost per mile of approximately 45% over their bid price and stated they did not want

to extend the contract through 2027 without a cost per mile adjustment. Piedmont responded we will not agree to an increase in the cost per mile but will agree to terminate the contract at the end of 2026. They have until June 22 to respond with their plan to complete the remaining 800+ miles for 2026. Of the 72 miles of transmission right of way to cut in 2026, 7.55 miles are completed with 64.45 miles to complete. Piedmont continues to work with Aries Pro to get the IVM software up and running. The T/M Crew is currently cutting danger trees and executing work orders. Piedmont intends to do maintenance on 348.62 miles of distribution lines, to cut smaller staking sheets as they come in; to continue removing danger trees as found and to work on Timberlake Phase 3 and Phase 4.

- b. The President and General Manager gave the monthly Inspection/Pole Replacement Report. He reported that PEMC replaced sixty-five (65) poles in May.
- c. The President and General Manager gave the monthly Idle Services Project Report. He informed the Board that 42 idle services were addressed in May, of which 23 were retired and 19 placed in idle rate. There are 875 idle services remaining to be addressed.
- d. The President and General Manager delivered the monthly Outage Report. He reported that there were sixty-nine (69) outages for 4,174.48 consumer hours without power resulting in a SAIDI of 65.54 and a CAIDI of 79.30. The outage at the Carrboro substation resulted from a failed bushing in a transformer only two years old, causing an outage affecting approximately 7,000 members. Unfortunately, the mobile transformer also had issues. There have been numerous meetings to discuss lessons learned from the experience.

7. The Vice President of Corporate Services

- a. gave the May Safety Report, noting Piedmont had its first recordable injury. There was no lost time from work. There are twenty-one (21) crew visits to date, already more than for the entire year of 2025. Facility inspections are completed and trucks all passed inspections. The Workers' Compensation Modifier for 2026 is still 1.12, with one (1) Workers' Compensation claim filed year-to-date and five (5) liability claims filed. Seven (7) near-miss incidents have been filed year-to-date. Two employees remain on light duty from injuries received in previous years. A Safety

and Compliance Learning Plan has been assigned to each employee through the Learning Center with a due date of November 30, 2026. A safety incentive is tied to all training completed by the deadline. A claim was filed for damage to a member's driveway from oil leaking from a vehicle. All employees received an advisory email for dealing with the recent summer heat wave.

- b. The Vice President of Corporate Services gave the monthly report on the Rural Electric Development Loan and Grant ("REDLG") loans. She informed the Board that there are funds available through the revolving fund and for loans under the 5% cap. Although the revolving fund is low, there are several payments coming in soon. There are no new loan requests. The loan previously approved for the Allensville Volunteer Fire Department for the purchase of a new 2027 Freightliner M2 106 4 Door engine is still awaiting USDA approval and they expect to need the funds in August for their new fire truck, so the funds may have to come from the revolving fund. Piedmont is doing an internal audit of the outstanding loans to determine if any paperwork to perfect title liens is needed and also to be certain insurance requirements are current.

8. The Vice President of Financial Services

- a. presented the March and April, 2026 AR 45 Work Orders. Upon motion and second, the Board approved the Work Orders for March and April 2026.
- b. The Vice President of Financial Services presented the unaudited financials for May 2026. The actual heating and cooling days for May were 264, 52 more than the normal of 212, bringing the year-to-date difference to 15, 0.70% above normal. Piedmont connected 176 new services year-to-date in 2026 as compared to 179 in 2025 and has 35,172 services in place year-to-date compared to 34,785 in 2025. Piedmont added 6.98 miles of line in 2026 and has a total of 3,701.32 miles of line.
- c. The Vice President of Financial Services presented the Wholesale Power Cost Adjustment for May 2026.

Staff was excused for an executive session that began at 4:15 pm and ended at 4:45 p.m.

There being no further business to conduct, Mr. Kinley declared the meeting adjourned at 4:45 p.m.

Randy Kinley
Chair

Attest:

David B. Smyth
Secretary

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