

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION
Minutes of the Regular Meeting of the
Board of Directors
June 21, 2022

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, June 21, 2022. Directors present in person were Chairman Rory Eddings, Vice-Chairman Erice Locklear, Secretary Ronald G. Hammonds, Treasurer Anthony Hunt, Kirk Lowery, Roger Oxendine, Rhonda Goins Dial, Autry Lowry, James Hardin, Spencer Locklear, Elaine O. Chavis, Ronald Anderson and Sherry Carter. Also present were the Interim CEO Randall Jones, and Grady Hunt representing Hunt & Brooks, the Corporation's general counsel.

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

1. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE ADOPTION OF THE AGENDA AS AMENDED.
2. Member comments were presented by Ms. Brenda M. Jacobs, member voting, Sherlina Godwin, board leadership, Pasty Chavis, CEO comments made after May 24th Board Meeting and Jeff McNeill, Member rights. (Copy of Member Comments attached)
3. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE MINUTES FOR THE MAY 24, 2022 FINANCE AND AUDIT COMMITTEE MEETING AS AMENDED. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE MINUTES FOR THE MAY 24, 2022 REGULAR BOARD MEETING AS AMENDED. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE MINUTES FOR THE JUNE 13, 2022 ANNUAL MEETING COMMITTEE MEETING.
4. Mr. Mark Walters presented the Safety Report indicating that there were one employee and four property incidents reported for the month of May 2022. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE SAFETY REPORT.
5. Mr. Ronald G. Hammonds reviewed the secretary report with the directors. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE SECRETARY REPORT.
6. Mr. Anthony Hunt reviewed the Treasurer Report (Form 7) with the directors for the month of May 2022. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE TREASURER REPORT (FORM 7).
7. Mr. Randall Jones reviewed the May 2022 Finances, May Estate Retirements and Inactive Retirements. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE MAY 2022 ESTATE RETIREMENTS AND INACTIVE RETIREMENTS.
8. Mr. Walter White gave an update on member services. Mr. White noted that during the pandemic the lobbies closed on March 19, 2020, the drive-thrus closed on March 31, 2020 and reopened on November

30, 2020. Mr. White further noted that the walk-ins to transact business was trending downward before the pandemic and continues to trend downward. The payments made at offices was trending downward before the pandemic and continues to trend downward. Calls received was trending downward before the pandemic but calls are beginning to trend upward.

9. Mr. Randall Jones provided the Board Members updates on relevant topics to include the Legislative Rally in Raleigh at which they met with the local legislative delegation to discuss reduction in carbon emissions, energy policy and Economic Development. Mr. Jones discussed with the Board the office appraisals for the Fairmont and Laurinburg offices. The Fairmont office appraised at \$118,000.00 and the Laurinburg office appraised at \$192,000.00. A MOTION WAS DULY MADE AND RESOLVED TO SELL THE FAIRMONT OFFICE FOR \$125,000.00 AND THE LAURINBURG OFFICE FOR \$200,000.00. Mr. Jones further discussed fuel expenses in 2021 compared to the first four months of 2022. The fuel expenses for the first four months of 2021 were \$91,264.00 and for the same period in 2022 were \$138,392.00.
10. Mr. Rory Eddings and Board Members discussed matters of interest to include upcoming meetings and trainings.
11. SECRETARY RONALD G. HAMMONDS, CHAIRMAN OF THE POLICY COMMITTEE PRESENTED THE RECOMMENDATIONS OF THE POLICY COMMITTEE FROM THE MAY 9, 2022 MEETING OF THE POLICY COMMITTEE TO THE FOLLOWING POLICIES:

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 108.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 202 as amended.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 220.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 406.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 407 as amended.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 408.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 417 as amended.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 420.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 428 as amended.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 503.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 511.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 518 as amended.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO DELETE POLICY 405 IN ITS ENTIRETY.

Members voting in favor of deleting the policy were Erice Locklear, Kirk Lowery, Roger Oxendine, Rhonda Goins Dial, James Hardin, Spencer Locklear, Elaine O. Chavis, Anthony Hunt, Ronald Anderson and Sherry Carter. Ronald G. Hammonds and Autry Lowry voted against deleting the policy.

12. There was a discussion concerning LREMC Bylaws Section 4.09 and 4.10. Counsel for LREMC explained to the Board Members that article four of the bylaws was the article concerning meeting of members. Sections 4.08 concerns voting, section 4.09 concerns accepting and rejecting notarized member voting documents regarding any member voting, and section 4.10 concerns proxies. Counsel advised that both natural persons and members that are not natural persons all have one vote. With regard to members that are not natural persons, they are eligible to vote through member voting documents. The credential committee has the responsibility to verify member voting documents. A member voting document has to be notarized to allow someone to vote on behalf of the member. The credentials committee has the right to either accept or reject the member voting documents. With regard to proxies, proxy voting is allowed only on matters that require the affirmative votes of a clear majority of all of the cooperative's members. Specifically, proxy voting is not allowed to elect directors. Counsel advised that the credentials committee should audit a sample of member voting documents prior to each election and should audit member voting documents if a red flag is raised. The situation in which a red flag would be raised is when more than one person attempts to vote the same entity.
13. A MOTION WAS DULY MADE TO ENTER EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried.
14. A MOTION WAS DULY MADE TO LEAVE EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried.
15. A MOTION WAS DULY MADE AND RESOLVED 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:
 - Approved liability insurance renewal for a one year period.
 - Approved a one day retreat at UNCP Business School on Friday July 22, 2022.

16. A MOTION WAS DULY MADE TO ADJOURN.


RORY EDDINGS, CHAIRMAN


RONALD G. HAMMONDS, SECRETARY

Bylaws-Section 5.03-Election

At each Annual meeting, Directors shall be elected by secret written or electronic ballot by members.

This statement was taken from the current EMC Bylaws. It's time we come into the 21st century and explore the benefits of electronic registration and electronic voting. You say you want to engage the membership but when you look at the voting history for 2021 we have to question that.

Your Motto and Philosophy is: Safety and members first!

Out of 56,378 members only 4,120 attended. Robeson had 3,501, Hoke 474, Scotland 98, and Cumberland 47. If you don't see there is a problem you have your head in the sand. For the directors for Cumberland and Scotland counties, what have you done to make it easy and convenient for members to vote? Hoke County is a little better but nothing to brag about. What have you done to ensure that the members in these 3 counties have the same opportunity as members in Robeson County. What have you done to assist fellow directors in the area in which they live to help their communities be involved in Annual meetings? The farther you get from Headquarters the fewer members vote. With work schedules members from the outer counties cannot make it before closing. The high cost of gas will deter a lot of members from making the trip.

I don't foresee more polling sites in the future so electronic registration and electronic voting should be offered as an option. For members that want to make the trip to Headquarters they can have that option also.

It's obvious what you are doing is not working for 93% of the membership, but it is definitely working for the other 7%. I know there will be opposition in the beginning but believe me it won't be from the 93% that have been overlooked for years. Remember you have an obligation to represent 100% of the membership.

Do your research and you will find that other coops are doing electronic registration and electronic voting and have seen an increase in the number of members voting.

I know it's probably too late for the 2022 election but you should make it a priority for 2023. It's time that you start trusting the technology available and stop holding on to the fear of losing control.

Brenda M. Jacobs

June 21, 2022

FAILURE BEGINS AT THE TOP

For years, the Board of directors have ^{isolated} insulated the members of LREMC from the business of the coop. In fact, the board had made efforts to ensure only a core group of cooperative members were aware they have a role to play in the election of board members. They do not know that electric rates and democratic community participation for their communities are at stake. However, LREMC serves a large territory, and all its members deserve fair and equitable representation. The board has made decisions which are not in the best interest of the entire membership. For example, consider the decision to engage in a fiber to the home project which benefits about 3400 members with the majority in Robeson County but costs all the members \$1-2 per month in their electric bills. Another example is the decision to locate the new HQ in Pembroke, leaving Cumberland County without a district office while Robeson County has 3. A third example is the promotion of ineffective, inexperienced employees to key positions. It is evident the board members measure all decisions against whether those decisions will allow them to retain their seats when the next election rolls around. Self preservation at its best. LREMC BOARD OF DIRECTORS have proven to be lacking in integrity and credibility. The racism and the lack of diversity on the board are well known and the board has made significant effort to maintain the status quo. If the voting districts and the lack of diversity existed in a general election anywhere else, lawsuits would ensue. The membership has already paid for one such lawsuit. A member of LREMC has only to look back through minutes to find examples of broken promises, bad decisions, and wasteful spending. ~~Every subsidiary~~

~~of LREMC has failed and lost millions except one. Lumbee River shares ownership of that one with 3 other coops.~~ Weak leadership, poor planning, lack of results and no accountability will eventually lead to more failures. The board members swear an oath to serve the best interests of the membership. And yet, they show up to board meetings, unprepared, and sit mute while a group, who clearly attended the meeting before the meeting, makes decisions which benefit the few, regardless of the whole. Of late, board members make no secret of their blatant disregard for each other and the members you pretend to serve. So, the questions rear their ugly heads. Why can the coop not retain experienced and effective leaders? Why have there been so many CEO's in the last 10 yrs? Why did you buy out the contract of one, at great expense to the membership, without setting goals, discussing expectations, or evaluating him? And why have so many CFO's resigned their positions in the last 7 or 8 yrs? Why did you hire an interim CEO who has been retired for 10 years and task him with leading the coop through one of the greatest periods of change it will ever experience? Why haven't you advertised for a permanent CEO, or are you waiting until after the next annual meeting? Why do you make no effort to retain qualified, motivated, and experienced leaders? The board has blurred the lines between their roles and roles of management. The board is causing considerable damage to the coop. Leaders are responsible for influencing those who report to them. Leadership begins at the top and ineffective leaders make the entire organization suffer. The larger the organization, the greater potential for damage and the more significant the cost of poor employee engagement. Goals are unclear. The board has refused to effect change demanded by the membership, change which is

in the best interest of the membership. Examples include voting by district, electronic voting, multiple voting sites and live-streamed board meetings. These would allow for more and better engagement of the members and would also allow the entire membership to hold the board members accountable for their actions, decisions, their poor results, and their refusal to follow the bylaws, policies and service rules and regulations approved to ensure the coop continues to thrive well into the future.) The board has been quick to blame rather than to accept responsibility, refuses to get along, and fights openly in the board room and in public. This board has shown deficient performance on every level and lacks conflict resolution skills. Lack of focus, lack of education, lack of understanding of the core issues and jump from one task to the next, while planning the next annual meeting. And so, the incompetent leadership of the board of directors has resulted in a dysfunctional culture with low morale, low productivity, attrition, and eventually, poor customer satisfaction.) Board members you need to invest in personal professional development. You should become a valuable member of a cohesive team. You should read and understand your policies and learn exactly what your role is. The members pay for professional representation, and we deserve better. Hopefully, incompetence will get its just reward and the members will elect a competent and skilled Board of Directors who will care enough ^{to} ~~the~~ educate themselves, will learn the significant issues, and will serve the members rather than themselves and their own special interests. AS YOU ALL SWORE TO DO.

Please have a copy of comments place in the minutes.

Thank you,
Sheelina Godwin

TUESDAY, JUNE 21, 2022 – LREMC BOARD MEETING

TOPIC – CEO COMMENTS MADE TO ME AFTER THE BOARD MEETING ON MAY 24, 2022

Good afternoon.

Thank you Mr. Jones and Mr. Dyson for supporting Great Light's plate sale on June 03.

After the Board meeting ended on May 24, 2022, Mr. Randall Jones approached me in the hallway. Mr. Jones stated the Board would NOT be able to tell me anything about a Church's demand charge in June or July as an additional study had to be done. Mr. Jones had told me during a meeting with him in January that I should be told something in June or July.

Mr. Jones also said the Board will likely not want to establish different rates around the new Director terms in October so it may be the 1st of 2023 before I am told anything.

I appreciate Mr. Jones speaking to me but based on what he said, the Board is continuing to "string me along" with one excuse after another. However, I will continue to wait as this battle is not mine (it belongs to the Lord) as the issue is about His house.

I again thank the four Directors (Rory Eddings, Ronald Hammonds, Tony Hunt and Eric Locklear) for voting on 09-21-21 to do something about a Church's demand charge. The other Directors (with the exception of Roger Oxendine who abstained) voted to do "nothing."

Another concern is the number of management staff that are no longer employed at the Co-Op. During a span of approximately one year, the ex-CEO is gone, the ex-Attorney is gone, the ex-Chief Operations Officer is gone, the ex-Vice President of Technology is gone and the ex-Vice President of Finance is gone. In addition, the Vice President of Finance recently hired reportedly chose not to work for the Co-Op because it is "too political."

Something is clearly wrong when the Co-Op experiences this amount of management team turnovers in a relatively short period of time. When managers are terminated, or choose to resign, a significant amount of experience and knowledge goes out the door with them. This is an issue every Director should be concerned about especially if Policy 5.12 Director Conduct #3 (Non-Interference with Cooperative Management and Operations) is being violated. This policy clearly outlines behavior a Director should refrain from doing and each Director is accountable to the members for ensuring this policy is followed.

A copy of my concerns are submitted to be included in the minutes.

Thank you.

Patsy Chavis

Patsy Chavis

06-21-22

Date

Representing Great Light Community Church

Good evening, everyone.

My name is Jeff McNeill, and I am a member owner in district 5

Members Rights

There are a lot of member owner rights that are ignored by this board and past boards. I would like to say for the record, the Board of Directors serve the member owners, not the board, meaning, you are not here representing yourselves, you represent and serve me and other members, and part of that servitude is to appoint CEOs to run the Co Op and place competent employees in positions to help run the Co Op and retain qualified and dedicated employees.

For 20 years, one CEO served the Members, and though nothing is ever perfect, we had no buy outs, we were moving forward and building a great relationship with member owners. Since his retirement, we have built a multimillion-dollar building, costing the member owners millions, we have bought out 3 contracts, two of which had a 6-month clause, and one a full ~~buy~~ buy out. - *If this had been your personal money - would you have wasted it?*

Right now, it's not about the building, the buyout or the ridiculous contract this CEO received, it's more about the directors who took advantage of an elected position.

The majority of this board is guilty. You either agreed to build this building, you agreed on the contract, or you agreed to the buyout.

I am sure there are some of you who will say, this is over with. Let's move forward. Its water under the bridge. This is not water under a bridge, this is a bridge that collapsed because the structural engineering failed, because directors served themselves and not the people who elected them. This is about doing what is right for the member owners.

I talk to many members and the same questions are always asked, where is the integrity of the board, and how can they justify the things they do? Most members didn't know there are two agendas, one for the meeting and the other for directors, I was one of those members.

Why do we have two agendas for the meetings? Why is integrity forgotten when its time to take a stand? We have former military on this board unless you are a marine and if so, you are a marine for life. We have farmers, sons of farmers, daughters of businessmen, and one thing I can say about the marines, farmers and businessmen, to be one or the other, INTEGRITY was the cornerstone. Without it, you are nothing in my book....

To rebuild the confidence of the people, the members who own this co-op, we must, set aside personal agendas, forget about blue and red, and elect directors like myself. Ones who don't give two cents about your political agendas. Ones who will serve the people all of them and not just some.

I am a member owner, and if I have nothing else, I have integrity, my name and my word, and trust me when I say this, no amount of money will ever take those three from me. When I stand before God for my sins,

lying, manipulation and intentional ignorance will not be on the list. Can any of you say the same.

There is a penalty for intentional sins.

Roll Call Vote Form

Meeting date: June 21, 2022

Item #/Description: #7B – Policies from Committee Meeting, May 9, 2022

Policy – 405 Selection of a New Director

Name	Yes	No	Abstain	Not Present
Anderson, Ron	X			
Carter, Sherry	X			
Chavis, Elaine O.	X			
Eddings, Rory				
Goins Dial, Rhonda	X			
Hammonds, Ronald G.		X		
Hardin, James	X			
Hunt, Anthony “Tony”	X			
Locklear, Erice	X			
Locklear, Spencer	X			
Lowery, Kirk	X			
Lowry, Autry		X		
Oxendine, Roger	X			
TOTALS:	10	2	0	0

Vote Required: Majority	Action Taken: Motion Carried
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Roll Call Vote Form

Meeting date: June 21, 2022

Item #/Description: #8D – General Liability Insurance Renewal

Name	Yes	No	Abstain	Not Present
Anderson, Ron	X			
Carter, Sherry	X			
Chavis, Elaine O.	X			
Eddings, Rory				
Goins Dial, Rhonda			X	
Hammonds, Ronald G.	X			
Hardin, James	X			
Hunt, Anthony "Tony"	X			
Locklear, Erice	X			
Locklear, Spencer	X			
Lowery, Kirk	X			
Lowry, Autry	X			
Oxendine, Roger	X			
TOTALS:	11	0	1	0

Vote Required: Majority	Action Taken: Motion Carried
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