



Albemarle SOUNDS

June 2022

Proudly serving the members of Albemarle Electric Membership Corporation

Albemarle Sounds

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Your Touchstone Energy® Cooperative 
The power of human connections®

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Albemarle EMC is an equal opportunity provider and employer.

REPS Rider Changes Approved

The Albemarle EMC Board of Directors recently approved changes to the monthly Renewable Energy Portfolio Standard (REPS) riders for 2022-2023.

The residential rider will increase to 31 cents. The commercial rider will increase to a \$1.72, and the industrial rider will increase to \$11.48. The changes will be effective June 1.

The NC Renewable Mandate enables co-ops to recover the additional cost of purchasing renewable energy. By law, a percentage of the co-op's power must come from renewable sources.

Harris Retires from AEMC Board

After more than four decades of service, L.A. Harris Jr. recently retired from the Albemarle EMC Board of Directors.

Harris was elected to the co-op's Board of Directors in 1975. In 1983, he was elected by the board of directors to be the board's president and served in that capacity until 2015. During his tenure, he also served on multiple boards

for the electric cooperative's Statewide organization. He served on the N.C. Electric Membership Corporation's Executive Committee from 1999 to 2016. He also served on the Rural Electric Action Program from 2006 to 2016 as well as the N.C. Association of Electric Cooperatives from 2006 to 2016.

Reflecting on Harris' service to the cooperative, Albemarle EMC Board of Directors President John Spence said the following: "When I joined the board in 1991, L.A. had been board president for eight years. He was a welcoming presence and made me feel comfortable in my new role as a board member. For the next 24 years as president, he helped guide us through the many difficult and necessary decisions that were required of the board. We all owe him tremendous gratitude for the time and effort that he

gave during his years of service to the cooperative. He has been and remains a strong supporter of Albemarle EMC and the cooperative model of doing business. His depth of experience and knowledge will be missed in the boardroom. AEMC's Board of Directors wish him the best as he begins his well-deserved retirement."

During Harris' years on the board, he helped lead the cooperative through truly historic changes. The number of meters grew from 5,212 in 1975 to 14,261 in 2022. He saw the process of meter reading transform from member-read meters to the use of employed meter readers and then to the current system of automated meter reading. The miles of line grew from 809 to 1,452. Annual revenue of the cooperative rose from \$1,806,312 to \$30,329,929. During that span, the cooperative initiated a significant growth in its utility plant. The Tanglewood Substation, Morgan's Corner Substation, West Albemarle Substation and miles of upgraded power line have all resulted in a far more robust system.

"It has been a pleasure and an honor to work with L.A.," said Albemarle EMC General Manager Gary Ray. "His focus was always on what was best for the members. The impact he has had on this cooperative and our community is beyond measure."



L.A. Harris recently retired from the Albemarle EMC Board of Directors, after serving more than 46 years.

Nominating Committee Appointed

At their May meeting, the Albemarle EMC Board of Directors appointed a nominating committee for the purpose of nominating a slate of candidates for this year's board of directors elections.

Anyone wishing to be nominated to run for a seat on the Albemarle EMC Board of Directors has until early July to inform the co-op of their intention. Qualifying members who wish to be considered for nomination should notify Public Relations Coordinator Chris Powell by email (chris.powell@aemc.coop) or by addressing a letter to Chris

Powell, Albemarle EMC, P.O. Box 69, Hertford, NC 27944. The prospective nominees will be given the name and address of the nominating committee members they will need to contact. The nominating committee will meet in mid to late July. Incumbent directors running for re-election are Garry Meiggs, Camden County, and Chad Mathews, Perquimans County. An election will also take place for the one open Chowan County seat.

The co-op's Annual Meeting will be held on Saturday, Sept. 10 at the Perquimans County Community Center, in Hertford.

Bylaws Relevant to Nomination of Directors

Section 4.03 Directorate Districts

Directors shall be nominated and elected in a manner such that the Board shall be comprised of two Directors from each of the four Directorate Districts, designated one (1) through four (4) inclusive and one Director from Directorate District Number five (5) as follows:

Section 4.04 Qualifications

To become or remain a Director, a Person must comply with or meet the following:

- (a.) Have the capacity to enter legally binding contracts;
- (b.) Be a Member of the Cooperative;
- (c.) Reside principally in the Directorate District from which a Director is to be chosen, and continuously and materially use, receive, or purchase electric energy from the Cooperative at the Member's primary residence;
- (d.) Possess a valid high school diploma or equivalent certification; and
- (e.) Must not have been convicted of a felony, a crime involving moral turpitude, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

A Member shall be disqualified from being or remaining a Director, as a result of a conflict of interest, if:

- (a.) The Member is a current, former, or retired employee currently receiving any benefit from an electric supplier or is the spouse of a current, former, or retired employee currently receiving any benefit from an electric supplier; provided, however, a former employee who is not a retiree currently receiving any benefit from the Cooperative and has not worked for the Cooperative

within seven (7) years of the date of the relevant Director election or selection is not disqualified;

(b.) The Member is a Close Relative of a current Director or of an employee of an electric supplier;

(c.) The Member is employed by, materially affiliated with, or shares a material financial interest with any other Director;

(d.) The Member is or has been employed by, materially affiliated with, or has a material financial interest in any individual or entity which regularly, directly or substantially competes with the Cooperative or its subsidiary or affiliates, including investor-owned utilities or municipalities providing similar services provided by the Cooperative, unless the person has not been so employed or affiliated with the individual or entity for a period of at least seven (7) years from the date of the Director election or selection;

(e.) The Member is employed by, materially affiliated with, or has a material financial interest in any individual or entity which regularly sells goods or services to the Cooperative or any Cooperative subsidiary or affiliate; and

(f.) The Member seeks or applies for employment with the Cooperative. Any Director seeking to be employed by the Cooperative must submit his or her Board resignation prior to such time as he or she submits an application for employment or otherwise solicits the Cooperative for such employment.

If it is determined that any person being considered for or currently holding a position on the Cooperative's Board of Directors lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause him/her to be removed therefrom, whichever be the case. Nothing in this Section contained

shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the disqualified Directors has an interest adverse to that of the Cooperative.

Section 4.05 Nominating Committee

The Board of Directors shall appoint, not less than sixty (60) nor more than one hundred and thirty (130) days before the date of the meeting of the Members at which Directors are to be elected, a Nominating Committee consisting of an uneven number of Members of the Cooperative, not less than five (5) nor more than eleven (11), who are not current Directors and who are not Close Relatives or Members of the same household of current Directors or known candidates. In selecting the Committee, the Board shall have regard for equitable representation of the five (5) Directorate Districts of the Cooperative.

At least thirty (30) days before the annual Member meeting, the Committee shall meet and prepare and post at the principal office of the Cooperative, a list of nominees for Directorate Districts to be elected, listing separately the nominee or nominees with respect to each Directorate District for which a Director must, pursuant to this Article, be elected at the meeting. The Committee shall include at least one (1) nominee for each Directorate District for which a Director is to be elected, including their name, address, and Directorate District of residency. The Committee's posted list shall also clearly show which nominees are opposed with respect to the same Directorate District.



Albemarle EMC is at Your Service

Your Information and Your Co-op Are Secure

by Chris Powell, coordinator of public relations

At a recent meeting of co-op communicators, a senior public relations professional with the National Rural Electric Cooperatives Association asked the group what our biggest communications fear is. The majority responded that a work-related fatality would be the worst crisis-communications scenario. What surprised me was what he said he fears almost as much — a successful cyber security attack.

Cyber attacks can happen in many ways. One of the more insidious forms involves hacking into a company's database, then stealing personal information such as credit card numbers. The stolen credit card numbers are then sold on the black market. Other attacks aim to take control of a business's computer network, prevent the business to access their own system, then demand a ransom be paid for the business to regain access.

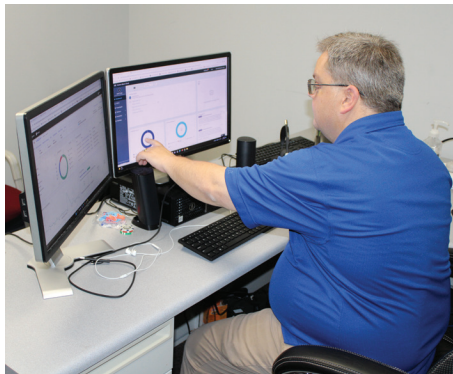
Colonial Pipeline suffered a ransomware attack in 2021, forcing the fuel distributor to shut down operations until it was able to pay a \$5 million ransom. According to news reports, the cyber attack was successful due to one password being divulged.

In Oldsmar, Fla., hackers were able to gain control of the town's municipal water treatment system. The hackers changed the amount of hydroxide being fed into the water supply. If the breach had not been detected quickly, the situation could have caused physical harm.

Albemarle EMC goes to great lengths to prevent a breach of our information systems. An important aspect of our defense is our employees. Computer screens are not allowed to be visible through windows from outside of our

office. Also, all sensitive information on hard copies must be shared between offices, using sealed interdepartmental envelopes. Anyone not directly affiliated with the co-op is escorted by an employee when inside the building. Of course, the cooperative has an extensive amount of video cameras inside and outside of the building.

Often cyber criminals will use what are called phishing attacks. This typically involves sending a fraudulent e-mail



James Whitfield, coordinator of information technology for Albemarle EMC, reviews the co-op's network security systems.

that entices the recipient to click on a link that allows spyware to gain access to the company's computer system or it may trick the recipient into divulging a password. AEMC employees receive regular training on how to spot cyber attack red flags. These can include an e-mail from someone not known or a hyperlink that displays a different address when the link is hovered over with a mouse. Sometimes the hyperlink address will be deliberately misspelled to direct to a different address. To keep employees sharp, the co-op utilizes a security

awareness program called KnowBe4. Fraudulent, yet not harmful, e-mails are sent to co-op employees in an attempt to test employees' abilities to detect the e-mail. If an employee is successfully deceived by one of these e-mails, the employee then receives additional training.

Recently, the co-op implemented an endpoint protection system, which is highly advanced antivirus software. The software protects the co-op's computer network from malware, ransomware and other online threats. If a minor threat is detected on a computer, the system will eliminate the threat. If a threat is detected that might affect the office's servers, the computer program automatically passes the issue to another threat detection system, which works to eliminate the threat at the server level.

The co-op adheres to Payment Card Industry Data Security Standards. Put simply, PCI DSS is a set of protocols for how organizations should securely manage credit card account numbers and payment card data to best protect the collection, storage and transmission of cardholder data. Part of that adherence is the use of secure credit card swipers that enables the credit card information to be processed using encryption.

We live in an information age, and data is now the most valuable resource on earth. As such, cyber criminals will not stop attempting to come up with ever more sophisticated methods of leveraging technology to their benefit. Albemarle EMC may be a small player in the power industry, but that does not mean we are behind the times. We utilize the most advanced cyber security available to protect your information and your cooperative.