

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION
Minutes of the Regular Meeting of the
Board of Directors
May 24, 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, May 24, 2022. Directors present in person were Chairman Rory Eddings, Vice-Chairman Erice Locklear, Secretary Ronald G. Hammonds, Kirk Lowery, Roger Oxendine, Rhonda Goins Dial, Autry Lowry, James Hardin, Spencer Locklear, Elaine O. Chavis, Treasurer Anthony Hunt and Ronald Anderson. Sherry Carter attended the meeting virtually. 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 Vice Chairman Erice Locklear.

1. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE ADOPTION OF THE AGENDA.
2. Chairman Rory Eddings presented Board Member Spencer Locklear with a Board Leadership Certificate.
3. Member comments were presented by Ms. Pasty Chavis on behalf of Great Light Community Church concerning the alleged violation of Policy No. 405-Selection of a New Director (see attached comments).
4. Steve Gilliam of the Accounting Firm Adams, Jenkins & Cheatham gave the auditor's report virtually. After the presentation of the auditor's report, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE AUDITOR'S REPORT.
5. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE MINUTES FOR THE APRIL 18, 2022 EXECUTIVE COMMITTEE MEETING. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE MINUTES FOR THE APRIL 19, 2022 REGULAR BOARD MEETING. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE MINUTES FOR THE MAY 09, 2022 POLICY COMMITTEE MEETING.
6. Mr. Mark Walters presented the Safety Report indicating that there were no incidents reported for the month of April 2022. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE SAFETY REPORT.
7. Mr. Ronald G. Hammonds reviewed the secretary report with the directors. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE SECRETARY REPORT.
8. Mr. Anthony Hunt reviewed the Treasurer Report (Form 7) with the directors for the month of April 2022. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE TREASURER REPORT (FORM 7).

9. Mr. Randall Jones reviewed the April 2022 Finances, April Estate Retirements and Inactive Retirements. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE APRIL 2022 ESTATE RETIREMENTS AND INACTIVE RETIREMENTS. It was further noted that LREMC received a funds in the amount of \$154,281.71 from Tarheel Electric Membership Association for 2021 as LREMC's share of the 2021 patronage cash distribution and a certificate in the amount of \$282,400.71 for the remaining 2021 patronage capital. Further, LREMC was allocated patronage capital of \$3,270,588.00 for its share of the 2021 net margin from NC Electric Membership Corporation.
10. Mr. John Dyson, Chief Operations Officer of LREMC provided an update on LREMC-T Financials and also an update on Roanoke Connect and HTC.
11. Mr. Walter White gave an update on the LREMC Newsletter.
12. Mr. Randall Jones provided the Board Members updates on relevant topics to include the audit report, the Form 7 report that has been sent to RUS, cost of service and rate study by staff and CFC, wage and salary review by NRECA, the succession plan and an employee meeting that was held on May 23, 2022. Mr. Jones further indicated that he expected the wage and salary review and the succession plan to be presented at the June meeting.
13. Mr. Rory Eddings and Board Members discussed matters of interest to include upcoming meetings and trainings. Mr. Kirk Lowry spoke about the New Director Orientation that included presentations on cyber security, the linemen market, and strategic planning for electric vehicles. The Board then discussed a new scholarship fund in memory of Madie Rae Locklear. The Board discussed the exclusion of family members from the current programs and discussed taking a closer look at the eligibility requirements for all of the programs. The board further discussed an apprenticeship program for lineman and a lineman scholarship that would include a commitment from the individual once they had completed training.
14. A MOTION WAS DULY MADE TO ENTER EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried. Secretary Ronald G. Hammonds and Sherry Carter did not attend executive session.
15. A MOTION WAS DULY MADE TO LEAVE EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried.
16. 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 RESOLUTION 2022-01 AMENDMENT AND RESTATEMENT OF THE RETIREMENT SECURITY AND/OR 401(K) PENSION PLAN EFFECTIVE JULY 1, 2022.

APPROVED RESOLUTION 2022-02 CONSTRUCTION of SCOTLAND ACRES TO WAGRAM TRANSMISSION LINE CONTRACT.
17. Prior to the Board adjourning, the Board discussed updating the job description for the CEO.

18. A MOTION WAS DULY MADE TO ADJOURN.

Handwritten signature of Rory Eddings in cursive script.

RORY EDDINGS, CHAIRMAN

Handwritten signature of Ronald G. Hammonds in cursive script.

RONALD G. HAMMONDS, SECRETARY

TUESDAY, MAY 24, 2022 – LREMC BOARD MEETING

TOPIC – DIRECTOR COMMENTS MADE AT THE BOARD MEETING ON APRIL 19, 2022

Good afternoon.

At April's meeting I spoke about policy 405 (Selection of New Director) being violated when the Board recommended the vacant Director's position be filled although interviews were not held.

I commend Mr. Ronald Hammonds and Mr. Autry Lowry for speaking up at April's meeting and admitting policy 405 had been violated. Mr. Hammonds asked that his vote on March 31 (to appoint Mr. Anderson to the Board) be rescinded. He stated he has to live with his convictions and he realizes policy was not followed. Mr. Hammonds asked for legal input. Attorney Grady Hunt stated the Board knew interviews were not held but voted anyway to appoint Mr. Anderson to the Board during the special called meeting March 31, 2022.

Director Lowry was adamant policy was not followed and he asked Chairman Rory Eddings "how can the Board move forward knowing policy was broken?" Mr. Lowry stated the outcome would probably be the same but he insisted interviews should have been held.

Chairman Eddings, you are commended for accepting responsibility for policy not being followed, however, did any member of the interview committee (Directors Roger Oxendine, Elaine Chavis and Eric Locklear) speak up? The three of them were identified as the interview committee during the March 15 meeting so they were tasked with the responsibility of conducting interviews.

At April's meeting Mr. Eddings asked for a roll call vote to officially appoint Mr. Anderson to the vacant position; nine Directors voted yes; Mr. Hammonds and Mr. Lowry voted no.

I again applaud Director Hammonds and Director Lowry for taking a stand and voicing their opposition about the actions of this Board when policy had clearly been violated.

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

Thank you.

Patsy Chavis

Patsy Chavis

05-24-22

Date

Representing Great Light Community Church

**RESOLUTION OF THE BOARD OF DIRECTORS AUTHORIZING the
AMENDMENT and RESTATEMENT of
THE RETIREMENT SECURITY and/or 401(K) PENSION PLAN**
For *Lumbee River Electric Membership Corporation*
REA(s) 34051-001 and 34051-002

WHEREAS, *Lumbee River Electric Membership Corporation* is a participating employer in the:

- Retirement Security (RS) Plan
- 401(k) Pension (401(k)) Plan

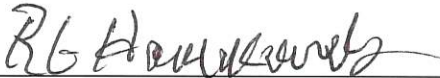
Plan(s): elect one or both, as applicable

WHEREAS the Board of Directors of *Lumbee River Electric Membership Corporation* is aware that the Plan(s) must periodically be amended to comply with new or changed regulations, rulings, legislation and plan operations, and that this restatement will be effective July 1, 2022.

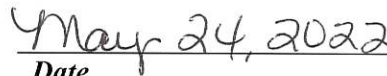
THEREFORE BE IT RESOLVED that this Board authorizes the July 1, 2022 amendment, restatement and continuance of the Plan(s) to conform in its (their) entirety with all the provisions of the governing plan document(s) of the Plan(s), through the execution of the Adoption Agreement(s), which includes all of the provisions of the Cooperative's most recently executed Adoption Agreement(s) and any compliance clarifications needed to conform with plan operations; and

BE IT FURTHER RESOLVED, in the event that the timing of the restatement does not correspond with regularly scheduled meetings of the Board of Directors, the Board does hereby authorize and direct the cooperative's authorized representative to execute all necessary documents and to take any and all further actions necessary to carry out the July 1, 2022 amendment and restatement of the Plan(s); and, NRECA is fully authorized to rely on this designation in processing the restatement of the Plan(s).

SIGNATURE OF THE SECRETARY: I *Ronald G Hammonds*, certify that I am the Secretary of the *Lumbee River Electric Membership Corporation* Board of Directors. I further certify that the above is a true excerpt from the minutes of a board meeting of this Board of Directors on the 24 day of May, 2022, at which a quorum was present and that the above portion of the minutes has not been modified or rescinded.

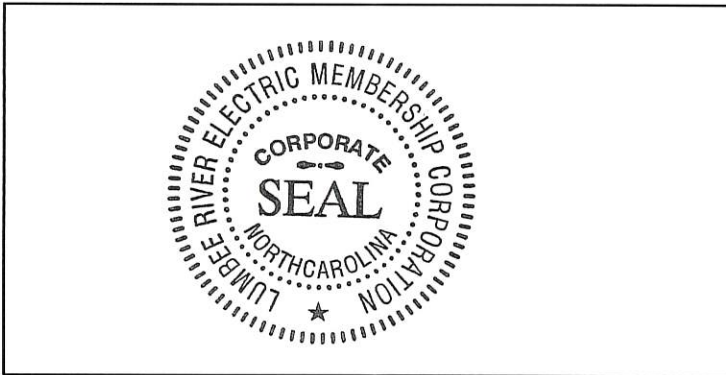


Signature of the Secretary



Date

SEAL of the PARTICIPATING SYSTEM: *Place corporate seal of Participating System in the box below:*



OR

Check this box to indicate that the Participating System does not have a corporate seal:

RESOLUTION 2022-02

LUMBEE RIVER EMC

RESOLUTION OF THE BOARD OF DIRECTORS

Construction of Scotland Acres to Wagram 115kV Transmission Line Contract

I, Ronald Hammonds, do hereby certify that: I am Secretary of Lumbee River Electric Membership Corporation (hereinafter called the "Cooperative"): that I am the keeper of the official records, minutes and seal of the Cooperative; that the following is a true and exact copy of an excerpt from the minutes of the Board of Directors meeting held May 24, 2022.

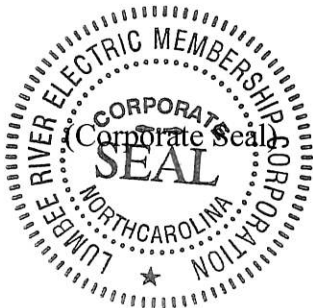
WHEREAS, multiple quotes were received and reviewed for the Construction of Scotland Acres to Wagram 115 kV Transmission Line RUS Form 830 contract; and

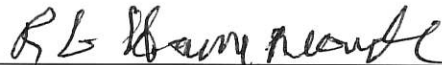
WHEREAS, all permissible bids were found to be valid and in conformance with the specifications, Lee Electrical Construction, Inc. being the apparent low quote with a total price of \$3,884,916.59; and

WHEREAS, upon recommendation by the Cooperative Consulting Engineer, Electrical Consulting Engineers, and the Lumbee River EMC Engineering Department that this project be awarded to, Lee Electrical Construction, Inc.; and

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of Lumbee River Electric Membership Corporation hereby approves the award of this contract to Lee Electrical Construction, Inc. and instructs the LREMC Engineering Department to proceed with the construction schedule.

IN WITNESS HEREOF, I have hereunto set my hand and affixed the seal of the Cooperative this 24th day of May 2022.





Ronald G. Hammonds, Secretary