

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
July 20, 2026
SUMMARY MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 pm on July 20, 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; Jarrod Kilgore, Vice President of Engineering and Operations; Sarah Bohlin, Vice President of Corporate Services; Lisa Kennedy, Vice President of Financial Services; Mike Parker and C. P. Stewart, Attorneys.

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

1. Upon motion and second, the Board approved the minutes from the June 15, 2026 Board meeting.
2. Upon motion and second, the Board approved the summary minutes from the June 15, 2026.
3. The Vice President of Financial Services reviewed the draft Form 990 to be filed with the Internal Revenue Service. It shows total gross receipts of \$83.1 million and expenses of \$83.1 million and \$80.7 million of net assets or equity. It shows that Piedmont had a member income ratio of 98.9%, far exceeding the 85% rule for non-profit cooperative status.
4. The IT report indicated that, for all emails received in June 2026, 35,101 were blocked at the edge, 29 were malware, 1,203 were phishing, 3,284 were spam, 3 were blocked for containing LLM content analysis (AI), 325 were deleted by zero-hour auto purge, and the remainder were delivered. He also informed the Board of the Abnormal Security Attack Trends for June: 132 Phishing Credentials; 53 Other; 22 Scam; 0 Social Engineering; 7 Malware; 2 Invoice/payment fraud; 0 Reconnaissance; and 408 Untargeted Spam. He further informed the Board of the KnowBe4 Phishing Campaign: there was one campaign in June with 103 recipients with no one clicking on a link and thirty people reporting. The security system analyzed 107,433,954 events in June generating 60 total alerts; of

which 2 were critical alerts, 29 were high alerts; 13 were medium alerts; 14 were low alerts and fifteen required staff review. No events were malicious. One employee attempted to download a malicious document but was blocked and that employee will receive additional training.

5. The President and General Manager gave the President's Report.
 - a. RUS gave Piedmont a positive review following the June field audit. Member Services will launch a new initiative to email members the morning after outages affecting more than 100 members, including the outage cause. They discussed expanding text messages to provide more information during outages, with status updates, and will hold follow-up meetings to initiate this new process.
 - b. Piedmont successfully completed the NRECA audit.
 - c. The Engineering Team successfully implemented the new SCADA system at the Mebane Oaks substation and is working to expand deployment over the entire system.
 - d. Recent storms have kept Operations busy and the team has performed well.
 - e. Human Resources has arranged for the KONA ice truck to visit each office in August as a "thank you" to the employees.
 - f. The President and General Manager shared a letter from Tricia Jones, USDA Field Representative, regarding the 2026 Operations and Maintenance Review, praising the Vice President of Engineering and Operations for his assistance in the review. She noted positive achievements including a) great preventative vegetation management, b) a positive approach on replacing aging poles and c) a continued investment in improving overall services quality.
 - g. The Board was reminded they will need to provide the names of their representative on the Nominations Committee at the August Board meeting for the nominations for the 2027 Annual Meeting. Directors for District 3, District 7 and District 8 will be on the ballot for the upcoming Annual Meeting.
 - h. The President and General Manager updated the Board on annual goals, noting that all but four are on target for either the goal or the stretch goal. For those below goal, staff is working on reducing the controllable cost per member and reviewing the goal for thermostat controls to determine if it is better to control at a

high level. They are also working on time of day/electric vehicle (“TOD/EV”) rates enrollment. He noted that staff was making better use of text messages to inform members of outages.

6. The Vice President of Engineering and Operations

- a. Gave the monthly Right-of-Way Report. Of the 497.40 total distribution miles on the 2026 work schedule, 196.20 miles are completed and 301.20 miles remain. With 25 weeks remaining in the year, it would require cutting 11.55 miles per week to complete on time. After negotiations with Lewis Tree, they agreed to extend their three-year contract to four years via an amendment with pricing at the bid submitted in 2023. They have until August 7 to bring in additional resources to avoid notice of the imposition of liquidated damages as per the contract. There are 72 miles of transmission right of way that are scheduled to be cut in 2026, and 14.69 miles are completed with 57.26 miles remaining to complete. The T/M Crew is currently cutting danger trees and executing work orders. Piedmont intends to cut smaller staking sheets as they come in and continue removing danger trees when found.
- b. The Vice President of Engineering and Operations gave the monthly Inspection/Pole Replacement Report. He reported that PEMC replaced forty-three (43) poles and retired one in June. 287 poles remain in the workflow.
- c. The Vice President of Engineering and Operations gave the monthly Idle Services Project Report. He informed the Board that 33 idle services were addressed in June, of which 20 were retired and 13 placed in idle rate. There are 842 idle services remaining to be addressed.
- d. The Vice President of Engineering and Operations delivered the monthly Outage Report. He reported that there were sixty-nine (69) outages for 61,878.48 consumer hours without power resulting in a SAIDI of 105.62 and a CAIDI of 93.91. Storms caused a large number of the outages.
- e. The Vice President of Engineering and Operations explained the Institute of Electrical and Electronics Engineers (“IEEE”) and Rural Utilities Service (“RUS”) metrics used to determine SAIDI and CAIDI. He explained there are three methodologies: 1) use all outages to calculate SAIDI and CAIDI and other

reliability indices, 2) The IEEE method which removes outages categorized as major events and 3) RUS which removes outages from those categorized as major events, power supply outages and scheduled/planned outages. He reviewed the method for determining a major event day and historical reliability data using the different methodologies. For setting goals for SAIDI and CAIDI, Piedmont removes outages categorized as major events and power supplier outages by Duke Energy.

7. Brandon Reed, Manager of Member Services, joined the meeting at 4:35 p.m. and gave the ACSI Member Satisfaction Report to the Board.
 - a. Piedmont had a satisfaction score of 90% for the second quarter of 2026, matching the previous highest score in Piedmont's history achieved in the 4th quarter of 2025 and tied for the highest score for any cooperative in the survey. 65% of the members identify as members, not consumers. Piedmont has a net promoter score of those who would recommend Piedmont to others of 79 as compared to 62 for other cooperatives.
 - b. The Manager of Member Services reported there were 34,673 accounts served for the second quarter. He gave the report on call volumes, call lengths (average of 2 minutes, 59 seconds), speed of answering (34 seconds), payment channels, and drive-thru payment methods. Mr. Reed was excused at 4:52 p.m.
8. The Vice President of Corporate Services
 - a. Reported that all the forms for the directors are now in electronic format on SharePoint.
 - 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 available for loans under the 5% cap. There are no new loan requests although Cherry Grove Volunteer Fire Department has inquired about a loan for equipment. If a formal request is submitted, it'll be presented at the August board meeting. The Prospect Hill Volunteer Fire Department loan documents are signed in anticipation of a closing on August 17. The loan previously approved by the board for the Allensville Volunteer Fire Department's is still pending review with the USDA.

- c. The Vice President of Corporate Services gave the July Safety Report, noting Piedmont had no new recordable injuries and no lost time claims from work. There has been one OSHA recordable injury to date. There also remains only one vehicle accident for the year, that was not at fault. There have been thirty (30) crew visits year-to-date and all facility and trucks have been inspected and passed. The Worker's Compensation Modifier for 2026 is still 1.12, with one (1) Worker's Compensation claim filed year-to-date. Five (5) liability claims have been filed and seven (7) near-miss incidents have been filed year-to-date. Two employees remain on light duty from injuries received in previous years. Several employees participated and did very well in a panel interview at the JT&S Safety Summit in Wilmington.

9. The Vice-President for Financial Services

- a. Presented the semi-annual write-offs for the period from January 1, 2025 to June 30, 2025 for 201 accounts. Upon motion and second, the Board unanimously approved the write-offs for the period from January 1, 2025 to June 30, 2025.
- b. The Vice President of Financial Services presented the unaudited financials for June 2026. The actual heating and cooling days for June were 446, 92 more than the normal of 354, bringing the year-to-date difference to 107 or 4.26% above normal. Piedmont connected 220 new services year-to-date in 2026 as compared to 190 in 2025 and has 35,220 services in place year-to-date compared to 34,840 in 2025. Piedmont added 10.76 miles of line in 2026 and has a total of 3,705.10 miles of line.
- c. A list of all invoices and payments for the month in excess of \$50,000.00 was shared with the Board.
- d. The Vice President of Financial Services presented the Wholesale Power Cost Adjustment for June 2026.
- e. The Vice President of Financial Services informed the Board staff is working on a potential contract through Cooperative Services Center, Inc. ("CSC") to provide financial services for Delaware County Cooperative in New York. They are investigating insurance and cybersecurity coverage for CSC.

The Board went into an executive session that began at 5:15 pm and ended at 5:35 p.m.

There being no further business to conduct, Mr. Kinley declared the meeting adjourned at 5:35 p.m.

Randy Kinley
Chair

Attest:

David B. Smyth
Secretary

Minutes 07 20 26