

MID-CAROLINA ELECTRIC COOPERATIVE, INC.
LEXINGTON, SOUTH CAROLINA
MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

September 28, 2022

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
Keith D. Sturkie, VP, Information Technology
Vicki E. Ross-Bell, Administrative Services Manager

ATTORNEY PRESENT: J. David Black

INVOCATION: Justin B. Watts

PLEDGE OF ALLEGIANCE

AGENDA ITEM # 2

APPROVAL OF MINUTES: Chairman Sox called the meeting to order, and he welcomed all of the guests today. He then asked if there were any corrections, additions or deletions to the minutes of the last regular monthly meeting held on August 24, 2022. There were no corrections to these minutes, and Mr. Risinger made a motion to approve the minutes, as presented. The motion was seconded by Mr. Shealy 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

SC POWER TEAM PRESENTATION: Chairman Sox called on Mr. Paulling to introduce the first guest. Mr. Paulling welcomed Mr. James Chavez to give a presentation for the SC Power Team. Mr. Chavez gave a history of the SC Power Team, and the efforts that have been made in economic development over the last decade. He discussed the Cooperative's service territory, and answered questions during his presentation. There were no further questions or comments, and Chairman Sox thanked Mr. Chavez for his report.

RIGGS PARTNERS PRESENTATION: Chairman Sox called on Mrs. Teresa Coles, President of Riggs Partners for her presentation. Mrs. Coles reviewed the goals and objectives of A Brand Journey, and Creating the Cooperative of the Future. She discussed the work that went into launching the Cooperative's new brand identity. She then called on Mrs. Katy Miller, Account Director, who reviewed the website impact. Mrs. Miller reported on the shift in operational efficiencies in the first six months. New online options includes a Live Chat feature, the ability to apply for service online and enroll in SmartHub. Mrs. Miller showed different advertisements available on the Cooperative's website. She then called on Mrs. Kerry Fulton, Digital Marketing Strategist. Mrs. Fulton discussed the Cooperative's Social Media presence and content.

Mrs. Coles closed by providing next steps in the development of additional social media ads and video platforms. Mr. Paulling thanked Mrs. Coles and her team in the partnership in rolling out the new brand identity. There were no further questions or comments, and Chairman Sox thanked Mrs. Coles for his report.

AGENDA ITEM # 5

DEPARTMENTAL REPORTING:

MEMBER SERVICES: Mr. Paulling stated that the presentation from Riggs Partners was the primary Member Services report. The only other item for review was the Cooperative's quarterly schedule for the South Carolina Living magazine through the January 2023 issue. There were no further questions or comments.

FINANCE AND ACCOUNTING: Chairman Sox called on Mrs. Crepes for the Finance and Accounting report. Mrs. Crepes reported the year-to-date revenue was \$97,549,642, which is \$216,341 below budget at the end of August. The year-to-date cost of wholesale power was \$57,902,419, which is over budget by \$1,010,043. The year-to-date margins were \$7,338,976, which is \$18,108 below budget. Mrs. Crepes reported that equity was 24.45% at the end of August for an increase of 0.48%. The deferred credits account balance changed by \$75,415 and the ending balance was \$7,822,508.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 2,029 kWh in August. Mid-Carolina's average bill was \$212.79 (account charge \$28.50) compared to Dominion's \$272.46 (account charge \$9.50), Duke – Carolina's \$235.55 (account charge \$11.96), and Duke – Progress \$259.43 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 18,367 kWh. Mid-Carolina's average annualized bill was \$2,087.38 (account charge \$346.75) compared to Dominion's \$2,317.33 (account charge \$114.00), Duke – Carolina's \$2,145.07 (account charge \$143.52), and Duke – Progress \$2,154.78 (account charge \$141.36).

Mrs. Crepes reported that Mid-Carolina has received fiber income from CarolinaConnect in the amount of \$1,966,240 year-to-date. Mid-Carolina received \$387.50 from CarolinaConnect for the 20 customers that have subscribed to Voice Over IP. 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 August. He then gave an update on the number of service orders that were processed by the Staking Technicians during the month.

The right-of-way crews are still working in the New Chapin, North Congaree, Irmo, Lake Murray and Lexington areas. There were 124 dead trees cut during the month. Mr. Wilbur stated the System Inspectors are still working in the Lexington area. 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 August. He stated that station battery upgrades are in progress at several substations. 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 2018-2022 with a five year running average. The next chart showed the MW Demand purchased each month year-to-date from 2018-2022 with a five year running average. The monthly outage report and notes for August were reviewed. There were no further questions or comments, and Chairman Sox thanked Mr. Ayers for the report.

INFORMATION TECHNOLOGY: Chairman Sox called for the Information Technology report. He reported there were 36,777 accounts enrolled in SmartHub as of September 1, 2022, which represents 62.2% of active accounts enrolled. In August, 81.2% of all payment transactions were made electronically, and 5.2% of payment transactions were entered manually through the Cooperative's cash-drawer application.

Mr. Sturkie reported that 56% of August payments were made by Credit Card, and SmartHub payment transactions totaled 28% for the month. He reported that the Outage Management System upgrade is projected to be completed sometime from the end of October to the middle of November 2022. Mr. Sturkie gave a brief update on Cyber Security. There were no further questions or comments, and Chairman Sox thanked Mr. Sturkie 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 August, the Trust Board approved 10 applications out of 12 for a total distribution of \$20,275. The Trust Fund balance at the end of the month was \$52,385.

Mrs. Ross-Bell reported that the Board needs to approve the date for the Cooperative's Annual Meeting, and the proposed date is April 21, 2023. Mr. Bedenbaugh made a motion to approve the Cooperative's 2023 Annual Meeting date, as presented. The motion was seconded by Mr. Lindler and unanimously passed.

See Resolution # 2

Mrs. Ross-Bell reviewed the Board calendars through November 2022. 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 August. He reported that the VP of Information Technology has been selected with a start date of October 3, 2022. There were two terminations during the month, a Member Services Clerk and a part-time Custodian. A Member Services Representative transferred into the vacant Member Service Clerk position. There is active recruitment for a Member Services Representative and a part-time Custodian.

Mr. Paulling next gave a Central/Santee Cooper update, and answered several questions. 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 stated that the Board needed to select a Voting Delegate and Alternate for the CFC District Meeting that will be held in Hollywood, Florida October 10-12, 2022. Mr. Shealy made a motion for Mr. Marvin W. Sox to serve as the Voting Delegate and Mr. B. Robert Paulling to serve as the Alternate Voting Delegate. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

See Resolution # 3

Chairman Sox reported the Board needed to appoint a Voting Delegate for the Electric Cooperatives of South Carolina (ECSC) meeting in December. Mr. Lunsford made a motion for Ms. Donette B. Kirkland to serve as the Voting Delegate for the Annual Meeting that will be held on December 6, 2022, and Mr. Bob Paulling to serve as the Alternate Voting Delegate. The motion was seconded by Mr. Bedenbaugh and unanimously passed. Chairman Sox stated that Mr. Paulling and Ms. Kirkland currently serve as Trustees. Mr. Risinger made a motion for Ms. Donette B. Kirkland and Mr. Bob Paulling to serve as the ECSC Trustees in 2023. The motion was seconded by Mr. Shealy and unanimously passed.

See Resolution # 4

Chairman Sox had nothing further to report at this time.

AGENDA ITEM # 9

COMMITTEE REPORTS: There were no committee reports to come before the Board at this time.

AGENDA ITEM # 10

ASSOCIATED MEETING REPORTS: Chairman Sox stated that CarolinaConnect met yesterday. CarolinaConnect has approximately 20,500 customers as of September 23, 2022, with over 13,500 being on Mid-Carolina's system.

Chairman Sox stated the Central update was given earlier in the meeting.

Ms. Kirkland reported that CEEUS and ECSC will have their Board Meetings in October. Statewide had their 2023 budget meetings during the month of September.

Mr. Shealy reported that the ECSC Trustee Association has a meeting scheduled for October 28, 2022.

Chairman Sox stated that Federated is doing well.

Mr. Paulling stated that everything is going well with the SC Power Team. Their 2023 Budget was approved at the last meeting with a 7.2% overall increase.

Chairman Sox discussed the NRECA online course that he participated in during the month.

There were no other reports at this time.

AGENDA ITEM # 11

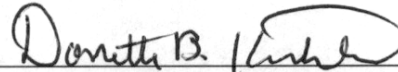
NEW BUSINESS: Chairman Sox called for any new business. There was no new business to come before the meeting at this time. A motion was made by Mr. Shealy to enter into executive session. The motion was seconded by Mr. Bedenbaugh and unanimously passed.

AGENDA ITEM # 12

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

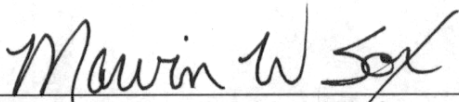
AGENDA ITEM # 13

ADJOURNMENT: There was no further business, and the meeting was adjourned at 4:05 p.m.



Donette B. Kirkland, Secretary

APPROVAL:



Marvin W. Sox, President/Chairman of the Board

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

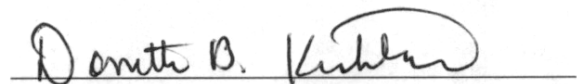
RESOLUTION

1

WHEREAS, the Board of Trustees reviewed and had no changes to the minutes of the regular monthly meeting held on August 24, 2022; and

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes for the regular meeting held on August 24, 2022, 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 September 2022, at which meeting a quorum was present.

A handwritten signature in dark ink, appearing to read "Donette B. Kirkland", is written over a horizontal line.

Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION


2

WHEREAS, the Board of Trustees is required by the Cooperative's Bylaws to set the date of the Annual Meeting of the members; and

WHEREAS, the Board of Trustees finds and determines that Friday, April 21, 2023, is an appropriate date to hold the 2023 Annual Meeting;

NOW THEREFORE BE IT RESOLVED, by the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. that the 2023 Annual Meeting of the members of Mid-Carolina Electric Cooperative, Inc. shall be held on April 21, 2023.

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 September 2022, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

3

WHEREAS, the Board of Trustees is responsible for selecting a voting delegate and alternate for the 2022 CFC District Meeting; and

WHEREAS, the Board of Trustees desires to appoint the within named persons as voting delegate and alternate to the aforesaid meetings;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby appoints voting delegate and alternate for the 2022 CFC District Meeting as follows:

CFC District Meeting

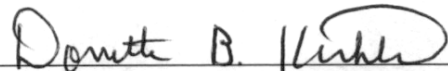
Voting Delegate

Mr. Marvin W. Sox

Alternate

Mr. B. Robert Paulling

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 September 2022, at which meeting a quorum was present.


Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

4

WHEREAS, the Board of Trustees is also responsible for nominating two people to serve on the Board of The Electric Cooperatives of South Carolina, Inc. (ECSC); and

WHEREAS, the Board of Trustees is responsible for appointing a Voting Delegate and Alternate Voting Delegate to the Annual Meeting of ECSC; and

WHEREAS, the Board of Trustees desires to make the appointments and nominations as hereinafter stated;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby makes the following appointments and nominations:

ECSC Board Trustees for 2023

Ms. Donette B. Kirkland and Mr. B. Robert "Bob" Paulling

2022 Annual Meeting for ECSC


Voting Delegate

Ms. Donette B. Kirkland

Alternate Voting Delegate

Mr. B. Robert "Bob" Paulling

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 September 2022, at which meeting a quorum was present.



Donette B. Kirkland, Secretary