

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION
Minutes of the Regular Meeting of the
Board of Directors
February 21, 2023

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, February 21, 2023. Directors present in person were Chairman Rory Eddings, Vice-Chairman Erice Locklear, Secretary Roger Oxendine, Treasurer Anthony Hunt, Kirk Lowery, Autry Lowry, James Hardin, Elaine O. Chavis, Ronald Anderson, Rhonda Goins Dial, Ronald G. Hammonds, Spencer Locklear and Sherry Carter. Also present were the President and CEO Jonathan T. Locklear, and Grady Hunt representing Hunt & Brooks, the Corporation's general counsel.

Also present were the VP of Eng. & Operations Matt Epps, Director of Corporate Safety Mark Walters, Chief Operations Officer John Dyson, VP of Member Service & Community Relations Ruby Clark Quick, Executive Assistant Kim Chavis, Chief Financial Officer Daniel Leonard, VP of Human Resources Cynthia Stiles. VP of Corp. Services Walter White was not present.

Chairman Rory Eddings called the meeting to order, and prayer was said by Anthony Hunt.

1. A MOTION WAS DULY MADE BY BOARD MEMBER RONALD ANDERSON AND WAS PROPERLY SECONDED AND THE BOARD ADOPTED THE AGENDA. THE VOTE WAS CARRIED UNANIMOUSLY.
2. Cynthia Stiles introduced new employees to the directors: Logistics Coordinator James Copeland hired January 18, 2023 for the North Center location. Chief Financial Officer Daniel Leonard hired February 1, 2023, Logistics Technicians Nicholas Moore and Kevin Locklear hired February 13, 2023 for the Pembroke location.
3. Member comments were presented by Patsy Chavis on behalf of Great Light Community Church concerning church demand charges. (See attached "Exhibit A").
4. A. A MOTION WAS DULY MADE BY BOARD MEMBER JAMES HARDIN AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE MINUTES FOR THE JANUARY 17, 2023 REGULAR BOARD MEETING. THE VOTE WAS CARRIED UNANIMOUSLY.

B. A MOTION WAS DULY MADE BY BOARD MEMBER ROGER OXENDINE AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE JANUARY 24, 2023 POLICY COMMITTEE MEETING MINUTES. THE VOTE WAS CARRIED UNANIMOUSLY. A MOTION WAS DULY MADE BY BOARD MEMBER JAMES HARDIN AND WAS PROPERLY SECONDED AND THE BOARD APPROVED ALL ACTION TAKEN BY THE POLICY COMMITTEE WITH RESPECT TO POLICY NUMBERS 111, 222, 302, 306, 315, 316, 423,431,433, 509, 510, 514 AND 519.

C. A MOTION WAS DULY MADE BY BOARD MEMBER JAMES HARDIN AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE MINUTES FOR THE JANUARY

31, 2023 LOAN & ECONOMIC DEVELOPMENT COMMITTEE MEETING MINUTES. THE VOTE WAS CARRIED UNANIMOUSLY.

D. A MOTION WAS DULY MADE BY BOARD MEMBER RONALD HAMMONDS AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE MINUTES FOR THE FEBRUARY 13, 2023 TECHNOLOGY COMMITTEE MEETING MINUTES. THE VOTE WAS CARRIED UNANIMOUSLY.

5. Mr. Mark Walters presented the Safety Report indicating that there were zero incidents reported for the month of January 2023. A MOTION WAS DULY MADE BY BOARD MEMBER ROGER OXENDINE AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE JANUARY 2023 SAFETY REPORT. THE VOTE WAS CARRIED UNANIMOUSLY.

Mr. Mark Walters also updated the directors on trainings and certifications that he would be providing to employees in the next few months.

6. Mr. Roger Oxendine presented the secretary report for the month of January 2023 to the directors. A MOTION WAS DULY MADE BY BOARD MEMBER JAMES HARDIN AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE JANUARY 2023 SECRETARY REPORT. THE VOTE WAS CARRIED UNANIMOUSLY.
7. Mr. Anthony Hunt presented the Treasurer Report (Form 7) to the directors for the month of January 2023. A MOTION WAS DULY MADE BY BOARD MEMBER ANTHONY HUNT AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE JANUARY 2023 TREASURER REPORT (FORM 7). THE VOTE WAS CARRIED UNANIMOUSLY.
8. Chief Financial Officer Daniel Leonard presented the LREMC Financial Report for January 2023. Chief Financial Officer Daniel Leonard presented the January 2023 Estate retirements. A MOTION WAS DULY MADE BY BOARD MEMBER SPENCER LOCKLEAR AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE JANUARY 2023 ESTATE RETIREMENTS. THE VOTE WAS CARRIED UNANIMOUSLY.

LREMC received \$400.00 as a patronage from Cooperative Response Center Inc. which was a 4% annual dividend on all Class A equity investments.

9. Jonathan T. Locklear provided the CEO update. He discussed pending bills in the NC legislature with regard to substation security. The bills are House Bill 21 sponsored by Representative Moss which requires security systems in substations to protect against vandalism and other security threats continuously for 24 hours a day, and Senate Bill 58 sponsored by Senators McInnis, Britt and Newton which increases the punishment for property crimes committed against utilities.

Mark Walters informed the directors of an incident on February 20, 2023 at Scotland Acres Substation in which deputies were called and a person was arrested.

John Dyson presented on Fiber/Internet Communications. Mr. Dyson presented on communication goals and identified three fiber outage categories and the communication method for each outage category.

The categories were Level 3: Minor, Level 2: Major and Level 1: Catastrophic (the escalation path for communication becomes more intense at each level). Mr. Dyson noted that a majority of outages are a result of weapon discharges.

10. Mr. Rory Eddings discussed matters of interest to Directors to include the following:

- A.
 - a. Rumba on the Lumber is Friday through Saturday, March 3-4, 2023 in downtown Lumberton.
 - b. Carolina International at Carolina Horse Park is Friday through Sunday, March 17-19, 2023 at 2814 Montrose Road, Raeford NC.
 - c. All LREMC offices will be closed on Friday, April 2, 2023 in observance of Good Friday.
 - d. National Lineworkers' Appreciation Day is Monday, April 10, 2023.
 - e. 2023 NRECA Power Xchange conference will be held from Sunday, March 5th – Wednesday, March 8th 2023 at the Music City Center, Nashville, Tennessee.
 - f. LREMC Spring Planning Session Friday, March 17th – Sunday, March 19th 2023 at the Marina Inn, Myrtle Beach, South Carolina.
 - g. Rally in Raleigh is Tuesday through Wednesday March 21-22, 2023
 - h. 2023 Legislative Conference will be held from Sunday, April 16th – Wednesday, April 19th 2023 in Washington D.C.
 - i. 2023 New Director Orientation will be held Tuesday, April 25th – Friday, April 28th 2023 in Arlington, Virginia.

Matt Epps presented to the Board on supply chain issues. He reported that the lead times for distribution transformers was 60 weeks, meters 60 weeks, meter bases 70 weeks, substation transformers 3 years, and breakers and regulators 60-80 weeks.

B. A MOTION WAS DULY MADE BY BOARD MEMBER JAMES HARDIN AND WAS PROPERLY SECONDED AND THE BOARD APPROVED TO RESCHEDULE THE REGULAR BOARD MEETING FROM THE ORIGINAL DATE OF TUESDAY, MARCH 21, 2023 TO TUESDAY, MARCH 28, 2023. THE VOTE WAS CARRIED UNANIMOUSLY.

C. A MOTION WAS DULY MADE BY BOARD MEMBER ANOTHY HUNT AND WAS PROPERLY SECONDED AND THE BOARD APPROVED FOR THE ANNUAL MEETING COMMITTEE MEETING TO BE HELD ON MONDAY, MARCH 21, 2023 AT LREMC HEADQUARTERS AT 5:00P.M. THE VOTE WAS CARRIED UNANIMOUSLY.

D. A MOTION WAS DULY MADE BY BOARD MEMBER ERICE LOCKLEAR AND WAS PROPERLY SECONDED AND THE BOARD APPROVED FOR THE LOAN & ECONOMIC DEVELOPMENT COMMITTEE MEETING TO BE HELD ON TUESDAY, MARCH 14, 2023 AT LREMC HEADQUARTERS AT 5:30P.M. THE VOTE WAS CARRIED UNANIMOUSLY.

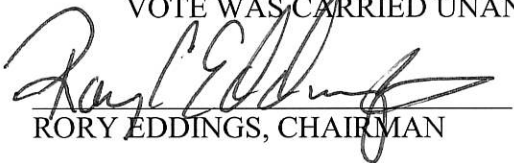
E. A MOTION WAS DULY MADE BY BOARD MEMBER SPENCER LOCKLEAR AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE FOR JAMES HARDIN AND ELAINE CHAVIS TO BE THE REAP DELEGATES FOR A TWO YEAR TERM ENDING APRIL 2025.

11. A MOTION WAS DULY MADE BY BOARD MEMBER AUTRY LOWRY AND WAS PROPERLY SECONDED AND THE BOARD ENTERED EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried.
12. A MOTION WAS DULY MADE BY BOARD MEMBER ROGER OXENDINE TO LEAVE EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried.
13. A MOTION WAS DULY MADE AND RESOLVED BY SPENCER LOCKLEAR TO CONFIRM ALL ACTIONS TAKEN IN EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried. All votes were reaffirmed without discussion as follows:

A MOTION WAS DULY MADE BY BOARD MEMBER ROGER OXENDINE AND WAS PROPERLY SECONDED AND THE BOARD APPROVED RESOLUTION 2023-06 RD APPLY INTAKE SYSTEM AUTHORIZED REP., RESOLUTION 2023-07 RUS FORM 674, RESOLUTION 2023-08 RUS FORM 675, AND RESOLUTION 2023-09 FINANCIAL INSTITUTIONS CERTIFICATION OF AUTHORIZATION.

A MOTION WAS DULY MADE BY BOARD MEMBER JAMES HARDIN AND WAS PROPERLY SECONDED AND THE BOARD AGREED TO ADJUST THE COUNTY DELEGATES PAY ON LOAN & ECONOMIC DEVELOPMENT COMMITTEE TO SAME AS BOARD MEMBERS.

14. A MOTION WAS DULY MADE BY ROGER OXENDINE TO ADJOURN THE MEETING. THE VOTE WAS CARRIED UNANIMOUSLY.


RORY EDDINGS, CHAIRMAN


ROGER OXENDINE, SECRETARY

TUESDAY, FEBRUARY 21, 2023 – LREMC BOARD MEETING – 5:30 pm

TOPIC – EMPTY PROMISES

I first spoke to the Board about a Church's demand charge April 20, 2021. Since then, I have spoken to the Board an additional 12 times. After speaking the 1st two times, there were lengthy discussions by Board members. Based on the comments made, it appeared the rationale behind the decision to assign a Church a demand charge in 2014 was "greed."

During Board meetings, Directors have made suggestions about things that "could be done" but "nothing" has been done. Outside Board meetings, I have been told by Board members (and the ex-CEO Randall Jones) that "something would be done." Many empty promises have been made and here are my last conversations.

November 21, 2022, I called Chairperson Eddings to discuss the status of a Church's demand charge. He advised a discussion was held with Mr. Jones and Great Light Church would be used as a "pilot test site" to measure time-of-use rates. I confirmed Mr. Jones had talked to me about this matter at a prior Board meeting. Mr. Jones had been advised a memorandum was needed to present to Great Light as the Church would need to be aware of what the pilot test site consisted of. Mr. Eddings stated he was not aware of the need for a memorandum. I advised him Mr. Jones would be called.

November 21, 2022, I called Ms. Kim Chavis and Mr. Jones was not available. He did return my call and the conversation with Mr. Eddings was shared with him. Mr. Jones stated he did not realize a memorandum was requested although I reminded him we had discussed this issue. Mr. Jones stated one would be prepared.

Later that day, Ms. Ruby Clark called and stated Mr. Jones asked her to call me as she would not be at the following night's Board meeting. Ms. Clark explained "time-of-use" implementation would be "kicked off" that day and it would take 4 weeks for completion. She stated a few members (one being Great Light) would be put on time-of-use rates and that regular rates are different. If a member determines the time-of-use rate is not beneficial, they can choose to stay on the regular rate.

Ms. Clark was very patient when answering my questions. My conversation with Mr. Jones was shared with Ms. Clark however, Great Light Church has never received the pilot test site memorandum.

After 22 months, it appears I have failed to convince the Board it is "not right" for a Church to be required to pay a demand charge. A demand charge is sometimes twice, three times or four times more than the actual electric usage. In addition, there is a \$100 monthly facility rate.

I am walking out of this room knowing I have done what the Lord led me to do...speak to the Board and ask them to correct an injustice that involves His House. Patsy has not failed...the Board has failed.

A copy of my comments are submitted to be included with the minutes.

Patsy Chavis
Patsy Chavis

02-21-23
Date

Representing Great Light Community Church

Chairperson Eddings...Here is a breakdown of Great Light's demand charge for a 13 month period. The demand charge has remained under 50 KW for a consecutive 12 month period however, the demand charge was not removed the 13th month and I have been told it would be removed. Please don't let this be another empty promise.

Will you check into this matter and let me know if the amount due for the period 01-05-23 to 02-05-23 will be adjusted? A response is requested by Friday, March 03 so the light bill can be paid before the due date of Sunday, March 05. Thank you.

GREAT LIGHT COMMUNITY CHURCH – ACCOUNT #7102129701

From 01-05-22 to 02-05-22	Demand	135.66 (23 KW)
From 02-05-22 to 03-05-22	Demand	157.08 (26 KW)
From 03-05-22 to 04-05-22	Demand	142.80 (24 KW)
From 04-05-22 to 05-05-22	Demand	114.24 (19 KW)
From 05-05-22 to 06-05-22	Demand	149.94 (25 KW)
From 06-05-22 to 07-05-22	Demand	114.24 (19 KW)
From 07-05-22 to 08-05-22	Demand	142.80 (24 KW)
From 08-05-22 to 09-05-22	Demand	142.80 (24 KW)
From 09-05-22 to 10-05-22	Demand	128.52 (22 KW)
From 10-05-22 to 11-05-22	Demand	142.80 (24 KW)
From 11-05-22 to 12-05-22	Demand	128.52 (22 KW)
From 12-05-22 to 01-05-23	Demand	172.55 (KW not listed – statement is slightly different)
From 01-05-23 to 02-05-23	Demand	157.08 (26 KW)

Patsy Chavis

Patsy Chavis

02-21-23

Date

Representing Great Light Community Church