

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION
Minutes of the Regular Meeting of the
Board of Directors
April 15, 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, April 15, 2025. Directors present in person were, Chairman Rory Eddings, Vice Chairman Roger Oxendine, Mary Beth Locklear, Sharon M. Burnette, James Hardin, 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. Anthony Hunt, Erice Locklear, and Ronald Hammonds were not present.

Also present were the Executive Assistant Kim Chavis, Chief Operations Officer John Dyson, 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, Guy Silva, Controller and VP of Member Service & Community Relations Ruby Clark Quick. Chief Financial Officer Daniel Leonard was not present.

The Chairman called the meeting to order and prayer was said by Roger Oxendine.

1. A MOTION WAS DULY MADE BY BOARD MEMBER ROGER OXENDINE AND WAS PROPERLY SECONDED AND THE BOARD ADOPTED THE AGENDA. THE VOTE WAS CARRIED UNANIMOUSLY.
2. Member Comments: Lynn E. Locklear, District 5 member/owner, made comments concerning Rivr Tech. (See Exhibit A)
3. A MOTION WAS DULY MADE BY BOARD MEMBER KIRK LOWERY AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE MINUTES FOR THE MARCH 18, 2025 REGULAR BOARD MEETING. THE VOTE WAS CARRIED UNANIMOUSLY.

A MOTION WAS DULY MADE BY BOARD MEMBER JAMES HARDIN AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE MINUTES FOR THE MARCH 20, 2025 ANNUAL MEETING COMMITTEE MEETING. THE VOTE WAS CARRIED UNANIMOUSLY.

A MOTION WAS DULY MADE BY BOARD MEMBER KIRK LOWERY AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE MINUTES FOR THE MARCH 20, 2025 EXECUTIVE COMMITTEE MEETING. THE VOTE WAS CARRIED UNANIMOUSLY.

4. Director of Corporate Safety Mark Walters presented the Safety Report for the month of March 2025. He noted that there was one vehicular accident in March 2025. While driving a line truck down the road with a trailer attached, an approaching passenger vehicle ran off the road, lost control, came across the center line, and collided into the side of the line truck and trailer. Minor damage to the truck and trailer. The accident was classified as unavoidable and no lost time injuries occurred. A MOTION WAS DULY MADE BY BOARD MEMBER ELAINE O. CHAVIS AND WAS PROPERLY SECONDED AND

THE BOARD APPROVED THE MARCH 2025 SAFETY REPORT. THE VOTE WAS CARRIED UNANIMOUSLY.

President & CEO Jon T. Locklear recognized Mark and his team for receiving the RESAP award. Jon T. received the award on behalf of LREMC at the North Carolina Electric Cooperatives Annual Meeting this year. RESAP (Rural Electric Safety Achievement Program) aims to elevate a cooperative's safety program by facilitating on-site observations by industry professionals and peers every three years. Additionally, cooperatives are required to submit annual safety improvement plans and self-assessments. If completed successfully, Cooperatives are recognized by receiving an award (certificate) at the North Carolina Electric Cooperatives Annual Meeting.

5. Ms. Elaine O. Chavis presented the Secretary's Report to the directors for the month of March 2025. A MOTION WAS DULY MADE BY BOARD MEMBER RONALD ANDERSON AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE MARCH 2025 SECRETARY'S REPORT. THE VOTE WAS CARRIED UNANIMOUSLY.
6. Mr. Kirk Lowery presented the Treasurer's Report (Form 7) to the directors for the month of March 2025. A MOTION WAS DULY MADE BY BOARD MEMBER KIRK LOWERY AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE MARCH 2025 TREASURER'S REPORT (FORM 7). THE VOTE WAS CARRIED UNANIMOUSLY.
7. Guy Silva, Controller at LREMC, presented the LREMC Financial Report for March 2025.

A MOTION WAS DULY MADE BY BOARD MEMBER ELAINE O. CHAVIS AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE MARCH 2025 ESTATE RETIREMENTS. THE VOTE WAS CARRIED UNANIMOUSLY.

8. President & CEO Jonathan T. Locklear recognized Guy Silva for doing a tremendous job presenting the financial report in Daniel's place. Guy is second in command in the finance department. Jon T. shared some highlights since the last meeting. Sandhills is doing well both operationally and financially. LREMC should receive an allocation in the next few months from Sandhills. Sandhills maintains 9M in their investment account, but intends to distribute the remaining funds to the cooperatives that own Sandhills. Sandhills has a lot of good projects that they are working on including microgrids, solar and battery storage facilities. They are currently working on the 40-megawatt microgrid at Camp Mackall. Camp Mackall is one of those sites that can get off the grid and difficult to get power to. The microgrid will help bring stability to their power. Sandhills is primarily responsible for making sure that power never goes down at Fort Bragg. Jeff Brown, the CEO, thanks LREMC for its support. We are working with a grant company to secure funding for a 6-megawatt microgrid. The cost for a 6-megawatt microgrid is approximately nine (9) million dollars and we are working to fully fund the microgrid with grant money. We hope to have it online by 2026. There is a shift at statewide and with cooperatives. At one time, statewide controlled all the generation of power, but that is changing. Parameters are being stretched because there is a need for power. Brunswick has been approved to build a 30-megawatt battery storage facility that they will own. They are negotiating with statewide to be able

to dispatch power as they want. Statewide will allow LREMC to own up to 40 megawatts on our system. This would certainly go a long way in helping to keep LREMC out of the flex category. We spent 2.8M in the flex the first quarter of this year. A project like this can pay for itself fairly quickly and can help save money in the long run. This benefits membership by cost savings, reliability and redundancy in the system. Microgrids are another way of letting us keep the lights on.

We are pursuing CAB grant funds for Hoke, Robeson and Scotland Counties. We are currently waiting on a decision. We have other grants that we are applying for that is possible because of changes to legislation.

WPCA continues to be at the forefront for us financially. We need to offset the WPCA that statewide is assessing LREMC. We are not in a position to continue to absorb the WPCA. Some cooperatives have a working WPCA in place and are passing it on to the membership. LREMC, Brunswick, Union Power and Jones Onslow are absorbing most of the WPCA statewide. The WPCA doesn't impact small cooperatives, but it is affecting all of the larger cooperatives. Our budget is fairly accurate, but the unpredictability of the WPCA is an issue. Statewide is not absorbing any of the WPCA. All of the WPCA is being passed on to the 24 member cooperatives. There is currently a group pushing statewide for answers on WPCA. They are trying to continue to hold NCEMC accountable for not meeting their financial projections. This continues to be a concern for LREMC and is a problem statewide.

We intend to bring back operation roundup next month. We continue to believe that this will be a good program that would benefit members. Hopefully at that time we can make a decision to implement the program.

LREMC is internally looking at rates. We are working to have our financial analyst study different rate structures, have discussions with outside sources and study our rates. We are dealing with the same rate pressures and power cost pressures that all cooperatives are having to deal with in this environment.

One thing that our current administration has done that all cooperatives are excited about is the push back of carbon emission dates and mandates. This will help to ensure that we have power when we need power. All of this will not happen immediately. It will take time, but in the end, it will help save funds for generation and transmission.

Vice President of Information Technology Craig Davis provided the Cybersecurity report for the 1st quarter of 2025. In January of 2025 there were 2,993 blocked emails from bad recipients, 6,920 blocked from spam, 381 blocked from viruses, 11,064 quarantined and 198,510 that were allowed. In February of 2025 there were 29,296 blocked emails from bad recipients, 6,745 blocked from spam, 160 blocked from viruses, 11,806 quarantined and 189,465 that were allowed. In March of 2025 there were 26,428 blocked emails from bad recipients, 7,037 blocked from spam, 229 blocked from viruses, 13,434 quarantined and 223,451 that were allowed.

The Palo Alto Firewall Threat Report showed 150 threats from the United States, 44 from Germany, 4 from Switzerland, 5 from Brazil, 38 from Argentina, and 1 from Vietnam.

The Phishing Tests sends simulated phishing emails or messages to employees to assess their vulnerability to phishing attacks. The Phishing Tests showed that in January 2025, there were 241 delivered, 0 failed, and 36 reported. In February 2025, there were 426 delivered, 13 failed, and 66 reported. In March 2025, there were 314 delivered, 8 failed, and 53 reported.

Ruby Clark Quick presented the Member Satisfaction Survey Results for 2024 which reflected improvements in overall member satisfaction, member engagement and ACSI (American Consumer Satisfaction Index) score.

9. 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 from 11:30am-12:30pm on Friday, May 2, 2025.
 - 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 Monday, May 26, 2025.
 - e. The 2025 Legislative Conference will be held Sunday-Wednesday, April 27-30, at Marriott Marquis in Washington, DC.
 - f. The Statewide Board Retreat and Meetings (Delegates Only) will be held Wednesday-Friday, June 4-6, 2025 at the Grandover Resort & Spa in Greensboro, NC.
 - g. Summer School for Directors will be held Friday-Tuesday, July 11-15, 2025 at the Cheyenne Mountain Resort in Colorado Springs, CO.
10. A MOTION WAS DULY MADE BY BOARD MEMBER ROGER OXENDINE AND WAS PROPERLY SECONDED AND THE BOARD ENTERED EXECUTIVE SESSION. Personnel Matters were presented in executive session by Marie Hussey.
11. A MOTION WAS DULY MADE BY BOARD MEMBER JAMES HARDIN AND WAS PROPERLY SECONDED TO LEAVE EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried.
12. A MOTION WAS DULY MADE BY BOARD MEMBER MARY BETH LOCKLEAR AND WAS PROPERLY SECONDED TO ADJOURN THE MEETING. THE VOTE WAS CARRIED UNANIMOUSLY.


RORY EDDINGS, CHAIRMAN


ELAINE O. CHAVIS, SECRETARY

LREMC BOARD MEETING
April 2025

Good evening to LREMC directors and staff. I am Lynn Locklear and am a member owner in the District 5 area. I have a few questions tonight regarding RIVR Tech. My questions are primarily directed to the District 5 Directors, Ron Anderson, Sharon Burnette, and Elaine Chavis or any director who may be able to answer them.

1. Director Chavis, does LREMC own RIVR Tech? My assumption is that we do.
2. Director Anderson, if my assumption is correct, shouldn't the member owners receive all the same updates for RIVR Tech as we do for LREMC during the monthly board meeting? To name a few, safety, financials, number of accounts, number of members receiving the service, active service areas, and a plan to expand the services to areas not currently serviced.
3. Director Burnette, I would ask you to bring this issue to the board and facilitate a determination as to whether or not members should be receiving updates for the RIVR Tech portion of LREMC. And during the next board meeting provide explanations as appropriate. I would also suggest adding to the agenda for the next meeting might be a good idea.



Lynn E. Locklear
LREMC District 5 Member Owner
Red Springs, NC