MID-CAROLINA ELECTRIC COOPERATIVE, INC.

LEXINGTON, SOUTH CAROLINA

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

August 31, 2026

AGENDA ITEM # 1

CALL TO ORDER: (9:30 a.m.)	Alan R. Lunsford, President/Chairman Donette B. Kirkland, Vice-President/Vice-Chairman Justin B. Watts, Secretary J. Allan Risinger, Treasurer J. Carey Bedenbaugh, Jr. Eddie C. Best, Jr. Kenneth E. Lindler Marvin W. Sox Mark A. Svrcek
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:	Donette Kirkland

PLEDGE OF ALLEGIANCE

AGENDA ITEM # 2

<u>APPROVAL OF MINUTES</u>: Chairman Lunsford 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 July 27, 2026. Mr. Svrcek made a motion to approve these 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.

AGENDA ITEM # 4

FORM 990 REVIEW: Chairman Lunsford called on Mr. Paulling, who introduced Mr. Terry McMichael, CPA, who was on a Zoom call. Mr. Bedenbaugh made a motion to go into executive session. The motion was seconded by Mr. Lindler and unanimously passed.

Mr. Bedenbaugh made a motion to come out of executive session. The motion was seconded by Mr. Svrcek and unanimously passed.

During executive session, Mr. McMichael reviewed the Cooperative's 2025 Form 990 with the Board. The Board received the report as information. There were no further questions or comments, and Chairman Lunsford thanked Mr. McMichael for his report.

AGENDA ITEM # 5

DEPARTMENTAL REPORTING:

FINANCE AND ACCOUNTING: Chairman Lunsford called on Mrs. Crepes for the Finance and Accounting report. Mrs. Crepes reported the year-to-date revenue was $112,568,253, which is ($461,170) under budget at the end of July. The year-to-date cost of wholesale power was $66,267,276, which is over budget by $1,663,201. The year-to-date margins were $6,265,434, which is ($218,915) below budget. Mrs. Crepes reported that equity was 23.78% at the end of July for an increase of 0.01%. The deferred credits account balance changed by $355,737, and the ending balance was $1,862,080.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,745 kWh in July. Mid-Carolina's average bill was $234.44 (account charge $39.00) compared to Dominion's $282.62 (account charge $9.50), Duke – Carolina's $257.06 (account charge $11.96), and Duke – Progress $275.38 (account charge $11.78). She then presented a comparison chart showing an average annual usage of 15,621 kWh. Mid-Carolina's average annualized bill was $2,331.13 (account charge $474.50) compared to Dominion's $2,448.57 (account charge $114.00), Duke – Carolina's $2,224.98 (account charge $143.52), and Duke – Progress $2,331.60 (account charge $141.36). Mrs. Crepes reported that Mid-Carolina has received $4,457,822 from CarolinaConnect year-to-date.

Mrs. Crepes presented a new CFC Loan Package in the amount of $80 million. This loan amount includes the $10 million needed for the new AMI system. After a review and discussion of the details of the loan, Ms. Kirkland made a motion to approve the new CFC loan. The motion was seconded by Mr. Risinger and unanimously passed.

See Resolution # 2

There were no further questions or comments, and Chairman Lunsford thanked Mrs. Crepes for her report.

<u>OPERATIONS:</u> Chairman Lunsford called on Mr. Wilbur for the Operations report. Mr. Wilbur reported on the locations where the Mid-Carolina and contractor crews worked in July. He reported that the right-of-way crews are working in the New Chapin, Barr, and Circle areas. Mr. Wilbur stated the System Inspectors are still working in the Lake Murray area helping with underground cable locating.

Mr. Wilbur called on the Cooperative's Project Engineer, Mr. Jason Derrick, for the Employee Spotlight Report. Mr. Derrick gave an update on the Carolina Crossroads and Broad River Road projects. He showed a couple of videos and pictures of the progress, discussing each in detail. There were no further questions or comments, and Chairman Lunsford thanked Mr. Wilbur and Mr. Derrick for their reports.

<u>ENGINEERING:</u> Chairman Lunsford called on Mr. Ayers for the Engineering report. Mr. Ayers reported that routine inspection and maintenance were completed. He stated that construction on the remainder of the Lake Murray Substation continues. Mr. Ayers reported that new downline electronic reclosers are being installed at several locations around the system. He then gave a fiber marketing and sales update. Mr. Ayers discussed the ongoing fiber optic construction in subdivisions.

Mr. Ayers showed a chart graphing MWh purchased each month year-to-date from 2022-2026 with a five-year running average. The next chart showed the MW Demand purchased each month year-to-date from 2022-2026 with a five-year running average. The monthly outage report and notes for July were discussed. There were no further questions or comments, and Chairman Lunsford thanked Mr. Ayers for the report.

<u>MEMBER SERVICES:</u> Chairman Lunsford called on Mr. Simpson for the Member Services report. Mr. Simpson stated that the Bright Ideas applications are due on September 14, 2026. He invited the Board to join the Bright Ideas luncheon on October 30, 2026. Mr. Simpson shared details about the upcoming Charity Golf Tournament scheduled for October 19, 2026, and the Clay Shoot scheduled for March 12, 2027. He also shared a video of a recent Community Leadership Council Meeting. Mr. Simpson reviewed the recent social media engagement, and the quarterly schedule for the *South Carolina Living* magazine through the October 2026 issue. There were no further questions or comments, and Chairman Lunsford thanked Mr. Simpson for his report.

<u>INFORMATION TECHNOLOGY:</u> Chairman Lunsford called on Mr. Davidson for the Information Technology report. Mr. Davidson reported there were 45,220 accounts enrolled in SmartHub as of August 1, 2026, which represents 73.48% of active accounts enrolled. He stated that 88.70% of all July payment transactions were made electronically. Mr. Davidson reported that an additional 24 members enrolled in TextPower in July, bringing the enrollment total to 64,938. He stated there were 3,149 members enrolled in Pay As You Go in July. There were 246 payments made with the InComm system during the month of July.

Mr. Davidson discussed the server uptime on all of the Cooperative's servers. He reported there were 57,658 emails received during the month, and 32,976 emails were blocked prior to reaching the

Cooperative's email servers, and 48 of those emails contained viruses. He then gave an update on cyber security. There were no further questions or comments, and Chairman Lunsford thanked Mr. Davidson for his report.

ADMINISTRATION: Chairman Lunsford called on Mrs. Ross-Bell for the Administration report. Mrs. Ross-Bell referred to the monthly Operation Round-Up report. The Trust Board didn't have a scheduled meeting in July. The donation to the five Chrisian Ministries totaled $13,539. The Trust Fund balance at the end of July was $58,389. Mrs. Ross-Bell then discussed important dates to remember through October 2026. She asked them to fill out the travel form with their attendance plans to the ECSC Winter Conference November 30–December 3, 2026. There were no further questions or comments, and Chairman Lunsford thanked Mrs. Ross-Bell for her report.

AGENDA ITEM # 6

CEO'S REPORT: Chairman Lunsford called on Mr. Paulling for his report. Mr. Paulling stated there were two recordable accidents in July. He then reported that the new Associate Systems and Network Administrator started this morning. There was one resignation and a promotion from Energy Services Specialist to Warehouse Supervisor. There is now active recruitment for an Engineer, Energy Services Specialist, Communications Specialist, and a Utility Cable Locator.

Mr. Paulling gave an update on the six priorities of the Cooperative's Strategic Planning initiatives. There were no further questions or comments, and Chairman Lunsford thanked Mr. Paulling for his report.

AGENDA ITEM # 7

LEGAL DISCUSSION: Chairman Lunsford called on Mr. Black for the legal report. Mr. Black gave a brief legal update. There were no further questions or comments, and Chairman Lunsford thanked Mr. Black for his report.

AGENDA ITEM # 8

CHAIRMAN'S REPORT: Chairman Lunsford read several thank you notes. He had nothing further to report at this time.

AGENDA ITEM # 9

COMMITTEE REPORTS: Chairman Lunsford called on Mr. Watts for the Policy Committee Report. Mr. Watts stated that the Board had received Board Policy 204 – Consultants to the Board of Trustees with recommendations to review. After a discussion of the recommended changes, Mr. Sox made a motion to approve the Policy 204, as presented. The motion was seconded by Mr. Lindler and unanimously passed. There were no other committee reports at this time.

See Resolution # 3

AGENDA ITEM # 10

ASSOCIATED MEETING REPORTS: Chairman Lunsford called on Mr. Sox for an update on CarolinaConnect. Mr. Sox stated the CarolinaConnect Board Meeting was held on August 25, 2026. They now serve over 48,000 customers. He reported that Newberry Electric Cooperative's CEO, Mr. Keith Avery, is retiring September 1, 2026. Newberry has appointed Interim CEO, Mr. Arthur Guy, who will serve on the CarolinaConnect Board until the new CEO is selected.

Mr. Risinger gave a brief update on Central. The Strategic Planning Meeting for Central will be held in Charleston, SC from September 8-10, 2026.

Ms. Kirkland stated that CEEUS is doing well. She reported that the new ECSC Training Center construction is on track and on budget.

Mr. Lunsford reported that the ECSC Trustee Association had a good annual meeting earlier in the month.

There were no other reports at this time.

AGENDA ITEM # 11

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

AGENDA ITEM # 12

EXECUTIVE SESSION: During executive session, the Board conducted the annual review of the CEO. The Board unanimously approved an appropriate salary increase, as recommended by the Compensation Committee.

AGENDA ITEM # 13

ADJOURNMENT: There was no further business, and the meeting was adjourned at 12:40 p.m.

Justin Watts
Justin B. Watts, Secretary

APPROVAL:

Alan R. Lunsford
Alan R. Lunsford, 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 July 27, 2026;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes for the last regular monthly meeting held on July 27, 2026.

I, Justin B. Watts, 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 31st day of August 2026, at which meeting a quorum was present.

Justin Watts

Justin B. Watts, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

2

SECURED PROMISSORY NOTE

$80,000,000.00 dated as of August 31, 2026

MID-CAROLINA ELECTRIC COOPERATIVE, INC., a South Carolina corporation (the "Borrower"), for value received, hereby promises to pay, without setoff, deduction, recoupment or counterclaim, to the order of NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION (the "Payee"), at its office in Dulles, Virginia or such other location as the Payee may designate to the Borrower, in lawful money of the United States, the principal sum of EIGHTY MILLION AND 00/100 U.S. DOLLARS ($80,000,000.00), or such lesser sum of the aggregate unpaid principal amount of all advances made by the Payee pursuant to that certain Loan Agreement dated as of even date herewith between the Borrower and the Payee, as it may be amended from time to time (herein called the "Loan Agreement") on the dates and in the principal amounts provided in the Loan Agreement, and to pay interest on all amounts remaining unpaid hereunder from the date of each advance in like money, at said office, at the rates, in amounts and on the dates provided in the Loan Agreement together with any other amount payable under the Loan Agreement. If not sooner paid, any balance of the principal amount and interest accrued thereon shall be due and payable forty (40) years from the date of the Loan Agreement (such date herein called the "Maturity Date") *provided, however,* that if such date is not a Payment Date (as defined in the Loan Agreement), then the Maturity Date shall be the Payment Date immediately preceding such date.

This Note is secured under a Restated Mortgage and Security Agreement dated as of even date herewith, between the Borrower and the Payee, as it may have been or shall be supplemented, amended, consolidated or restated from time to time ("Mortgage"). This Note is one of the Notes referred to in, and has been executed and delivered pursuant to, the Loan Agreement.

The principal hereof and interest accrued thereon and any other amount due under the Loan Agreement may be declared to be forthwith due and payable in the manner, upon the conditions, and with the effect provided in the Mortgage or the Loan Agreement.

The Borrower waives demand, presentment for payment, notice of dishonor, protest, notice of protest, and notice of non-payment of this Note.

IN WITNESS WHEREOF the Borrower has caused this Note to be signed in its corporate name and to be attested by its duly authorized officers, all as of the day and year first above written.

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

By: B. Robert Paulling
B. Robert Paulling
Title: President & CEO

Attest: Justin Watts
Justin B. Watts, Secretary

Loan No. SC037-V-9038

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

 # 3

WHEREAS, the Board of Trustees reviewed Board Policy 204 – Consultants to the Board of Trustees; and

WHEREAS, there were recommended changes to the policy; and

WHEREAS, the Board approved the recommendations;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the recommended changes to Board Policy 204 – Consultants to the Board stating the Cooperative retains a General Counsel Attorney. The policy is attached hereto.

I, Justin B. Watts, 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 31st day of August 2026, at which meeting a quorum was present.

Justin B. Watts, Secretary

MID-CAROLINA ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES POLICY 204

SUBJECT: CONSULTANTS TO THE BOARD OF TRUSTEES

I. OBJECTIVE

Consultants such as engineers, architects, attorneys, auditors, management consultants and others may be employed by the Board of Trustees to perform such work that may be necessary. ~~in the development of the Cooperative.~~

II. POLICY CONTENT

A. The Board of Trustees shall be responsible for selecting the Cooperative attorney, auditor and other consultants required to carry out the Board's responsibility.

B. Remuneration for employment of such consultants shall be on a fee basis or salary whichever is in the best interest of the Cooperative.

C. Board consultants may be required to attend Board meetings at the discretion of the Board of Trustees.

D. The Cooperative shall ~~employ~~retain a General Counsel attorney to provide legal services which include but are not limited to; attending and reviewing minutes of all Board meetings, negotiating, drafting and reviewing contracts, providing legal services for disposition or acquisition of real property and interests in real property, providing legal services for borrowing or lending money, and providing legal services regarding general business, cooperative, tax and electric utility law.

E. The Cooperative shall, as reasonably necessary and following consultation with the General Counsel, retain or employ an attorney to provide special legal services to the Cooperative (special counsel). Special legal services require competence in a particular field of law.

III. RESPONSIBILITY

The Board of Trustees is responsible for the administration of this Policy.