

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION
Minutes of the Regular Meeting of the
Board of Directors
March 18, 2025

Pursuant to due notice thereof, a meeting of the Board of Directors of the Lumbee River Electric Membership Corporation was held at the Corporation's headquarters in Pembroke, North Carolina, beginning at 5:30 p.m., Tuesday, March 18, 2025. Directors present in person were, Chairman Rory Eddings, Mary Beth Locklear, Sharon M. Burnette, Erice Locklear, Anthony Hunt, James Hardin, Ronald G. Hammonds, Secretary Elaine O. Chavis, Treasurer Kirk Lowery, Sherry Carter, Rhonda Goins Dial and Ronald Anderson. Also present were Grady Hunt representing Hunt & Brooks, the Corporation's general counsel and President & CEO Jonathan T. Locklear. Vice Chairman Roger Oxendine was not present.

Also present were the Executive Assistant Kim Chavis, Chief Operations Officer John Dyson, Chief Financial Officer Daniel Leonard, Vice President of Information Technology Craig Davis, VP of Eng. & Operations Matt Epps, Director of Corporate Safety Mark Walters, Joshua Locklear, Manager of Key Accounts, Vice President of Human Resources Marie Hussey, and VP of Member Service & Community Relations Ruby Clark Quick.

The Chairman called the meeting to order and prayer was said by Ronald Anderson.

1. A MOTION WAS DULY MADE BY BOARD MEMBER RONALD HAMMONDS AND WAS PROPERLY SECONDED AND THE BOARD ADOPTED THE AGENDA. THE VOTE WAS CARRIED UNANIMOUSLY.
2. Marie Hussey introduced two new employees, Antonio Ibarra, Fiber Logistics Technician (Rivr Tech) and Joseph Sublett, Financial Analyst.
3. Member Comments: Ronnie Revels made comments concerning rates (see attached Exhibit "A"); Wanda Hunt made comments concerning high electric bills; Ben Miday made comments concerning fiduciary duties of board members, bylaws, and solar energy.
4. A MOTION WAS DULY MADE BY ANTHONY HUNT AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE MINUTES FOR THE FEBRUARY 18, 2025 REGULAR BOARD MEETING. THE VOTE WAS CARRIED UNANIMOUSLY.
5. Director of Corporate Safety Mark Walters presented the Safety Report for the month of February 2025. He noted that there were no incidents in February 2025. A MOTION WAS DULY MADE BY BOARD MEMBER JAMES HARDIN AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE FEBRUARY 2025 SAFETY REPORT. THE VOTE WAS CARRIED UNANIMOUSLY.
6. Ms. Elaine O. Chavis presented the Secretary's Report to the directors for the month of February 2025. A MOTION WAS DULY MADE BY ANTHONY HUNT AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE FEBRUARY 2025 SECRETARY'S REPORT. THE VOTE WAS CARRIED UNANIMOUSLY.

7. Mr. Kirk Lowery presented the Treasurer's Report (Form 7) to the directors for the month of February 2025. A MOTION WAS DULY MADE BY BOARD MEMBER KIRK LOWERY AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE FEBRUARY 2025 TREASURER'S REPORT (FORM 7). THE VOTE WAS CARRIED UNANIMOUSLY.

8. Chief Financial Officer Daniel Leonard presented the LREMC Financial Report for February 2025.

A MOTION WAS DULY MADE BY ANTHONY HUNT AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE FEBRUARY 2025 ESTATE RETIREMENTS. THE VOTE WAS CARRIED UNANIMOUSLY.

9. President & CEO Jonathan T. Locklear shared that when he was hired one of the tasks at hand was to improve employee morale. In the interview process, he had many questions concerning how he would improve engagement with employees and how he would improve employee morale. He shared with the board what they are currently doing for employees. He discussed the improved culture at LREMC. He shared the results of the most recent culture survey. He noted that the first employee survey in 2023 revealed that LREMC did not have a healthy culture. After the survey, he met with his leadership team and asked what could they do to improve employee morale and get engagement from employees. They went to work to improve the culture. In 2024, LREMC moved to a healthy culture and became a best workplace. Some things happened over the years with employee separation, issues with the phone system that were tough on employees. Management really didn't have any idea how the survey would look in 2025. The 2025 survey reflects that the culture at LREMC is flourishing. The engagement of employees has increased from 18.8% in 2023, to 72.3% in 2025. Participation rate for employees to complete the survey is at 87%. It is difficult to get employees to complete surveys. The reason most employees do not participate in surveys is that they feel that nothing changes. Employees are now saying that not only are things changing and improving, but they want to be a part of the change. He wanted to share that we have had great results with our culture survey.

He also noted that management is not taking lightly the WPCAs and the cost of power charges and management is not just setting back and saying that the cost of power is going up so we will pass it on to our members. We are fighting for ourselves, you, the employees and the membership. We are not just taking it. We are sounding the alarm. We are not taking or treating this lightly. Statewide has to listen. Rate increases that were recently done were a must, or else the budget would have been underwater. A lot of work goes into the budget process and we take it seriously.

10. Chairman Rory Eddings noted matters of interest to Directors to include the following:
- a. Youth Program Awards Luncheon will be held at LREMC Headquarters in Pembroke, NC at 11:30am-12:30pm. Date is TBD.
 - b. All LREMC offices will be closed in observance of Good Friday on April 18, 2025.
 - c. The LREMC Golf Tournament will be held on Friday, May 9, 2025 at Bayonet at Puppy Creek.
 - d. All LREMC offices will be closed in observance of Memorial Day on May 26, 2025.
 - e. New Director Orientation will be held Wednesday-Friday on March 26-28 in Arlington, VA.
 - f. The Brighter Future Summit (formally Statewide Annual Meeting) will be held Wednesday-Thursday, April 2-3, in Raleigh Marriott Crabtree Valley in Raleigh, NC.

- g. The 2025 Legislative Conference will be held Sunday-Wednesday, April 27-30, at Marriott Marquis in Washington, DC.
- h. Policy Committee Meeting is scheduled for April 14 at 5:30pm.
- i. Finance/Audit Committee Meeting is scheduled for April 15 at 4:30pm.
- j. Annual Meeting Committee Meeting is scheduled for March 20 at 5:30pm.
- k. Executive Committee Meeting is scheduled for March 20 at 6:30pm.

- 11. Board Member Ronald Anderson left after the open session of the meeting concluded.
- 12. A MOTION WAS DULY MADE BY ANTHONY HUNT AND WAS PROPERLY SECONDED AND THE BOARD ENTERED EXECUTIVE SESSION. Personnel Matters were presented in closed executive session by Marie Hussey.
- 13. A MOTION WAS DULY MADE BY RONALD HAMMONDS AND WAS PROPERLY SECONDED TO LEAVE EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried.
- 14. A MOTION WAS DULY MADE BY ANTHONY HUNT AND WAS PROPERLY SECONDED TO ADJOURN THE MEETING. THE VOTE WAS CARRIED UNANIMOUSLY.



RORY EDDINGS, CHAIRMAN



ELAINE O. CHAVIS, SECRETARY

Message to LREMC Board of Directors:

I am here today as a member owner to discuss our rising light bills.

I will be talking about the last 3 years because this all started 3 years ago and has gotten worse each passing year.

Here is a list of some of the things that have transpired in the course of those 3 years.

1. Our light bills have increased over 30%
2. The number of LREMC employees have increased 25%, which has led to increased labor costs.
3. Our previous CEO was hired 3 years ago, and 3 months into his contract, he was fired. The Board of Directors then bought out his contract, that is still costing the members thousands of dollars.
4. Unnecessary spending for retreats that are taken twice a year, at the members expense to Myrtle Beach, which costs upwards of \$25,000 per visit (\$50,000 total).
5. The current CEO was given a \$25,000 bonus along with a 5% raise. The members are paying him a salary of \$300,000 annually.

All of this wasteful and unnecessary spending was done, while the members are struggling to pay their light bills, that happen to be higher than some house payments.

We have many senior members that are on a fixed income and receive a mere \$1000 per month benefits from Social Security. Many have to make the grim decision whether to pay their light bill or get their medicine.

Our region Hoke, Robeson and Scotland Counties are among the 10 poorest counties in the State. The higher-than-average light bills, have severely impacted member owners by this added financial distress.

It is the Board's duty to provide low-cost power while acting with integrity and transparency.

This is the Board of Directors campaign slogan used during the elections, but you have not been upholding these principles.

The member owners are tired of excuses as to why the light bills have increased. First members were told that the State made a rate increase and then the members were told that Duke Energy increased the cost of the supply of power. Everything can not be blamed on inflation!

I would like to thank Mr. Ronald Hammonds made a motion for an immediate hiring freeze on all newly hired employees, but as we all know, that motion was voted down by the board.

The Board needs to make serious decisions about redirecting costs because the member owners simply cannot bear anymore rate increases.

The costs of operation will increase in the next 5 years. One by the amount of payout for employees wages will increase because of cost of living and for more new hires. And the cost of new equipment maintaining our substations and replacing damaged or old poles and lines must be factored in to that cost that the member will eventually be paying for.

Our Board Chairman likes to say in the monthly meeting that, "our job as the Board of Directors is to keep the lights on and keep the light bills affordable."

I personally give the lineman and the current staff an A+ for keeping our lights on, but since the Board of Directors are the ones calling the shots, I give them an F for doing a piss poor job of making sure the members can afford to keep their lights on. If not for the members, there would not be money for retreats, bonus' or new hires. Remember that the next time you are tempted to raise the rates.

The Board was elected to help and support its members and you have failed at your job.

Instead, you burden the members with higher light bills and are not willing lend a helping hand to them in their time of need.

We are only as good as our members.

Thank you,

Ronnie Revels