

**Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Board of Directors Meeting
September 21, 2026
MINUTES**

The regular meeting of the Board of Directors of Piedmont Electric Membership Corporation was held at 3:00 pm on September 21, 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; Jarrod Kilgore, Vice President of Engineering and Operations, Lisa Kennedy, Vice President of Financial Services; Mike Parker, Attorney.

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 August 17, 2026, Board meeting.
2. Upon motion and second, the Board approved the summary minutes from the August 17, 2026, Board meeting.
3. The IT report indicated that, for all emails received in August 2026, 28,551 were blocked at the edge, 92 were Rule Blocked, 44 were malware, 2,463 were phishing, 4,704 were spam, 6 were Impersonation Blocked, 21 were Detonation Blocked, 1 was blocked for containing LLM content analysis (AI), 207 were deleted by zero-hour auto purge, and the remainder were delivered. He also informed the Board of the Abnormal Security Attack Trends for August: 136 Phishing Credentials; 66 Other; 6 Scam; 2 Malware; 1 Invoice/payment fraud and 658 Untargeted Spam. He further informed the Board of the KnowBe4 Phishing Campaign: there was one campaign in August with 106 recipients with zero people clicking on a link and 33 people reporting. The security system analyzed 90,970,515 events in August generating 101 total alerts; of which 3 were critical alerts, 54 were high alerts; 32 were medium alerts; 11 were low alerts and 18 required staff review. No events were malicious. There was a fiber repair on Jim Latta Road near the Mt. Tirzah substation due to a squirrel chewing the fiber.
4. The President and General Manager gave the President's Report.

- a. Accounting has completed development of electronic timesheets which should ease tracking during future storm and emergency events. This applies to all entries eligible for reimbursement from FEMA.
- b. The Right of Way team has continued excellent traction on developing a fully integrated Vegetation Management Plan working with vendors discussing spraying which is an industry standard.
- c. The Vice President of Engineering and Operations, representing Piedmont, gave an excellent speech at the 9/11 Roxboro dedication event.
- d. The Communications team is developing a new “video” idea for member communications to engage members in addition to the current communications sent to them.
- e. The Human Resources team has a financial planner coming to both offices to assist any employees seeking help to plan their current or future retirement.
- f. The engineering team has successfully implemented the new Futura Design system and is furthering our goals into the inspection area.
- g. After the Board retreat, the President and General Manager read all the bylaws and found no real issues but did find a few minor spelling errors. He ran the bylaws through two separate AI software programs with one finding only small issues. The other was a legal version of AI and it found the members were treated very fairly and this is reflected by the bylaws. The only concern was the titles of the President and General Manager and Board chair since the North Carolina General Statutes references the president being elected by the board from its membership. Mr. Parker explained this was done at the request of a former general manager and is clarified in the bylaws section 6.01 which states the Board shall elect a president denominated as the Chair of the board. He noted that he did not believe it created a legal issue as long as the titles and position are clear and not deceptive.
- h. The President and General Manager updated the Board on goals, noting that five areas are below goal for the year to date and seven are on target for either the goal or the stretch goal. He suggests removing thermostat enrollment as a goal with an explanation of the reason.

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5. 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, 274.41 miles are completed and 222.99 miles remain. This means they are 60.54 miles behind schedule but have committed to completing by the end of the year with extra crews. With 17 weeks remaining in the year, it will require cutting 13.12 miles per week to complete on time. There are 72 miles of transmission right of way that are scheduled to be cut in 2026, and 35.29 miles are completed and 36.66 miles remain to be completed. 14 danger trees were removed, vines were cut and sprayed, and hot spots were trimmed. The T/M Crew is currently cutting danger trees and executing work orders. An inspection of the Right Side and Left Side Double Circuit was completed at the Carrboro substation, and all vegetation concerns were addressed. The vegetation management software is around 90% complete; this is part of the 2026-2029 strategic plan. 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 54 poles and retired 3 in August. 272 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 88 idle services were addressed in August, of which 82 were retired and 6 placed in idle rate. There are 727 idle services remaining to be addressed.
- d. The Vice President of Engineering and Operations delivered the monthly Outage Report. He reported that there were 108 outages for 8,277.87 consumer hours without power resulting in a System Average Interruption Duration Index ("SAIDI") of 14.03 and a Customer Average Interruption Duration Index ("CAIDI") of 79.1 for the month. These numbers are much improved over those earlier in the summer. Crews are doing a better job of shrinking outage time during major device outages. While there were several outages exceeding three hours, most only affected a small number of members. A transformer at Mebane Oaks substation is being moved to Carrboro. The old transformer at Carrboro will
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be refurbished as a spare. The SafeGrid project is now complete. 24 Sensors will speed the process of finding faults on the transmission system, resulting in less patrol time looking for problems, faster restoration and better event history.

- e. The Vice President of Engineering and Operations updated the Board on progress at the Moriah Energy Center. It consists of three projects, the point of delivery at Red Mountain substation, the new 230 KV transmission line and the new Helena Moriah substation. He presented a photo array showing the various components and the work in progress. The total project has a \$25.65 million budget, and Piedmont has billed \$17.14 million to date. The expenditures billed to date are: Red Mountain 62.8% of budget; the 230 KV transmission line 49.2% of budget and the new Helena Moriah substation 75.8% of budget. As for the progress, Red Mountain is 97% completed, the transmission line is 89% completed, and the Helena Moriah substation is 87% completed. November 9, 2026, is the date planned to energize the Helena Moriah substation and the core project completion date is December 8, 2026.

6. The Vice President of Corporate Services

- a. Gave the monthly Safety Report, noting Piedmont again had no recordable injuries and no lost time from work. Piedmont still has had only one recordable injury to date and one vehicle accident that was not the employee's fault. There are 41 crew visits to date, all facility inspections are completed, and all trucks passed inspections. The Worker's Compensation Modifier for 2026 is 1.12, with one Worker's Compensation claim filed year-to-date and five liability claims filed of which 4 are paid out. Cody Phillips, the Job Training and Safety Specialist from NCEMC did an unannounced inspection at Hillsborough on August 8, noting several minor matters and two findings exceeding expectations. A hand tools refresher and a tick attack/reporting training session were conducted on August 26 with 40 employees attending each session. Decluttering has begun at both Hillsborough and Roxboro offices, and vegetation maintenance at the Hillsborough office to allow better site lines for oncoming traffic. Fire prevention training is scheduled for all employees on November 18, 2026. Two employees remain on light duty from injuries received in previous years.

- b. The Vice President of Corporate Services gave the monthly update 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, but several are scheduled to close, including Prospect Hill, Cedar Grove and Cherry Grove. The Bahama Fire Department application has been submitted to the USDA.
 - c. The Vice President of Corporate Services informed the Board of the 2027 Benefits and Renewal Rates. After discussion, upon motion and second, the Board approved the recommended changes to the employee benefits for 2027.
 - d. The Vice President of Corporate Services presented proposed changes in Policy No. 201 – Workweek, Workday, On-Call, Call-outs and Overtime Compensation. Upon motion and second, the Board unanimously approved these changes to Policy No. 201 – Workweek, Workday, On-Call, Call-outs and Overtime Compensation.
7. The Board went into an executive session that began at 4:32 p.m. and ended at 5:35 p.m. when the regular meeting resumed.
8. The Vice President of Financial Services
 - a. Presented the unaudited financials for August 2026. The actual heating and cooling days for August were 509, 81 more than the normal of 428, bringing the year-to-date difference to 216 or 6.32% above normal. Piedmont connected 262 new services year-to-date in 2026 as compared to 251 in 2025 and has 35,413 services in place year-to-date compared to 34,935 in 2025. Piedmont added 11.58 miles of line in 2026 and has a total of 3,705.93 miles of line.
 - b. The Vice President of Financial Services presented the Wholesale Power Cost Adjustment for August 2026.
 - c. The Vice President of Financial Services discussed doing an early retirement of inactive accounts using a discount factor and adding a service charge for inactive accounts of \$0.75 per month to cover the cost of carrying these accounts on the corporate books. This practice would begin on January 1, 2027. Upon motion and second, the board voted to do an early retirement of inactive accounts using a

discount factor and adding a service charge for inactive accounts of \$0.75 per month, effective January 1, 2027.

- d. The Vice President of Financial Services informed the Board that Piedmont has received notice from Duke Energy of the true-up for wholesale power.
9. The President and General manager asked the Directors to give staff an estimate of their anticipated travel expenses for 2027 to assist staff in budget preparation.

The Board went into an executive session that began at 6:05 p.m. and ended at 6:25 p.m.

There being no further business to conduct, Mr. Kinley declared the meeting adjourned at 6:25 p.m.


Chair

Attest:


Secretary

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