

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

LEXINGTON, SOUTH CAROLINA

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

July 26, 2023

AGENDA ITEM # 1

CALL TO ORDER:
(1:00 p.m.)

Marvin W. Sox, President/Chairman
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 (via Zoom)

ATTORNEY PRESENT: J. David Black

INVOCATION: Alan Lunsford

PLEDGE OF ALLEGIANCE

AGENDA ITEM # 2

APPROVAL OF MINUTES: Chairman Sox called the meeting to order and then asked if there were any corrections, additions or deletions to the minutes of the last monthly meeting held on June 28, 2023. 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. Risinger 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

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 \$68,913,703 which is (\$4,284,713) below budget at the end of June. The year-to-date cost of wholesale power was \$36,581,924, which is under budget by (\$5,181,342). The year-to-date margins were \$5,768,197 which is \$701,431 above budget. Mrs. Crepes reported that equity was 24.48% at the end of June for a decrease of -0.04%. The deferred credits account balance changed by (\$211,861), and the ending balance was \$343,214.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,160 kWh in June. Mid-Carolina's average bill was \$143.87 (account charge \$28.50) compared to Dominion's \$171.96 (account charge \$9.50), Duke – Carolina's \$148.38 (account charge \$11.96), and Duke – Progress \$166.39 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 17,074 kWh. Mid-Carolina's average annualized bill was \$2,048.12 (account charge \$346.75) compared to Dominion's \$2,308.51 (account charge \$114.00), Duke – Carolina's \$2,119.72 (account charge \$143.52), and Duke – Progress \$2,257.34 (account charge \$141.36).

Mrs. Crepes reported that Mid-Carolina has received \$1,939,616 income year-to-date from CarolinaConnect. 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 June. The right-of-way crews are still working in the Old Chapin, Edmund, Friarsgate, and the Woodland Hills areas. They have started working in the Hollingshed area. Mr. Wilbur stated the System Inspectors have completed their work in the Springhill area, and they are now working in the Hollingshed area. The annual pole inspection has been completed, with 181 poles being rejected out of a total of 8,009. Mr. Wilbur gave an update on the SCDOT and County projects. 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 June. He stated the construction of Holley Ferry Substation is progressing well. Mr. Ayers then showed a chart graphing MWh purchased each month year-to-date from 2019-2023 with a five year running average. The next chart showed the MW Demand purchased each month year-to-date from 2019-2023 with a five year running average. The monthly outage report and notes for June 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 recent Youth Summit held in Columbia, SC, and the Cooperative sponsored three students. He reviewed the evolution of the Cooperative's culture work and brand identity, aligning the words and actions through the five core values. Mr. Simpson then discussed several ways the Cooperative has been connecting with the Community. He reported on the Cooperative's social media engagement. The quarterly schedule for the *South Carolina Living* magazine was presented through the October 2023 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 38,798 accounts enrolled in SmartHub as of July 1, 2023, which represents 65.2% of active accounts enrolled. He reported that 82.7% of all June payment transactions were made electronically. Mr. Davidson discussed the substantial increase in the number of members that are now enrolled in TextPower. During the month, almost 6,000 members signed up bringing the total to 24,360. Mr. Paulling stated that the billboard outside of the Cooperative has an advertisement for TextPower.

Mr. Davidson discussed the number of emails that the Cooperative received during the month of June, as well as how many emails were blocked. Mr. Davidson discussed upcoming projects and 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. The Trust Board approved 11 applications out of 14 during the meeting in June for a total donation of \$32,051. The Trust Fund balance at the end of the month was \$43,381. The Board calendars were reviewed through October 2023, and the 2024 Budget Presentation was scheduled for October 19, 2023. There were no further questions or comments, and Chairman Sox thanked Mrs. Ross-Bell for her report.

AGENDA ITEM # 5

PRESIDENT'S REPORT: Chairman Sox called on Mr. Paulling for his report. Mr. Paulling reported there were no recordable accidents in June. During the month of June, there was one transfer from a Line Technician I to an Apparatus Technician I. There is active recruitment for a Member Services Representative and a Line Technician I.

Mr. Paulling discussed the recommended changes to Service Rules and Regulations 101 – Application for Membership and Service. The new wording allows the Cooperative or affiliates to send periodic emails of interest to the membership. Members can opt out of such emails at any time. After a discussion, Mr. Bedenbaugh made a motion to approve the recommendations, as presented. The motion was seconded by Ms. Kirkland and unanimously passed.

See Resolution # 2

Mr. Paulling gave an industry update. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for his report.

AGENDA ITEM # 6

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 # 7

CHAIRMAN'S REPORT: Chairman Sox read a thank you note. He then discussed a couple of upcoming events. Chairman Sox had nothing further to report at this time.

AGENDA ITEM # 8

COMMITTEE REPORTS: Chairman Sox called on Mr. Watts for the Compensation Committee report. Mr. Watts stated that the Committee met before this meeting. An update will be given in executive session.

Chairman Sox called on Mr. Risinger for the Retiree Welfare Benefit Trust Committee report. Mr. Risinger said the Committee met just prior to the meeting. The Trust account is doing well, as it is still overfunded. The market is improving, and there are no recommended changes at this time.

Chairman Sox then called on Ms. Kirkland for the Policy Committee report. Ms. Kirkland stated that Board Policy 104 and Board Policy 105 were sent to everyone for review prior to the meeting. After a discussion of each, there were no recommended changes to either policy. The policies will reflect being reviewed at this meeting.

There were no other committee reports to come before the Board at this time.

AGENDA ITEM # 9

ASSOCIATED MEETING REPORTS: Chairman Sox stated that CarolinaConnect's Board meeting was yesterday. CarolinaConnect now has almost 27,500 customers with Mid-Carolina having over 16,000. Chairman Sox reported that CarolinaConnect will have a Strategic Planning session in August.

Mr. Risinger reported that the Wholesale Power Contract has been signed between Central and Electricities of North Carolina for a portion of the Catawba Nuclear Station output. The Catawba Nuclear Station is located in York, SC.

Ms. Kirkland reported that CEEUS and ECSC Board Meetings will be held in August. She gave an update on the ECSC Communications Committee meeting held in July.

Mr. Shealy stated the ECSC Trustee Association met this month to discuss the 2024 Trustee Association meeting.

There were no other reports at this time.

AGENDA ITEM # 10

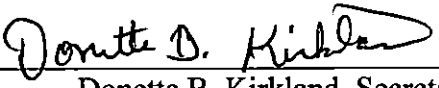
NEW BUSINESS: Chairman Sox called for any new business. There was no new business to come before the meeting at this time. A motion was made by Mr. Bedenbaugh to enter into executive session. The motion was seconded by Mr. Watts and unanimously passed.

AGENDA ITEM # 11

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

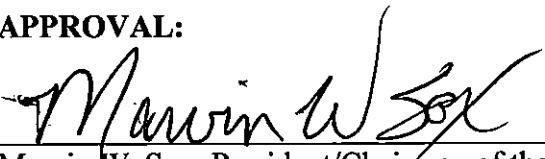
AGENDA ITEM # 12

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.

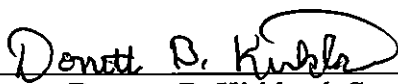
RESOLUTION

1

WHEREAS, the Board of Trustees reviewed and had no changes to the minutes of the regular monthly meeting held on June 28, 2023; and

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes for the June 28, 2023 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 26th day of July 2023, 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 recommendation to add language to the Services Rules and Regulations 101 – Application for Membership and Service; and

WHEREAS, the new wording allows the Cooperative or affiliates to send periodic emails of interest to the membership; and

WHEREAS, the members can opt out of such emails at any time; and

WHEREAS, after careful consideration, the Board of Trustees agrees with the recommendation;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the new language to the Service Rules and Regulations 101 – Application for Membership and Service, as presented. The policy is attached hereto.

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 26th day of July 2023, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

MID-CAROLINA ELECTRIC COOPERATIVE, INC.
SERVICE RULES AND REGULATIONS

100 ELECTRIC SERVICE AVAILABILITY

101 APPLICATION FOR MEMBERSHIP AND SERVICE

An applicant for electric service refers to any person, partnership, corporation, firm body politic, or others, who desire to become a member of and receive electric service from Mid-Carolina Electric Cooperative, Inc. "Cooperative".

Applications for service may be made either electronically, verbally or in writing, at the discretion of the Cooperative, at the Lexington or Dutch Fork facility. The applicant shall pay all fees and charges required by these Service Rules and Regulations. In the absence of a signed Service Agreement or Contract, the accepted application (by the Cooperative) or receipt of service (by member) shall constitute a contract between Mid-Carolina Electric Cooperative, Inc., and the member obligating that member to pay for all electricity used on the premises in accordance with the Cooperative's Rate Schedules as well as comply with its Service Rules and Regulations and Bylaws. Service Agreement, Membership or Deposit is transferable only from spouse to spouse at the member's request in writing or in the event of death of the member.

In the Application, or by accepting electricity from the Cooperative the Applicant agrees that any person residing at the service address listed in the Application, who has a past due account balance including any interest and penalties owed the Cooperative, shall have that past due account balance added to the Applicant's bill for the service address before the Cooperative will commence new service. If found later, the Applicant will become responsible for the past due balance and it must be paid upon the normal billing terms described in Service Rules and Regulations Section 400 once billed by the Cooperative. Failure to pay the past due amounts owed the Cooperative by other persons residing at the service address upon the terms and conditions set by Section 400 shall be a reason for denial or disconnection of service pursuant to Service Rule and Regulation 111.

An application must be placed in the name of the individual applying. The Cooperative may request two forms of positive identification when applying for membership.

A request for service will normally be completed within a two (2) day period for existing services. For all others, time to render service will be dependent upon the time required to accomplish this work. A person who stops receiving electricity from the Cooperative other than a temporary disconnect request, ceases to be a member of the Cooperative.

We, our affiliates or partners, may send periodic emails providing you with information that we think may be of interest to you. You may opt out of such emails at any time by following the instructions in each email.

For reference see Appendix for copies of Application for Membership or Service, Contracts, and Surety Bond.

MCEC SRR-101 APPROVED: 06/20/79 REVISED: 01/27/2021—07/26/23EFFECTIVE:
01/27/202107/26/23