

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

LEXINGTON, SOUTH CAROLINA

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

February 28, 2024

AGENDA ITEM # 1

CALL TO ORDER: Marvin W. Sox, President/Chairman
(1:00 p.m.) Clifford B. Shealy, Vice President/Vice Chairman
J. Allan Risinger, Treasurer
Donette B. Kirkland, Secretary
J. Carey Bedenbaugh, Jr.
Eddie C. Best, Jr.
Kenneth E. Lindler
Alan R. Lunsford
Justin B. Watts

STAFF PRESENT: B. Robert "Bob" Paulling, President and CEO
Theresa D. Crepes. VP, Finance and Accounting
Robert A. Wilbur, VP, Operations
Lee H. Ayers, VP, Engineering
Troy A. Simpson, VP, Member Services
Steven G. Davidson, VP, Information Technology
Vicki E. Ross-Bell, Administrative Services Manager

ATTORNEY PRESENT: J. David Black

INVOCATION: Allan Risinger

PLEDGE OF ALLEGIANCE

AGENDA ITEM # 2

APPROVAL OF MINUTES: Chairman Sox called the meeting to order. He then asked if there were any corrections, additions, or deletions to the minutes of the last monthly meeting held on January 24, 2024. There were no corrections to these minutes, and Mr. Shealy made a motion to approve the minutes, as presented. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

See Resolution # 1

AGENDA ITEM # 3

UNFINISHED BUSINESS: There was no unfinished business to come before the Board at this time.

AGENDA ITEM # 4

2023 AUDIT REPORT: Chairman Sox called on Mr. Terry McMichael for his presentation of the 2023 Audit Report. Mr. McMichael stated that the Cooperative's financial statements fairly presented its financial position, as of December 31, 2023, in accordance with Generally Accepted Accounting Principles (GAAP). He then reviewed and explained the Balance Sheet, the Statement of Revenue (margin statement), and the Statement of Cash Flows.

Mr. McMichael next called attention to the various notes to the financial statements which gave more information and explanation about those statements. He advised that all notes had been carefully reviewed with the Audit Committee. Mr. McMichael concluded his presentation by reviewing a separate management letter. The management letter stated that the Cooperative's Form 7 financial report dated December 31, 2023, agreed with the Cooperative's audited records.

Mr. Risinger thanked Mrs. Crepes and her staff for the work that went into providing the documentation needed for the Audit Report. This is a good Audit Report, and Mr. Risinger made a motion to accept the report as information. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

AGENDA ITEM # 5

DEPARTMENTAL REPORTING:

FINANCE AND ACCOUNTING: Chairman Sox called on Mrs. Crepes for the Finance and Accounting report. Mrs. Crepes reported the year-to-date revenue was \$15,050,384 which is (\$26,076) below budget at the end of January. The year-to-date cost of wholesale power was \$9,013,735, which is under budget by (\$53,014). The year-to-date margins were \$791,362 which is \$22,234 above budget. Mrs. Crepes reported that equity was 23.96% at the end of January for a decrease of -0.07%. The deferred credits account balance changed by (\$709,058) and the ending balance was \$4,964,375.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,787 kWh in January. Mid-Carolina's average bill was \$193.20 (account charge \$29.45) compared to Dominion's \$248.38 (account charge \$9.50), Duke – Carolina's \$242.51 (account charge \$11.96), and Duke – Progress \$255.61 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 16,411 kWh. Mid-Carolina's average annualized bill was \$1,934.41 (account charge \$346.75) compared to Dominion's \$2,354.37 (account charge \$114.00), Duke – Carolina's \$2,133.23 (account charge \$143.52), and Duke – Progress \$2,346.55 (account charge \$141.36).

Mrs. Crepes reported that Mid-Carolina received \$398,556 from CarolinaConnect in January. There were no further questions or comments, and Chairman Sox thanked Mrs. Crepes for her report.

OPERATIONS: Chairman Sox called on Mr. Wilbur for the Operations report. Mr. Wilbur reported the locations and the service district that the Mid-Carolina and Contractor crews worked in January. The right-of-way crews are still working in the Gilbert and Leesville areas. Mr. Wilbur discussed the Broad River Road and the Carolina Crossroads Phase 3 projects. He stated the System Inspectors are still working in the new Friarsgate area. Mr. Wilbur reported that Tomberlin Pole has started the inspections in the Pelion area and inspected 890 poles in January. There were no further questions or comments, and Chairman Sox thanked Mr. Wilbur for his report.

ENGINEERING: Chairman Sox called on Mr. Ayers for the Engineering report. Mr. Ayers reported that the routine inspection and maintenance was completed in January. He stated the finishing touches and punch list items are being completed on the Holley Ferry Substation. Mr. Ayers discussed the status of the fiber construction in subdivisions.

Mr. Ayers then showed a chart graphing MWh purchased each month year-to-date from 2020-2024 with a five-year running average. The next chart showed the MW Demand purchased each month year-to-date from 2020-2024 with a five-year running average. The monthly outage report and notes for January were reviewed. There were no further questions or comments, and Chairman Sox thanked Mr. Ayers for his report.

MEMBER SERVICES: Chairman Sox called on Mr. Simpson for the Member Services report. Mr. Simpson discussed the Cooperative's Annual Sporting Clays Fundraiser that will be held the following day on February 29, 2024. He reminded everyone that the applications for the Touchstone Energy Scholarship, the Washington Youth Tour, and Cooperative Youth Summit applications are due by March 8, 2024. Mr. Simpson discussed the tax checks that were presented to Lexington, Richland, and Saluda Counties in January 2024.

Mr. Simpson reported on ways the Cooperative is supporting the community, and the great turnout on February 8, 2024, for the Co-op Day at the Statehouse. He then discussed the Cooperative's Brand Identity on Social Media and reviewed the quarterly schedule for the *South Carolina Living* magazine through the May 2024 issue. There were no further questions or comments, and Chairman Sox thanked Mr. Simpson for his report.

INFORMATION TECHNOLOGY: Chairman Sox called on Mr. Davidson for the Information Technology report. Mr. Davidson reported there were 40,206 accounts enrolled in SmartHub as of February 1, 2024, which represents 67.22% of active accounts enrolled. He stated that 83.9% of all January payment transactions were made electronically. There were 40,795 emails received during the month of January, and 16,483 emails were blocked prior to reaching the Cooperative's email servers. Mr. Davidson stated that during the month of January, 2,674 members enrolled in TextPower, bringing the enrollment total to 36,108. He then gave an update on Cyber Security. There were no further questions or comments, and Chairman Sox thanked Mr. Davidson for his report.

ADMINISTRATION: Chairman Sox called on Mrs. Ross-Bell for the Administration report. Mrs. Ross-Bell referred to the monthly Operation Round-Up report. There was no scheduled meeting in January. The monthly donations to the Christian Ministries was \$13,055. The Trust Fund balance at the end of the month was \$27,246. The Board calendars were reviewed through April 2024. There were no further questions or comments, and Chairman Sox thanked Mrs. Ross-Bell for her report.

AGENDA ITEM # 6

PRESIDENT'S REPORT: Chairman Sox called on Mr. Paulling for his report. Mr. Paulling reported there were no recordable accidents in January. He reported that the Community Relations Specialist and the Communications Specialist have been hired with a start date of March 5, 2024. The position has been filled for a Database/Linux System Administrator with a start date of March 11, 2024. There is currently active recruitment for a Custodian and a part-time Administrative Assistant.

Mr. Paulling discussed the format of the Cooperative's Annual Meeting that will be held on April 13, 2024. Registration and voting will take place on Saturday, April 13, 2024, from 7:00 a.m. to 7:00 p.m. at Beechwood Middle School and Chapin Middle School. The Business Meeting will be Live Streamed on Saturday, April 13, 2024, at 7:30 p.m. at the Gilbert Performing Arts Center.

Mr. Paulling presented a recommended change to the Service Rules and Regulations 107 – Office and Service Hours. With an effective date of May 13, 2024, the recommendation is to change the Cooperative's office hours for both locations. The new office hours will be from 7:30 a.m. to 5:30 p.m. Monday – Thursday and from 7:30 a.m. to 11:30 a.m. Friday. After a discussion, Mr. Lindler made a motion to approve the recommendation, as presented. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

See Resolution # 2

Mr. Paulling discussed the meetings at the Harbor Watch subdivision that took place the night of February 27, 2024, and the morning February 28, 2024. These meetings were to introduce the Cooperative to the residents of the subdivision who will become members of Mid-Carolina, due to the territorial swap with Dominion Energy. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for his report.

AGENDA ITEM # 7

LEGAL REPORT: Chairman Sox called on Mr. Black for the legal report. Mr. Black discussed several pending legal matters. There were no further questions or comments, and Chairman Sox thanked Mr. Black for his report.

AGENDA ITEM # 8

CHAIRMAN'S REPORT: Chairman Sox read several thank you notes. He then stated that the Board needed to appoint the "Trustee" seat for Central Electric Power Cooperative Board, which is currently filled by Mr. Risinger. Mr. Shealy made a motion to appoint Mr. J. Allan Risinger to continue his service on the Central Board effective at the Central Annual Meeting on March 13, 2024. The motion was seconded by Mr. Lunsford and unanimously passed.

See Resolution # 3

Chairman Sox presented Ms. Kirkland a certificate from NRECA on renewing her Director Gold Certification. He had nothing further to report at this time.

AGENDA ITEM # 9

COMMITTEE REPORTS: Chairman Sox called on Ms. Kirkland for the Policy Committee report. Ms. Kirkland stated that the Board had received Board Policy 116 – Additional Qualifications for Trustee Candidates and Board Policy 117 – CEO Succession Plan. After a discussion, there were no recommended changes to Board Policy 116, and it will show as being reviewed today. Chairman Sox asked Mr. Black and the Policy Committee to review Board Policy 117 again for a possible recommended change in March. There were no other committee reports at this time.

AGENDA ITEM # 10

ASSOCIATED MEETING REPORTS: Chairman Sox stated that CarolinaConnect’s Board met on February 27, 2024, and they now have over 35,000 customers.

Mr. Risinger reported that Central’s Annual Meeting is scheduled for March 13, 2024.

Ms. Kirkland reported that CEEUS and ECSC met on February 1, 2024, and all is going well with both.

Mr. Shealy reported that the ECSC Trustee Association meeting will be held May 13-15, 2024, in Charleston, SC. Since he is retiring as of April 13, 2024, he will not be attending. Chairman Sox stated that a new ECSC Trust Association Advisory Committee member will need to be appointment a replacement upon Mr. Shealy’s upon his retirement.

Chairman Sox reported that Federated had to raise premiums due to the increased claims in 2023.

There were no other reports at this time.

AGENDA ITEM # 11

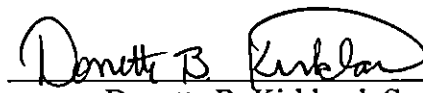
NEW BUSINESS: There was no new business to come before the meeting at this time. Mr. Bedenbaugh made a motion to enter executive session. The motion was seconded by Mr. Watts and unanimously passed.

AGENDA ITEM # 12

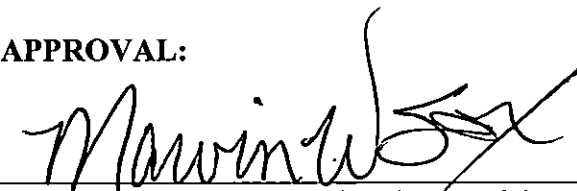
EXECUTIVE SESSION: There was no action taken during the executive session.

AGENDA ITEM # 13

ADJOURNMENT: There was no further business, and the meeting was adjourned at 4:25 p.m.



Donette B. Kirkland, Secretary

APPROVAL:


Marvin W. Sox, President/Chairman of the Board

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

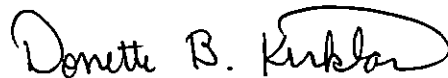
RESOLUTION

1

WHEREAS, the Board of Trustees reviewed and had no changes to the minutes of the regular monthly meeting held on January 24, 2024; and

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes for the January 24, 2024, meeting as presented.

I, Donette B. Kirkland, Secretary of Mid-Carolina Electric Cooperative, Inc. do hereby certify that the above is a true and correct copy of a resolution adopted by the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. at a regular meeting duly assembled on the 28th day of February 2024, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

2

WHEREAS, Mr. Paulling made a recommended change to Service Rules and Regulations 107 – Office and Service Hours; and

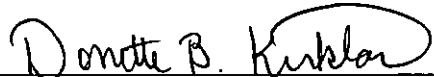
WHEREAS, with an effective date of May 13, 2024, the recommendation was to change the Cooperative’s office hours for both locations; and

WHEREAS, the new office hours will be from 7:30 a.m. to 5:30 p.m. Monday – Thursday and from 7:30 a.m. to 11:30 a.m. Friday; and

WHEREAS, after a discussion, the Board agreed with the recommendation;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the recommended changes Service Rules and Regulations 107 – Office and Service Hours, as presented.

I, Donette B. Kirkland, Secretary of Mid-Carolina Electric Cooperative, Inc. do hereby certify that the above is a true and correct copy of a resolution adopted by the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. at a regular meeting duly assembled on the 28th day of February 2024, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

SERVICE RULES AND REGULATIONS

100 ELECTRIC SERVICE AVAILABILITY

107 OFFICE AND SERVICE HOURS

The Cooperative's main office, located in Lexington County at 254 Longs Pond Road and Dutch Fork Operations Center, located in Richland County at 7524 Broad River Road are open for business from ~~8:00~~7:30 a.m. to ~~5:00~~5:30 p.m., Monday through ~~Friday~~Thursday and Friday from ~~7:30 a.m. to 11:30 a.m.~~, except as posted by the Cooperative. Routine work is scheduled and accomplished during these hours.

The Cooperative maintains emergency crews on duty twenty-four (24) hours a day, seven (7) days a week. The emergency number at all times is 749-6444 or, if calling long distance, 1-888-813-7000.

~~All Service Rules and Regulations approved by the Board as a package on August 4, 2010 effective September 1, 2010.~~

MCEC SRR 107

REVISED: 2/28/24

EFFECTIVE: 5/13/24

S.C. 37 LEXINGTON
MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

3

WHEREAS, the Board of Trustees is responsible for selecting the “Trustee” Trustee to serve on the Central Electric Power Cooperative Board with the CEO of the Cooperative; and

WHEREAS, the Board of Trustees desires to appoint the within named person as the “Trustee” Trustee to the aforesaid Board and Central’s Voting Delegate;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby appoints Mr. J. Allan Risinger to continue to serve on the Central Electric Power Board with Mr. Paulling. They will also serve as voting delegates on behalf of the Cooperative.

I, Donette B. Kirkland, Secretary of Mid-Carolina Electric Cooperative, Inc. do hereby certify that the above is a true and correct copy of a resolution adopted by the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. at a regular meeting duly assembled on the 28th day of February 2024, at which meeting a quorum was present.



Donette B. Kirkland, Secretary