

**ENERGYUNITED ELECTRIC MEMBERSHIP CORPORATION**  
**Minutes of Regular Meeting of the Board of Directors**  
**November 16, 2023**

Pursuant to due notice thereof, a regular meeting of the Board of Directors of EnergyUnited Electric Membership Corporation was held at the Cooperative's Headquarters in Statesville, North Carolina, at 2:00 p.m. on Thursday, November 16, 2023. With Board President Max Walser and Board Vice President Brian Sisson 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**

Edgar Cartner gave the invocation.

**3. ROLL CALL**

Upon calling the roll, all directors were present, except for Ann Eller. Also present were Chief Executive Officer Thomas Golden, Chief Operating Officer Brett Alkins, Chief Financial Officer Alec Natt, Chief Human Resources Officer Pam Britt, Vice President of Energy Delivery Steve McCachern, Manager of Accounting Cody Schall, Corporate Attorney Roy McDonald, Executive Assistant Shamica Butts-Young, and Dan Bruning of EleCo Solutions, LLC.

**4. APPROVAL OF AGENDA**

*Upon motion duly made and seconded, it was **RESOLVED** that the November 16, 2023 Regular Meeting of the Board of Directors agenda be **ADOPTED**.*

Staff was excused from the meeting. CEO Golden and Mr. Bruning remained.

**5. EXECUTIVE SESSION**

*Upon motion duly made and seconded, the board went into executive session at approximately 2:10 p.m. and President Walser declared the board in open session at approximately 3:10 p.m.*

*All matters set out in the agenda for presentation and discussion in executive session were presented and discussed. See the Minutes of Board of Directors Meeting – Executive Session dated November 16, 2023, prepared by Attorney McDonald.*

Staff was invited to return to the meeting. Mr. Bruning left the meeting.

## 6. ITEMS FOR ACTION:

### a. Director Qualification Bylaw Updates

Vice President Sisson (in his capacity as Chairperson of the Board Executive Committee), CEO Golden, and Attorney McDonald presented the Executive Committee's recommended changes to Sections 4.2-Board and 4.3-Director Qualifications of EnergyUnited's bylaws. The changes were recommended to: (i) align Section 4.2 with North Carolina General Statutes Chapter 117, Article 1, Rural Electrification Authority and Section 4.3 regarding representatives of entity members serving on the Board of Directors; (ii) decrease the number of times a director may be absent from board meetings in any twelve month period without being disqualified from four to three; and (iii) remove overly burdensome director qualifications that prohibit directors and director candidates from engaging in activities that promote clean energy, even though such activities (a) are permissible to all other members of EnergyUnited; (b) do not compete with EnergyUnited; and (c) are unlikely to create conflicts of interest. By way of example, the bylaws of EnergyUnited as currently written disqualify a director or director candidate with solar panels installed at their residence.

The recommended changes are attached.

*Upon motion duly made and seconded, the Board **ADOPTED** the bylaw changes recommended by the Executive Committee.*

### b. 2024 Budget & Work Plans

CFO Natt and Accounting Manager Schall presented the 2024 Budget and Work Plans. Challenges EnergyUnited faces include inflation, increasing costs of labor and benefits, and necessary investments in additional personnel, infrastructure, and critical business applications. Inflation is running at about 4%. EnergyUnited's growth rate is about 1.7%. A minor increase in facility fees is necessary; however, there is also an opportunity to decrease the wholesale power cost adjustment ("WCPA"), which will stabilize rates for the membership.

The following is a high-level summary of the 2024 budget:

	Budget 2023	2023 Forecast	Budget 2024	% CHG.
REVENUE	(300,140,312)	(288,806,746)	(290,064,891)	0.4%
POWER PRODUCTION EXPENSE	45,930	34,151	53,293	56.1%
COST OF POWER	209,542,926	195,405,691	191,719,673	-1.9%
TRANSMISSION EXPENSE	513,805	401,404	440,027	9.6%
DISTRIBUTION EXPENSE-OP'S	8,324,854	8,304,702	9,244,167	11.3%
DISTRIBUTION EXPENSE-MAINT.	18,629,635	18,664,660	19,992,734	7.1%
CONSUMER ACCOUNTS EXPENSE	4,863,666	4,655,808	5,171,990	11.1%
CUSTOMER SERVICE AND INFO.	1,799,375	1,680,506	1,859,643	10.7%
SALES EXPENSE	1,220,135	1,106,811	1,311,452	18.5%
ADMINISTRATIVE AND GENERAL	19,166,105	18,123,818	19,802,257	9.3%
DEPRECIATION EXPENSE	25,534,847	25,306,810	27,094,711	7.1%
OTHER TAXES	11,500	11,829	12,500	5.7%
INTEREST EXPENSE	7,672,838	7,586,331	9,204,676	21.3%
OTHER INTEREST EXPENSE	35,000	33,257	45,000	35.3%
OTHER DEDUCTIONS	410,000	435,446	555,110	27.5%
INTEREST INCOME	(815,782)	(1,202,870)	(825,782)	-31.3%
INCOME FROM EQUITY INV.	-	-	-	
OTHER INCOME	(271,535)	(366,316)	(285,714)	-22.0%
CAPITAL CREDITS AND PAT. DIV.	(1,349,000)	(1,516,216)	(1,250,000)	-17.6%
MARGINS	(4,806,012)	(10,140,924)	(5,919,155)	-41.6%

*Upon motion duly made and seconded, the Board **APPROVED** the EnergyUnited 2024 Budget & Work Plans, which includes revenues of \$290,064,891 and net margins of \$5,919,155.*

**c. Audit Committee Approval**

CEO Golden reported that Director Jerry Anderson had completed his three-year term on the Audit Committee creating a vacancy on the committee.

*Upon motion duly made and seconded, the Board **APPOINTED** Director Craig Black to a three-year term on the Board Audit Committee.*

**7. CHIEF EXECUTIVE OFFICER REPORT**

**a. Cost of Service Study**

CEO Golden reported that EnergyUnited was conducting a cost of service study.

*No action was requested on this item.*

**b. GridX**

CEO Golden and VP McCachern reported on GridX, a vendor that they had learned about thorough the Electric Information Sharing and Analysis Center (E-ISAC). GridX's services consist of providing tabletop training exercises simulating cyber and physical attacks on electricity infrastructure. EnergyUnited is going to observe such an exercise and is likely to participate in such an exercise next year.

*No action was requested on this item.*

**c. Catawba Nuclear Station Tour**

CEO Golden informed the board of the agenda and timetable of the upcoming tour of the Catawba Nuclear Station.

*No action was requested on this item.*

**d. Charlotte Top Place to Work 2023**

CEO Golden invited the board to attend EnergyUnited's acceptance of the Charlotte Metro Area Top Workplaces 2023 award.

*No action was requested on this item.*

**e. Director Training, Conferences, & Meetings**

Executive Assistant Butts-Young reported on upcoming director training, conferences, and meetings.

*No action was requested on this item.*

**8. EXECUTIVE SESSION**

*Upon motion duly made and seconded, the board went into executive session again at approximately 4:55 p.m. and Vice President Sisson declared the board in open session at approximately 5:50 p.m.*

*All matters set out in the agenda for presentation and discussion in executive session were presented and discussed. See the Minutes of Board of Directors Meeting – Executive Session dated November 16, 2023, prepared by Attorney McDonald.*


**9. OTHER ITEMS**

No other items were presented or discussed.

**10. ADJOURN**

*Where upon there being no further business to be taken, upon motion duly made, seconded, and **APPROVED**, the meeting adjourned at approximately 3:20 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 Thursday, November 16, 2023.



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Cheryl Wright  
Secretary

## PROPOSED BYLAW CHANGES

### 1. Proposed Changes to bylaws Section 4.2-Board:

#### a. Paragraph 1:

"The Cooperative shall have a Board that equitably represents the Members and is composed of nine Members ~~or individuals authorized by Entity Members~~, three of which shall represent each of the three Director Districts, that:"

#### b. Paragraph 2:

~~The Board may not be composed of more than one individual authorized by Entity Members. An Entity Member may not authorize more than one Director. In the event two or more individuals authorized by Entity Members are candidates elected to the Board, only the candidate receiving the highest number of votes shall be elected to the Board.~~

### 2. Proposed changes to bylaws Section 4.3-Director Qualifications:

#### a. Paragraph 3(g):

~~"attend at least two-thirds of all~~ Not fail to attend more than three Regular Board meetings during ~~each any~~ 12 consecutive month period, unless a majority of the remaining Directors resolve by secret ballot that there was good cause for such absences and such cause will not likely result in absences during the next 12 consecutive month period;"

#### b. Paragraph 3(h):

"for Directors elected to their first term after 1999, except as otherwise provided by the Board for good cause, receive a Credentialed Cooperative Director designation, Director's Certificate, or similar designation or certification from the National Rural Electric Cooperative Association within ~~six~~ two years of becoming a Director; and"

#### c. Paragraph 5(f):

"while a Director and during the 10 years immediately before becoming a Director, not be or have a Close Relative that is an employee or agent of any other supplier, generator, or distributor of electric energy, natural gas, or telecommunications services."

d. Paragraph 5(h):

"while a Director and during the 5 years immediately before becoming a Director, not advance or have a Close Relative that advances the individual's pecuniary interest by competing with ~~or Providing a good or service similar to a good or service Provided by~~ the Cooperative, a Cooperative Subsidiary, or a Cooperative Affiliate;"

e. Paragraph 5(i):

~~"while a Director and during the 5 years immediately before becoming a Director, not Provide or have a Close Relative that Provides electric energy, and not own, lease, or rent or have a Close Relative that owns, leases, or rents real or personal property used to Provide electric energy;"~~

f. Paragraph 5(o)(i):

"advances the entity's pecuniary interest by competing with the Cooperative, a Cooperative Subsidiary, or a Corporate Affiliate, ~~or Providing electric energy or a good or service Provided by the Cooperative, a Cooperative Subsidiary, or Cooperative Affiliate, or by Providing a good or service similar to a good or service Provided by the Cooperative, a Cooperative Subsidiary, or a Cooperative Affiliate;~~"