

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

LEXINGTON, SOUTH CAROLINA

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

April 26, 2023

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 Davidson, VP, Information Technology
Vicki E. Ross-Bell, Administrative Services Manager

ATTORNEY PRESENT: J. David Black

INVOCATION: Cliff Shealy

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 March 22, 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. Lunsford 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 \$34,347,810, which is (\$3,879,960) below budget at the end of March. The year-to-date cost of wholesale power was \$18,753,057, which is under budget by (\$3,640,263). The year-to-date margins were \$3,238,118, which is \$300,999 above budget. Mrs. Crepes reported that equity was 24.40% at the end of March for an increase of 0.02%. The deferred credits account balance changed by (\$1,047,457), and the ending balance was \$1,359,707.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,023 kWh in March. Mid-Carolina's average bill was \$135.32 (account charge \$29.45) compared to Dominion's \$142.38 (account charge \$9.50), Duke – Carolina's \$130.97 (account charge \$11.96), and Duke – Progress \$139.06 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 17,685 kWh. Mid-Carolina's average annualized bill was \$2,091.49 (account charge \$346.75) compared to Dominion's \$2,212.34 (account charge \$114.00), Duke – Carolina's \$2,052.79 (account charge \$143.52), and Duke – Progress \$2,115.52 (account charge \$141.36).

Mrs. Crepes reported that Mid-Carolina has received \$927,263 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 March. The right-of-way crews are still working in the Old Chapin and Edmund area. A crew started back in Woodland Hills in April, and a crew will start in the Barr area soon. There were 120 dead trees cut during the month.

Mr. Wilbur stated the System Inspectors completed their work in the New Chapin area, and they have started in the Springhill area. The annual pole inspection has been completed in the Gilbert, Barr and Owens area. They have inspected 2,455 poles year-to-date, and they have started in the New Chapin area. He gave an update on the SCDOT and County projects. Mr. Wilbur discussed several other 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 March. He stated the transformer protection relays in the Coldstream Substation were upgraded. Preparations for transformer protection relays at Old Chapin Substation were completed in advance of relay panel change out next month.

Mr. Ayers reported that repairs and upgrades to grounding were made at North Congaree Substation following a break in and copper theft. Repairs to the high side disconnect switch at Edmund Substation were accomplished with the help of Santee Cooper line crew. Grounding upgrades to the power transformer were completed during this outage. Mr. Ayers reviewed the fiber construction in subdivisions that is in progress and that has been completed.

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 March 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 showed the outdoor ad that is displayed on the billboard outside of the Cooperative's office in honor of Lineman Appreciation Day in April. He gave an overview of the Member Services stats for February and March. Mr. Simpson discussed several ways the Cooperative has been connecting with the Community: Annual Meeting, Washington Youth Tour, Youth Summit, Touchstone Energy Scholarship, local Chamber meetings hosted by the Cooperative in April and May, and Community Clean-up Day on April 22, 2023.

Mr. Simpson reported on the Cooperative's social media engagement. The quarterly schedule for the *South Carolina Living* magazine was presented through the July 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 38,196 accounts enrolled in SmartHub as of April 1, 2023, which represents 64.18% of active accounts enrolled. He stated that 81.3% of all March payments were made electronically. Mr. Davidson discussed the number of emails that the Cooperative received during the month of March, as well as how many emails were blocked.

Mr. Davidson handed out the statistics from the Annual Meeting, and stated that 5,596 members registered and voted this year. There were 5,080 members that registered and voted on Saturday, April 15, 2023, with 1,774 at Chapin Middle School drive-thru, and 3,306 at Beechwood Middle School drive-thru in Lexington. There were 516 members who registered and voted at the Lexington One Performing Arts Center at Lexington High School on Friday, April 21, 2023.

Mr. Paulling reported that 78% of the registered members voted that an in person business meeting is no longer necessary. He stated with the results of the vote, and the fact that approximately 50 members stayed for the business meeting, the members have spoken. Mr. Paulling discussed the cost involved in having the in person meeting. It will save the Cooperative, and in turn, the members money to have the drive-thru registration and voting, along with a live streamed business meeting. Mr. Risinger made a motion based on the membership's vote, that the business portion of the Cooperative's future Annual Meetings be live streamed. The registration and voting will take place at two drive-thru locations. The motion was seconded by Mr. Shealy and unanimously passed.

See Resolution # 2

Mr. Davidson 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. In March, the Trust Board approved 8 applications out of 19 for a total distribution of \$23,805. The Trust Fund balance at the end of the month was \$38,894. Mrs. Ross-Bell discussed the visits to the Christian Ministry Center and to God’s Helping Hands during the month of March. Mrs. Ross-Bell reviewed the Board calendars through June 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 was one recordable accident in March. There was a new hire for a Part-Time Custodian that started on April 24, 2023. There is current recruitment for a Member Services Clerk Supervisor position. Mr. Paulling discussed the need to clarify the wording of refunding the member’s deposit automatically after two years on Service Rules and Regulation 102 – Service Deposits by adding “through a credit on the account”. Mr. Shealy made a motion to approve the recommendation. The motion was seconded by Mr. Best and unanimously passed.

See Resolution # 3

Mr. Paulling gave a Central/Santee Cooper 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 several thank you notes. He reported that the recent NRECA Legislative Conference was a good meeting, and South Carolina trustees had the largest representation. Mr. Paulling also stated it was a worthwhile meeting. Chairman Sox had nothing further to report at this time.

AGENDA ITEM # 8

COMMITTEE REPORTS: Chairman Sox called on Mr. Risinger for the Retiree Welfare Benefit Trust Committee report. Mr. Risinger stated the Committee had a phone call with the Cooperative’s Homestead Advisor just prior to the Board Meeting today. The market has started to recover, and the Trust Fund continues to be overfunded. The Committee will have another meeting and call with Homestead on July 26, 2023. Chairman Sox stated the process of reviewing the board policies will start at next month’s 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 over 25,000 customers, and Mid-Carolina has over 16,000. Chairman Sox stated that CarolinaConnect has scheduled a Strategic Planning meeting on August 17, 2023.

Chairman Sox stated that most everyone went to the CEEUS Equipment Show was held on March 29, 2023, and it went well.

Ms. Kirkland reported the new VP of Communications has started at Statewide, since Mr. Lou Green has retired.

Chairman Sox reported that Federated is doing well, but line contacts continue to be on the rise.

Mr. Paulling stated that everything went well at his last SC Power Team Board Meeting. He has been on the Board for over 10 years, and the Chair for the last six years. Mr. Paulling will now roll off the Board in May 2023.

There were no other reports at this time.

AGENDA ITEM # 10

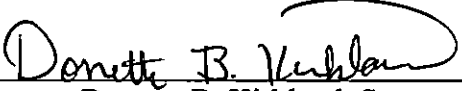
NEW BUSINESS: Chairman Sox called for any new business. There was no new business to come before the meeting at this time. A motion was made by Mr. Lindler to enter into executive session. The motion was seconded by Mr. Watts and unanimously passed.

AGENDA ITEM # 11

EXECUTIVE SESSION: During the executive session, Chairman Sox stated that the Board needs to vote on officers. Mr. Black handed out individual ballots for each office, and the following were selected: Chair – Mr. Marvin W. Sox; Vice-Chair – Mr. Clifford B. Shealy; Secretary – Ms. Donette B. Kirkland; and Treasurer – Mr. J. Allan Risinger. There was no other action taken during executive session.


AGENDA ITEM # 12

ADJOURNMENT: There was no further business, and the meeting was adjourned at 4:10 p.m.



Donette B. Kirkland, Secretary

APPROVAL:



Marvin W. Sox, President/Chairman of the Board

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

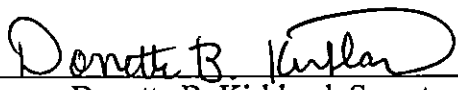
RESOLUTION

1

WHEREAS, the Board of Trustees reviewed and had no changes to the minutes of the regular monthly meeting held on March 22, 2023; and

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes for the March 22, 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 April 2023, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

2

WHEREAS, there were 5,596 total members who registered and voted at the Cooperative's 2023 Annual Meeting; and

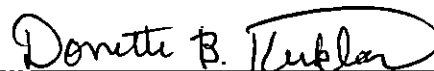
WHEREAS, there were approximately 50 members who attended the Cooperative's in person business meeting; and

WHEREAS, the Cooperative's membership voted during the 2023 registration and voting process on whether or not an in person Annual Meeting is still necessary; and

WHEREAS, 78% of the registered members voted that an in person business meeting is no longer necessary;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves based on the membership's vote, that the business portion of the Cooperative's future Annual Meetings will be live streamed. The registration and voting will take place at two drive-thru locations.

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 April 2023, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

3

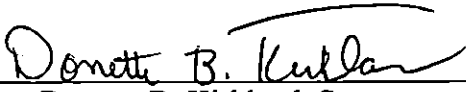
WHEREAS, Mr. Paulling made a recommendation to clarify the wording on Service Rules and Regulations 102 – Service Deposits; and

WHEREAS, the deposits are refunded automatically after two years; and

WHEREAS, the recommendation is to add “through a credit on the account”;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the recommended clarification on Service Rules and Regulations 102 – Service Deposits that are automatically refunded after two years. 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 April 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

102 SERVICE DEPOSITS

A. Residential Members

The Cooperative may charge a deposit if 1) the member's credit records indicate one is required or (2) if the credit status of the member cannot be determined. (Refer to Section 600B)

B. Commercial Members

The Cooperative may charge a deposit if the member's credit records indicate one is required. The maximum deposit will be equal to the two (2) highest consecutive months' billings based on the previous twelve (12) months or an estimated amount.

If a deposit is required for a commercial account, a surety bond, bank issued irrevocable letter of credit, or certificate of deposit (naming the Cooperative as trustee) may be used in lieu of cash.

A formal contract may be required for a commercial account.

C. Other

Members in this category will be considered on a case-by-case basis.

D. Exemptions of Deposits

A deposit may be waived if the member's current service with the Cooperative has a good credit rating for the past twelve (12) months, or if the member receives a satisfactory score from a credit bureau reporting system.

Residential

An acceptable credit record, from the most recent electrical supplier(s) for a minimum of one (1) year with a good payment record, may be used in lieu of a cash deposit. An acceptable credit record would not reflect consecutive thirty (30) day arrears, three (3) thirty (30) day arrears, or any other adverse occurrences.

Other

Deposits for churches, schools, government agencies, etc. may have deposits waived due to their nature and type of ownership. The Cooperative reserves the right to require such deposit should the credit record necessitate.

E. Increase in Deposits

The deposit amounts specified are considered as minimum and may be increased on any account based upon the credit history of the member. Maximum amount of the deposit shall be equal to the highest consecutive months' billings based on the previous twelve (12) months, or estimated if less than twelve (12) months of service.

F. Deposits Due to Indebtedness

If a member has had service with the Cooperative previously and has an old undisputed account which has not been paid, then the deposit shall be equal to the two (2) highest consecutive month's billings based on the previous twelve (12) months, or estimated if less than twelve (12) months of service.

G. Deposit Refunds

Deposits are held as surety should a member fail to settle his indebtedness with the Cooperative. Based on the following conditions deposits are returned:

Deposits are refunded through a credit on the account automatically after two (2) years of service.

Member must have an "A" credit rating for the previous twelve (12) months.

Commercial accounts must not have received an Important Notice within the past twelve (12) months.