

ENERGYUNITED ELECTRIC MEMBERSHIP CORPORATION
Minutes of Regular Meeting of the Board of Directors
September 15, 2022

Pursuant to due notice thereof, a regular meeting of the Board of Directors of EnergyUnited Electric Membership Corporation was held at the Cooperative Headquarters in Statesville, North Carolina, beginning at approximately 11:40 a.m., on Thursday, September 15, 2022. With Board President Max Walser presiding, the following proceedings were held (action being by unanimous or without dissenting vote or abstention unless otherwise stated):

1. CALL TO ORDER

President Walser called the meeting to order.

2. INVOCATION

Vice President Edgar Cartner gave the invocation.

3. ROLL CALL

Upon calling the roll, all directors were present. Also present were Chief Executive Officer Thomas Golden, Chief Operating Officer Brett Alkins, Chief Financial Officer Alec Natt, Vice President of Human Resources Pam Britt, Vice President of Energy Delivery Steve McCachern, Vice President of Information Technology Gaudy Jandron, Vice President of Energy Delivery Steve McCachern, Corporate Attorney Roy McDonald, and Executive Assistant Shamica Butts-Young.

4. APPROVAL OF AGENDA

*A request was made to remove item 5a "Approval of the August 19, 2022 Board Meeting Minutes" from the agenda. With these changes, and upon motion duly made and seconded, it was **RESOLVED**, that the September 15, 2022, Regular Meeting of the Board of Directors Agenda be **ADOPTED**.*

CEO Golden, the Executive Leadership Team, and the Board congratulated Brett Alkins for being chosen as the Cooperative's new Chief Operating Officer.

5. COVID-19 VACCINATION UPDATE

VP Britt reported on COVID-19 variants, virulence, transmissibility, and transmission rates in the United States, North Carolina, and EnergyUnited service territory.

No action was taken on this item.

**6. CONSIDERATION OF SECOND AMENDMENT – PERENDALE HOLDINGS
(DAVIE COUNTY SOLAR FARM)**

CFO Natt provided a review of the events that led to the board's January 2020 approval of a 15-year PPA for a solar farm, and the board's February 2021 modification of that PPA. The project has been delayed by tariffs and supply chain issues. The solar farm has changed hands. The new developer has requested a second modification of the PPA. CFO Natt presented the various proposed and alternatively proposed modifications.

*Upon motion duly made and seconded, the board **APPROVED** the following resolutions:*

FIRST RESOLUTION

RESOLVED that the first sentence in Section 3.1 of the PPA is hereby amended and restated in its entirety as follows:

Subject to the Conditions to Performance in Article 11, this Agreement shall become effective as of the Effective Date and, unless terminated in accordance with the terms hereof, shall continue in full force and effect for a period of ten (10) years following the Commercial Date ("the Term") with the Purchaser having a right of first refusal at the end of the Term to enter into a new PPA.

RESOLVED FURTHER that, in the first sentence of Section 20.4 of the PPA, the phrase "December 31, 2020" shall be amended and restated to change the phrase to "June 1, 2023"

SECOND RESOLUTION

WHEREAS, EnergyUnited Electric Membership Corporation (the "Cooperative") entered into that certain Power Purchase Agreement dated as of January 24th, 2020 (the "Agreement") with Perendale Holdings LLC ("Perendale");

WHEREAS, the Cooperative and Perendale entered into that certain First Amendment to Power Purchase Agreement dated April 15, 2021;

WHEREAS, Perendale has proposed a Second Amendment to Power Purchase Agreement (the "Second Amendment") and such Second Amendment was presented to the Board of Directors at this meeting;

WHEREAS, the Board of Directors of the Cooperative has now determined that it is in the overall best interest of the Cooperative and its Members to enter into the Second Amendment;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Cooperative hereby approves the negotiation, execution, and delivery of a Second Amendment to the Agreement as discussed with the Board of Directors of the Cooperative at this meeting.

RESOLVED FURTHER that the Chief Executive Officer of the Cooperative is hereby authorized, empowered, and directed, for and on behalf of the Cooperative, to finalize, execute, and deliver such Second Amendment.

RESOLVED FURTHER that the Chief Executive Officer of the Cooperative and, at the direction of such officer, the other officers and employees of the Cooperative are hereby authorized, empowered, and directed, for and on behalf of the Cooperative, to obtain any and all approvals and consents from, and to make any and all filings with, any governmental agency, including the RUS, or any other third party necessary or appropriate in connection with the consummation of the transaction contemplated by this resolution.

7. 2021 GENERAL RETIREMENT OF CAPITAL CREDITS

CFO Natt presented data concerning the cooperative's equity and equity to asset ratio currently and over the last ten years. 2022 projected margins were also presented. CFO Natt reviewed the history of general retirements of capital credits and presented data concerning such retirements dating from 2012 to the present.

*Upon motion duly made and seconded, it was **RESOLVED**, that the 2022 general retirement of capital credits of \$3,500,000 be **APPROVED** by the board, for refunding in December 2022.*

8. VEGETATION MANAGEMENT UPDATE

VP McCachern reviewed the history of the cooperative's program to remove trees that presented a danger to the cooperative's power lines ("danger trees"). VP McCachern presented the computer dashboard that displayed data used to manage the program and presented photographs showing before and after images of danger trees. The program has been a great success story and will greatly improve reliability in the future

No action was taken on this item.

9. RELIABILITY UPDATE

VP McCachern presented a comparison of reliability data for the year 2021 through the end of July and the year 2022 through the end of July. There has been an increase in events and an increase in number of people affected. Weather is a significant factor. By way of example, there were three times the number of lightning strikes in 2022.

No action was taken on this item.

10. METER TAMPERING

VP McCachern reported that the cooperative had identified 14 cases of meter tampering. These meters continued to report correct usage, but their disconnect switch had been disabled. Two additional meters are being pulled for examination and one (which is not correctly reporting usage) has been sent back to the manufacturer for examination.

A suspect has been arrested. It is alleged that the suspect peddled meter tampering services through friends and family. For a fee, he would alter the meter so that it underreported usage. The suspect primarily worked on Duke's system and was unfamiliar with the cooperative's meters. This is the likely reason why he was unsuccessful in modifying the cooperative's meters.

The cooperative continues to research the matter.

No action was taken on this item.

11. INCREASING TRANSPARENCY ON MEMBER BILLS

COO Alkins reported that the cooperative would show the facilities fee and WCPA as separate line-items on members' bills, beginning in November. The cooperative is also considering changing the name of the "facilities fee." COO Alkins also reported on the communication plan to educate members prior to the change.

No action was taken on this item.

12. NISC UPDATE

VP Goudy reviewed the cooperative's NISC feature utilization goal. VP Goudy also updated the board on the cooperative's progress toward this goal, generally and by department. VP Goudy shared NISC success stories and the cooperative's priorities moving forward.

No action was taken on this item.

13. DATA AS A STRATEGIC ASSET

VP Goudy presented the cooperative's plan to leverage data as a strategic asset. Six goals have been identified. Foundational goals include educate data users, create data-centricity, empower the business, and automation by design. Future state goals include scenario modeling and identify opportunities. VP Goudy also presented milestones and a timeline for implementation of foundational goals.

No action was taken on this item.

15. VISION STATEMENT

CEO Golden reviewed the cooperative's vision and the cooperative's vision statement. Proposed changes meant to align the cooperative's vision with the cooperative's vision statement were discussed.

No action was taken on this item.

16. STRATEGY ROADMAP

CEO Golden reviewed the cooperative's 2022 key focus areas, reviewed the cooperative's strategy roadmap, and presented the cooperative's goals and objectives (as well as the individual assigned to lead the effort to accomplish them).

No action was taken on this item.

17. CHIEF EXECUTIVE OFFICER REPORT

CFO Natt advised the board of a budget variance associated with purchase of a Toyota Tacoma pickup truck. CEO Golden reported on theft that occurred at Deep River. CEO Golden reported that an outage preplanned by Duke had been cancelled at the executive level without advising the cooperative, which had given members advance notice of the preplanned outage. VP McCachern update the board on the status of the 10MW solar farm being built in Iredell County. EA Butts-Young reviewed director training, conferences, and meetings.

No action was taken on this item.

13. EXECUTIVE SESSION

Upon motion duly made and seconded, the board went into executive session at approximately 1:20 p.m. President Walser declared the board in open session at approximately 2:00 p.m.

See the Minutes of Board of Directors Meeting – Executive Session dated September 15, 2022, prepared by Corporate Attorney McDonald.

14. DIRECTOR CONTINUING EDUCATION

Corporate Attorney McDonald presented the NRECA Governance Talk video entitled “Election of Board Officers and Their Roles.” Following the video, Attorney McDonald reviewed the video’s main topics and presented a number of possible modifications to the board officer election process to the board for discussion.

No action was taken on this item.

15. OTHER ITEMS

No other items were presented or discussed.

16. ADJOURN

*Where upon there being no further business to be taken, upon motion duly made, seconded, and **APPROVED**, the meeting adjourned at approximately 2:15 p.m.*

I, the duly elected and qualified Secretary of EnergyUnited Electric Membership Corporation, do hereby certify that the foregoing actions were taken by the directors of the corporation at a meeting duly noticed and held September 15, 2022.



Ann Eller
Secretary

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IP: 67.62.103.174



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02 / 08 / 2023

19:42:20 UTC

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IP: 137.118.218.212



SIGNED

02 / 08 / 2023

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