

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

LEXINGTON, SOUTH CAROLINA

MINUTES OF REGULAR MEETING OF BOARD OF TRUSTEES

October 25, 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
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: Troy Simpson

PLEDGE OF ALLEGIANCE

AGENDA ITEM # 2

APPROVAL OF MINUTES: Chairman Sox called the meeting to order and stated that Mr. Ayers is attending a meeting outside of the office and would not be in attendance. He then asked if there were any corrections, additions, or deletions to the minutes of the last monthly meeting held on September 26, 2023. 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

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 \$110,061,447, which is (\$3,611,186) below budget at the end of September. The year-to-date cost of wholesale power was \$62,482,932, which is under budget by (\$4,772,574). The year-to-date margins were \$7,944,885, which is \$1,156,875 above budget. Mrs. Crepes reported that equity was 23.89% at the end of September for a decrease of -0.08%. The deferred credits account balance changed by -\$552,293, and the ending balance was \$1,574,422.

Mrs. Crepes then presented a rate comparison chart showing an average residential usage of 1,857 kWh in September. Mid-Carolina's average bill was \$192.19 (account charge \$28.50) compared to Dominion's \$274.62 (account charge \$9.50), Duke – Carolina's \$234.60 (account charge \$11.96), and Duke – Progress \$264.89 (account charge \$11.78). She then presented a rate comparison chart showing an average annual usage of 16,847 kWh. Mid-Carolina's average annualized bill was \$2,021.55 (account charge \$346.75) compared to Dominion's \$2,351.67 (account charge \$114.00), Duke – Carolina's \$2,148.20 (account charge \$143.52), and Duke – Progress \$2,298.26 (account charge \$141.36).

Mrs. Crepes reported that Mid-Carolina has received \$3,006,360 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 September. The right-of-way crews are still working in the Old Chapin, Friarsgate, Hollingshed and Barr areas. Mr. Wilbur discussed and illustrated maps of the Dominion Territory takeover. He stated the System Inspectors have completed their work in the Hollingshed area, and they are now working in the Hollywood area. There were no further questions or comments, and Chairman Sox thanked Mr. Wilbur for his report.

ENGINEERING: Chairman Sox called on Mr. Paulling for the Engineering report. Mr. Paulling reported that the routine inspection and maintenance was completed in September. He stated the construction of Holley Ferry Substation is progressing well. The contractor is on pause until early December, while waiting for the high side breakers to be delivered. During this time, Mid-Carolina crews and CarolinaConnect will be installing equipment. Mr. Paulling reported the annual inspection of downline reclosers and switches is almost complete.

Mr. Paulling 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 September were reviewed. There were no further questions or comments, and Chairman Sox thanked Mr. Paulling for the report.

MEMBER SERVICES: Chairman Sox called on Mr. Simpson for the Member Services report. Mr. Simpson call on Mr. Porth, who gave an Energy Services update. Mr. Porth stated that year-to-date, there have been 56 members with solar installations this year for a total of 405 kW. Mid-Carolina's overall total is 515 members with solar and 3.8 MW of solar. He then discussed the upgraded version of the Ecobee Enhanced thermostat. There have been 85 thermostat installations this year and 180 since August 2021. Chairman Sox thanked Mr. Porth for his report.

Mr. Simpson reported there were 22 winners awarded Bright Ideas Grants this year. The celebration luncheon is scheduled for October 27, 2023. Mr. Simpson stated that Mid-Carolina participated in a five-week mentoring program at Saxe Gotha Elementary School. This program included games, sports fundamentals, crafts, and STEM activities designed to teach students about electricity and Mid-Carolina electric.

Mr. Simpson reported on the national, state, and local awareness of the power supply issues from the recent hearings Mr. Paulling has been participating in. He then discussed the Cooperative's Brand Identity on Social Media and reviewed the quarterly schedule for the *South Carolina Living* magazine through the February 2024 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 39,535 accounts enrolled in SmartHub as of October 1, 2023, which represents 66.24% of active accounts enrolled. He stated that 83.3% of all September payment transactions were made electronically. Mr. Davidson reported that the number of members enrolled for TextPower increased to 30,072 at the end of September.

Mr. Davidson discussed the number of emails received during the month of September, as well as the number of emails that were blocked and contained viruses. He discussed the upcoming project of the SmartHub Redesign, and he 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 53 out of 61 applications during the month of September for a total distribution of \$55,433. She referred to the list in their meeting folders of the 42 schools that received donations to their snack pack program. The Trust Fund balance at the end of the month was \$18,977. The Board calendars were reviewed through December 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 September. A Line Technician I position was filled on October 2, 2023, and an there was an internal transfer from a Journeyman Lineman to a Journeyman Fiber position. Currently, there is active recruitment for two Line Technicians, a Community Relations Specialist, a Communications Specialist, and a Database/Linux System Administrator.

Mr. Paulling discussed in detail the information regarding the Public Utility Regulatory Policies Act 1978 “PURPA” amendment. The amendments of PURPA require the Cooperative to consider and make a final determination as to whether it is appropriate to implement the standards related to Demand-Response Practices and Electric Vehicle Charging Programs. Mr. Paulling presented a resolution that Central has asked the Cooperative to review and approve based on the PURPA Standards. After the lengthy discussion, Mr. Shealy made a motion to approve the resolution, as presented. The motion was seconded by Mr. Lindler and unanimously passed.

See Resolution # 2

Mr. Paulling recapped the proposed 2024 Budget presentation. Chairman Sox asked for any comments or questions. There were no comments or questions, and Mr. Risinger made a motion to approve the 2024 Budget, as presented. The motion was seconded by Mr. Best and unanimously passed.

See Resolution # 3

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 couple of thank you notes. He had nothing further to report at this time.

AGENDA ITEM # 8

COMMITTEE REPORTS: Chairman Sox then called on Ms. Kirkland for the Policy Committee report. Ms. Kirkland stated that the Policy Committee met prior to today’s meeting. They reviewed the recommended changes in detail. Ms. Kirkland reviewed each recommendation made by the Policy Committee. The Board approved unanimously.

See Resolution # 4

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 Fund is still overfunded, and the Committee does not have any recommended changes. They will meet again in January 2024.

AGENDA ITEM # 9

ASSOCIATED MEETING REPORTS: Chairman Sox stated that CarolinaConnect will meet on October 31, 2023. CarolinaConnect has over 30,000 customers, and they have set a record of 70 installations in a day and 342 in a week.

Ms. Kirkland reported that the Statewide 2024 Budget was approved at their meeting on October 5, 2023. The Touchstone Energy Bowl is scheduled for December 9, 2023.

Mr. Shealy said that there is an ECSC Trustee Association on Friday, October 27, 2023.

Chairman Sox reported that Federated's next Board Meeting is in November 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. Bedenbaugh to enter executive session. The motion was seconded by Mr. Lindler and unanimously passed.

AGENDA ITEM # 11

EXECUTIVE SESSION: There was no action taken during the 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.

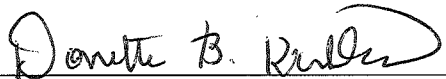
RESOLUTION

1

WHEREAS, the Board of Trustees reviewed and had no changes to the minutes of the regular monthly meeting held on September 26, 2023; and

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves the minutes for the September 26, 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 25th day of October 2023, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

2

WHEREAS, on November 15, 2021, the Infrastructure Investment and Jobs Act of 2021 ("IIJA") was enacted into law, amending the Public Utility Regulatory Policies Act 1978, as previously amended ("PURPA"), requiring both state-regulated electric utilities and certain non-regulated electric utilities (as defined under PURPA) to either consider or to establish a date to hold a hearing after public notice, within one year from the date of enactment (i.e., by November 15, 2022) thereof, following which the affected electric utilities are to consider the proposed standards as set forth in Exhibit "A" attached hereto ("Standards");

WHEREAS, on or before November 15, 2022, Mid-Carolina Electric Cooperative, Inc. (hereinafter "Cooperative"), a non-regulated utility, as that term is defined by PURPA, 16 U.S.C. §2602, initiated proceedings to make a determination whether or not it is appropriate for the Cooperative to implement either of the two new PURPA standards;

WHEREAS, the amendments to PURPA require the Cooperative to consider and make a final determination as to whether it is appropriate to implement the standards related to Demand-Response Practices and Electric Vehicle Charging Programs as more further detailed in Exhibit A to fulfill the purposes of PURPA, which are: to encourage the conservation of energy supplied by electric utilities; to optimize efficiency of electric utility facilities and resources; and to facilitate equitable rates for electric consumers; based on the evidence and comments submitted by Eligible Participants;

WHEREAS, as part of its consideration, the Cooperative is required to hold a public hearing process and issue a final determination, in writing, based upon the evidence presented at the hearing and upon findings specifically included in its written determination, and thereafter make that final determination available to the public;

WHEREAS, the Cooperative gave public notice by posting on its website the process to be followed to submit written comments on or before July 31, 2023;

WHEREAS, the only comments submitted were from J. Steven Shurbutt, P. E., GDS Associates, Inc. ("GDS") on behalf of management and staff of Cooperative, which comments shall be made available to the public by posting it on the Cooperative's website through and until December 31, 2023;

WHEREAS, the Board of Trustees is of the opinion that the public hearing process was conducted and notices provided in full compliance with PURPA;

WHEREAS, in considering each of the two new PURPA standards the Board of Trustees must make a determination "whether or not it is appropriate to implement such standard to carry out the purpose of this title" pursuant to 16 U.S.C.A. §2621(a)(2006);

WHEREAS, in making these determinations, the Board of Trustees has reviewed the written submittals and considered how implementation of these standards might affect the Cooperative and its Members in the areas of encouraging energy conservation by members, making efficient use of facilities and resources, and maintaining equitable rates to consumers, as well as conditions and circumstances specific to the Cooperative in reaching its conclusions;

WHEREAS, the current and planned demand-response and demand flexibility programs of the Cooperative, coupled with the Cooperative's continued participation in the demand-response and demand flexibility programs of its generation and transmission provider, Central Electric Power Cooperative, Inc. ("Central"), are programs that promote demand-response and demand flexibility practices by commercial, residential, and industrial Members to reduce electricity consumption during periods of unusually high demand, to the extent that the Cooperative is reasonably able to do so based upon information available and circumstances specific to operation of the Cooperative; and

WHEREAS, the Cooperative, directly and indirectly through Central, has previously considered measures to promote greater electrification of the transportation sector in its service area and will continue to consider such measures, subject to such measures appropriately recovering the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure; provided, however, none require specific action at this time.

NOW, THEREFORE, on this 25th day of October 2023, the Board of Trustees hereby issues its final determinations on the implementation of the Demand-Response Practices standard, and the Electric Vehicle Charging Programs standard as follows:

1. Demand-Response Practices: The Cooperative has implemented this standard, to the extent it is able to do so as an electric distribution utility and has already adopted programs that promote demand-response and demand flexibility practices by commercial, residential, and industrial members to reduce electricity consumption during periods of unusually high demand.

2. Electric Vehicle Charging Programs: The Cooperative has implemented this standard, to the limited extent that Cooperative is able to do so as an electric distribution utility and Member of Central, and will continue to consider measures to promote greater electrification of the transportation sector as circumstances change and opportunities arise, subject to such measures appropriately recovering the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

NOW, FURTHER THEREFORE, the Board of Trustees of the Cooperative, having completed the mandatory consideration of these two standards, shall cause this final determination to be made available to the public by posting it on the Cooperative's website through and until December 31, 2023.

I, Donette B. Kirkland, Secretary of Mid-Carolina Electric Cooperative, Inc., hereby certify that the above is a true and correct copy of a resolution adopted at the meeting of the Board of Trustees on October 25, 2023, at which a quorum was present and voted.

I further certify that none of said resolution has been altered, modified, or rescinded. Done this 25th day of October 2023.



Donette B. Kirkland

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

3

WHEREAS, Mr. Paulling presented and explained the Cooperative's proposed budget for 2024 at the annual Budget Presentation meeting held on October 19, 2023; and

WHEREAS, Mr. Paulling reviewed the highlights of the proposed budget for 2024 at the Board Meeting held on October 25, 2023; and

WHEREAS, after careful consideration, the Board of Trustees approved the proposed budget for 2024;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. hereby approves and adopts the Cooperative's budget for the year 2024, 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 25th day of October 2023, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

S.C. 37 LEXINGTON

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

RESOLUTION

4

WHEREAS, Ms. Kirkland reviewed the recommended changes to Board Policy 109; and

WHEREAS, the changes serve as clarification to the policy; and

WHEREAS, the Board discussed and approved the recommendations;

NOW THEREFORE BE IT RESOLVED, by the Board of Trustees of Mid-Carolina Electric Cooperative, Inc. that the Board approves the clarification changes to Board Policy 109, and 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 25th day of October 2023, at which meeting a quorum was present.



Donette B. Kirkland, Secretary

**MID-CAROLINA ELECTRIC COOPERATIVE, INC.
BOARD OF TRUSTEES POLICY 109**

**SUBJECT: REPORTING POLICY VIOLATIONS OR ILLEGAL CONDUCT AND
ANTI-RETALIATION (WHISTLE BLOWER)**

I. OBJECTIVE

To encourage prompt, accurate reporting of violations or potential violations of Mid-Carolina policies, federal law or state law.

II. POLICY CONTENT

- A. Any employee or Board Member who reasonably believes they have reliable information regarding a violation of Mid-Carolina Policy, federal law or state law should report their information to one of the following: ~~the Vice President for their operating area,~~ the CEO, the Board ~~Chairman~~President, any Board Officer or Mid-Carolina's Attorney.
- B. Any information reported in good faith to the persons listed in A above pursuant to this Policy will be investigated promptly. All information reported will be kept confidential to the extent it can be without impeding the investigation or violating law.
- C. Anyone who reports information pursuant to this Policy knowing it is false may be subject to counseling or appropriate disciplinary action including ~~termination or removal~~ from the Board or office.
- D. Mid-Carolina prohibits retaliation against an employee or Board Member who reports information pursuant to this Policy that the employee or Board Member reasonably believes is true and reasonably appears to violate or potentially violate Mid-Carolina Policy, federal law or state law.
- E. Acts of retaliation should be reported immediately to one of the following: ~~the Vice President for their operating area,~~ the CEO, any Board Member, ~~the Board Chairman~~ or Mid-Carolina's Attorney.
- F. ~~Anyone~~ Board Member who retaliates against an employee or Board Member making a good faith report of information pursuant to this Policy may be subject to counseling or appropriate disciplinary action, including ~~termination or removal~~.

III. RESPONSIBILITY

The Board of Trustees, ~~and the CEO, and Mid-Carolina's Attorney,~~ shall be responsible for the administration of this Policy.