

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

LEXINGTON, SOUTH CAROLINA

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

October 26, 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
Steven Davidson, VP, Information Technology
Vicki E. Ross-Bell, Administrative Services Manager

ATTORNEY PRESENT: J. David Black

INVOCATION: Bob Paulling

PLEDGE OF ALLEGIANCE

AGENDA ITEM # 2

APPROVAL OF MINUTES: Chairman Sox called the meeting to order, and he welcomed Mr. Hochstetler. He then asked if there were any corrections, additions or deletions to the minutes of the last regular monthly meeting held on September 28, 2022. 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

CENTRAL UPDATE: Chairman Sox called on Mr. Rob Hochstetler, Central's President and CEO, for an update. Mr. Hochstetler discussed the history and purpose of Central. He presented detailed information on the Proposed Shared Resource from Santee Cooper, and the reasoning behind why the Central Board made the decision to opt out. Mr. Hochstetler then presented the plan Central has developed in order to meet the 750 MW of required generation needs by January 1, 2029. He presented data and answered questions throughout his presentation regarding the cost of energy and how that relates to rates for our members. There were no further questions or comments, and Chairman Sox thanked Mr. Hochstetler for his report.

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 \$109,880,952, which is \$268,815 above budget at the end of September. The year-to-date cost of wholesale power was \$65,084,301, which is over budget by \$1,406,198. The year-to-date margins were \$8,306,862, which is \$41,730 above budget. Mrs. Crepes reported that equity was 24.76% at the end of September for an increase of 0.32%. The deferred credits account balance changed by -\$512,367, and the ending balance was \$7,310,141.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,775 kWh in September. Mid-Carolina's average bill was \$189.08 (account charge \$28.50) compared to Dominion's \$238.51 (account charge \$9.50), Duke – Carolina's \$206.70 (account charge \$11.96), and Duke – Progress \$228.55 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 18,158 kWh. Mid-Carolina's average annualized bill was \$2,073.26 (account charge \$346.75) compared to Dominion's \$2,269.09 (account charge \$114.00), Duke – Carolina's \$2,098.54 (account charge \$143.52), and Duke – Progress \$2,124.94 (account charge \$141.36).

Mrs. Crepes reported that Mid-Carolina has received fiber income from CarolinaConnect in the amount of \$2,231,157 year-to-date. Mid-Carolina received \$620.01 from CarolinaConnect for the 39 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 September. 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 completed their work in the North Congaree area. They are still working in the New Chapin, Irmo, Lake Murray and Lexington areas. There were 141 dead trees cut during the month. Mr. Wilbur stated the System Inspectors completed their work in the Lexington area, and they are now working in the Old Chapin area. He 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 September. He stated that there was upgrades made to voltage regulator grounding in several substations during the month. 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 September were reviewed. There were no further questions or comments, and Chairman Sox thanked Mr. Ayers for the report.

MEMBER SERVICES: Chairman Sox called on Mr. Simpson for the Member Services report. Mr. Simpson reported on the Bright Ideas Prize Patrol that took place earlier in the month. He then discussed the week of activities for the celebration of Member Services week. Mr. Simpson gave a report on the Cooperative's social media engagement, and the quarterly schedule for the South Carolina Living magazine through the January 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. Sturkie for the Information Technology report. He reported there were 36,869 accounts enrolled in SmartHub as of October 1, 2022, which represents 62.3% of active accounts enrolled. In September, 82.2% of all payment transactions were made electronically, and 5% of payment transactions were entered manually through the Cooperative's cash-drawer application.

Mr. Sturkie reported that 55.7% of September payments were made by Credit Card, and SmartHub payment transactions totaled 27.9% for the month. He reported that the Outage Management System upgrade is projected to be completed by 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, and for his dedication to the Cooperative over the last 20 years. Everyone wished Mr. Sturkie good wishes for his retirement effective October 31, 2022.

ADMINISTRATION: Chairman Sox called on Mrs. Ross-Bell for the Administration report. Mrs. Ross-Bell referred to the monthly Operation Round-Up report. In September, the Trust Board approved 79 applications out of 86 for a total distribution of \$64,275. The Trust Fund balance at the end of the month was \$14,272. Mrs. Ross-Bell reviewed the Board calendars through December 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 September. There were two Line Technicians that resigned in September. A new Member Services Representative has been hired with an effective date of October 31, 2022. There is active recruitment for a part-time Custodian, and two Line Technicians.

Mr. Paulling went through the major financial strategies of the 2023 Proposed Budget. A budget needs to be considered for approval by the Board at the meeting on November 22, 2022. 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 had nothing to report at this time.

AGENDA ITEM # 9

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 CEO of Homestead just prior to the Board Meeting today. The market is still down, but the Trust Fund continues to be overfunded. The Committee will have another meeting and call with Homestead on January 25, 2023. There were no other 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 the 2023 Budget for Statewide was approved at their meeting earlier in the month. She stated that all is going well with CEEUS.

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

Chairman Sox stated that Federated has seen an increase in lineman electrical contacts. He will attend the quarterly Federated next month.

Mr. Paulling stated that everything is going well with the SC Power Team.

Chairman Sox discussed the NRECA Regional Meeting that he and Mr. Paulling attended earlier in the month. He reported on the Cyber Security and the Board's Oversight Role course he took during the meeting.

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. Bedenbaugh to enter into executive session. The motion was seconded by Mr. Lunsford and unanimously passed.

AGENDA ITEM # 12

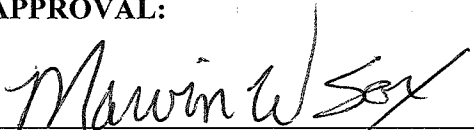
EXECUTIVE SESSION: There was no action taken during the brief executive session.

AGENDA ITEM # 13

ADJOURNMENT: There was no further business, and the meeting was adjourned at 4:10 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 September 28, 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 September 28, 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 26th day of October 2022, at which meeting a quorum was present.



Donette B. Kirkland, Secretary